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Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Wohlforth, Vassar, Johnson  
& Brecht  
For Reading: February 15, 2005

CLERK'S OFFICE  
APPROVED  
Date: 3-1-05

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2005-21

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED SIXTY-THREE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$63,850,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

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

PROPOSITION NO. 11

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

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

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

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

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

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

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

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

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

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

10 (herein called "Proposition 1999-11") was passed and approved, and said election has  
11 been duly canvassed and the results thereof certified and confirmed in accordance with  
12 law, and \$300,000 principal amount of said general obligation bonds remain authorized,  
13 but unissued, under Proposition 1999-11; and

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

17 PROPOSITION NO. 5

18 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

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

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

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

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

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

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

(herein called "Proposition 2002-5") was passed and approved, and said election has been

duly canvassed and the results thereof certified and confirmed in accordance with law, and \$1,205,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2002-5; and

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

PROPOSITION NO. 6

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

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

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

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

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

also pledge its full faith and credit for payment of the debt.

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

(No. AO 2002-40)

(herein called "Proposition 2002-6") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and \$245,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2002-6; and

WHEREAS, pursuant to Ordinance No. AO 2004-118 of the Municipality passed and approved on September 8, 2004, the following question referred to at the special election held on November 2, 2004 as Proposition 1:

PROPOSITION NO. 1

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$52,000,000 through the issuance of general obligation bonds to pay for construction of a Muldoon Area Middle School and related educational capital improvements within Anchorage and increase the municipal tax cap by an amount of \$1,943,500 to pay for associated annual operations and maintenance costs? The project currently qualifies for 60% State debt reimbursement (subject to annual Legislative appropriation as described below).

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the 2004 assessed valuation): (i) an annual increase in taxes of approximately \$20.87 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$9.13 to pay for annual operation and maintenance costs related to the proposed capital improvements.

The project currently qualifies for 60% State debt reimbursement. If the State chooses to make full reimbursement, the annual increase in taxes would be \$8.35 (based on \$100,000 of 2004 assessed real and personal property value). State reimbursement is subject to annual Legislative appropriation

The debt will be paid from real and personal property taxes

1 levied and collected areawide in Anchorage. Anchorage will  
2 also pledge its full faith and credit for payment of the debt.

3 (No. AO 2004-118)

4 (herein called "Proposition 2004-1") was passed and approved, and said election has been  
5 duly canvassed and the results thereof certified and confirmed in accordance with law, and  
6 \$52,000,000 principal amount of said general obligation bonds remain authorized, but  
7 unissued, under Proposition 2004-1; and

8 WHEREAS, pursuant to Ordinance No. AO 2004-122 of the Municipality passed and  
9 approved on September 8, 2004, the following question referred to at the special election  
10 held on November 2, 2004 as Proposition 2:

11 PROPOSITION NO. 2

12 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

13 Shall Anchorage borrow up to \$29,600,000 through the  
14 issuance of general obligation bonds to pay for school  
15 construction/design/site acquisitions and related educational  
16 capital improvements within Anchorage and increase the  
17 municipal tax cap by an amount of \$99,800 to pay for  
18 associated annual operations and maintenance costs?  
19 \$29,600,000 of the estimated costs of the projects currently  
20 qualify for 60% or 70% State debt reimbursement (subject to  
21 annual Legislative appropriation as described below).

22 The general obligation bond proceeds will be used to pay costs  
23 of designing, acquiring property for, site preparation, construct-  
24 ing, acquiring, renovating, installing and equipping educational  
25 capital improvement projects within Anchorage. The proposed  
26 educational capital improvement projects include, but are not  
27 limited to, the following:

	<u>Estimated</u>	<u>Estimated Annual</u>
<u>Projects</u>	<u>Cost</u>	<u>Operation and</u>
		<u>Maintenance</u>
Bartlett High School Phase 3A - Design	\$1,000,000	\$-0-
Chugiak High School Phase 4 - Design	900,000	-0-
Clark Middle School Replacement - Preliminary Design	400,000	-0-
East High School - Phase 4A Construction/Phase 4B Design	7,000,000	-0-

Service High School Phase 2B  
Construction/Phase 3 Design

20,300,000

99,800

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the 2004 assessed valuation): (i) an annual increase in taxes of approximately \$11.88 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately .47¢ to pay for annual operation and maintenance costs related to the proposed capital improvements.

\$29,600,000 of the estimated costs of the projects currently qualify for 60% or 70% State debt reimbursement. If the State chooses to make full reimbursement, the annual increase in taxes would be \$4.54 (based on \$100,000 of 2004 assessed real and personal property value). State reimbursement is subject to annual Legislative appropriation

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

(No. AO 2004-122)

(herein called "Proposition 2004-2") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and \$29,600,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2004-2; and

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

WHEREAS, the Municipality has determined and does hereby determine that it is necessary to continue to plan, design, acquire property for, prepare the sites for, construct, acquire, renovate, install and equip some of the educational capital improvements of the Municipality specified in Propositions 1999-11, 2002-5, 2002-6, 2004-1 and 2004-2, and



1 to pay the capital costs thereof (hereinafter referred to, as specified in said Proposition, as  
2 the "Projects"); and

3 WHEREAS, it is deemed necessary and advisable and in the best interest of the  
4 Municipality and its inhabitants that not to exceed \$300,000 principal amount of general  
5 obligation school bonds referred to in Proposition 1999-11, constituting the remaining  
6 principal amount of unsold general obligation school bonds referred to therein, and not to  
7 exceed \$1,205,000 principal amount of general obligation bonds referred to in Proposition  
8 2002-5, constituting the remaining principal amount of unsold general obligation school  
9 bonds referred to therein, and not to exceed \$245,000 principal amount of general  
10 obligation bonds referred to in Proposition 2002-6, constituting the remaining principal  
11 amount of unsold general obligation school bonds referred to therein, and not to exceed  
12 \$32,500,000 principal amount of general obligation school bonds referred to in Proposition  
13 2004-1, constituting a portion of the \$52,000,000 principal amount of unsold general  
14 obligation school bonds referred to therein, and not to exceed \$29,600,000 principal  
15 amount of general obligation bonds referred to in Proposition 2004-2, constituting the  
16 principal amount of unsold general obligation school bonds referred to therein, be hereby  
17 authorized, as hereinafter fixed and determined, for the purpose of raising funds to pay the  
18 Costs (as hereinafter defined) of the Projects; and

19 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

20 Section 1. Purpose. The purpose of this Ordinance is to authorize the issuance  
21 and sale of not to exceed \$63,850,000 of general obligation school bonds of the  
22 Municipality (the "Bonds") to provide funds to pay capital costs of the Projects, to pay the  
23 costs of issuance of the Bonds authorized herein (including the bond insurance premium,  
24 if any), and to fix certain details and to provide for the form and manner of sale of said  
25 Bonds to be issued

26 Section 2. Definitions. The following terms shall have the following meanings in this  
27

1 Ordinance:

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

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

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

10 (c) "Authorized Municipal Representative" means the Chief Fiscal Officer of the  
11 Municipality or his written designee.

12 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance  
13 and sale of which are authorized herein as the evidence of the indebtedness referred to  
14 in Propositions 1999-11, 2002-5, 2002-6, 2004-1 and 2004-2.

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

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

22 (g) "Bond Registrar" means U.S. Bank National Association, Seattle,  
23 Washington, or its successors.

24 (h) "Book-Entry System" means the system in which the Bonds (represented by  
25 one Bond certificate for each maturity of the Bonds) are delivered into the possession of  
26 DTC and are issued and fully-registered as to principal and interest in the name of Cede  
27

1 & Co., and whereby beneficial interests in the Bonds are purchased by investors through  
2 DTC Participants, such interests shown and transfers thereof effected only through the  
3 records maintained by the respective DTC Participants from whom each such investor  
4 acquired such beneficial interest.

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

7 (j) "Chief Fiscal Officer" means the Chief Fiscal Officer of the Municipality or his  
8 written designee.

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

11 (l) "Commission" means the Securities and Exchange Commission.

12 (m) "Cost" or "Costs" means the cost of planning, designing, acquiring property  
13 for, equipping, acquiring, replacing, installing, rehabilitating and constructing the Projects,  
14 including interest on the Bonds during the period of planning, designing, equipping,  
15 acquiring, replacing, installing, rehabilitating and constructing the Projects, the cost,  
16 whether incurred by the Municipality or by another, of field surveys and advance planning  
17 undertaken in connection with the Projects properly allocable to the Projects, the cost of  
18 acquisition of any land or interest therein required as the site or sites of the Projects or for  
19 use in connection therewith, the cost of any indemnity and surety bonds and premiums on  
20 insurance incurred in connection with the Projects prior to or during acquisition or  
21 construction thereof, all related direct administrative and inspection expenses, whether  
22 incurred by the Municipality or by another, in connection with the Projects prior to or during  
23 acquisition or construction thereof and allocable portions of direct costs of the Municipality,  
24 legal fees, fees and expenses of the Paying Agent, costs of issuance of the Bonds by the  
25 Municipality, including financing charges and fees and expenses of bond counsel, financial  
26 advisor and consultants in connection therewith, the cost of any bond insurance premium,

1 the cost of audits, the cost of all machinery, apparatus and equipment, the cost of  
2 engineering, architectural services, designs, plans, specifications and surveys, estimates  
3 of cost, the reimbursement of all moneys advanced from whatever source for the payment  
4 of any item or items of cost of the Projects, and all other expenses necessary or incident  
5 to determining the feasibility or practicability of the Projects, and such other expenses not  
6 specified herein as may be necessary or incident to the acquisition and development of the  
7 Projects, the financing thereof and the putting of the same into use and operation.

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

16 (p) "Municipality" means the Municipality of Anchorage created upon ratification  
17 of the Home Rule Charter after the election thereon held on September 9, 1975, and the  
18 successor thereunder to the City of Anchorage, the City of Glen Alps, the City of Girdwood  
19 and the Greater Anchorage Area Borough, former municipal corporations of the State of  
20 Alaska.

21 (q) "Ordinance" means this Ordinance of the Municipality.

22 (r) "Paying Agent" means U.S. Bank National Association, Seattle, Washington,  
23 or its successors as described in Section 13 of this Ordinance. The Paying Agent shall  
24 also act as Bond Registrar pursuant to Section 13 hereof.

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

1 (t) "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 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby  
4 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  
5 accordance with the Constitution and statutes of the State of Alaska and the Home Rule  
6 Charter of the Municipality, and to incur the indebtedness and issue the Bonds as referred  
7 to in Propositions 1999-11, 2002-5, 2002-6, 2004-1 and 2004-2.  
8

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

19 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of  
20 raising funds to pay the Costs of acquiring and developing the Projects as authorized by  
21 Propositions 1999-11, 2002-5, 2002-6, 2004-1 and 2004-2, which, in accordance with said  
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Propositions is hereby determined to be necessary, and to provide for original issue discount, if any, and to pay all costs incidental thereto and to the issuance of the Bonds as follows:

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
1999-11	\$ 300,000
2002-5	1,205,000
2002-6	245,000
2004-1	32,500,000
2004-2	29,600,000

general obligation school bonds of the Municipality constituting the authorized, or portion thereof, of the unissued Bonds referred to in Propositions 1999-11, 2002-5, 2002-6, 2004-1 and 2004-2 with such designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued in the aggregate principal amount of not to exceed SIXTY-THREE MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$63,850,000).

Section 6. Designation, Maturities, Payment Dates, Rates and Bonds. The Bonds shall be designated "Municipality of Anchorage, Alaska, 2005 General Obligation Bonds, Series A (Schools)" or such other or additional designation as may be made by the Authorized Municipal Representative, shall be issued in one or more series or may be combined and sold as a single series with other bonds authorized by an ordinance approved by the Assembly, shall be dated and mature on such dates and may be redeemed in such manner as shall be established by the Authorized Municipal Representative pursuant to Section 21 of this Ordinance or by the Assembly by resolution adopted prior to delivery of the Bonds.

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

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

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

23       Neither the Municipality nor the Paying Agent will have any responsibility or  
24 obligation to DTC participants or the persons for whom they act as nominees with respect  
25 to the Bonds regarding the accuracy of any records maintained by DTC or any DTC  
26 participant, the payment by DTC or any DTC participant of any amount in respect of the  
27



1 principal or redemption price of or interest on the Bonds, any notice which is permitted or  
2 required to be given to registered owners of the Bonds under this Ordinance (except such  
3 notices as shall be required to be given by the Municipality to the Paying Agent or to DTC),  
4 the selection by DTC or any DTC participant of any person to receive payment in the event  
5 of a partial redemption of the Bonds or any consent given or other action taken by DTC as  
6 the owner of the Bonds. For so long as any Bonds are held under the Book-Entry System,  
7 DTC or its successor depository shall be deemed to be the owner of the Bonds for all  
8 purposes hereunder, and all references herein (except for Section 29) to the owner of the  
9 Bonds or similar terms shall mean DTC or its nominee and shall not mean the owners of  
10 any beneficial interest in the Bonds.

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

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

22                               PAYING AGENT'S CERTIFICATE  
23                               OF AUTHENTICATION

24       This Bond is one of the Municipality of Anchorage, Alaska, 2005 General Obligation Bonds,  
25       Series A (Schools) described in and issued pursuant to the within mentioned Ordinance.

26                               U.S. BANK NATIONAL ASSOCIATION,  
27                               as Paying Agent

28       Date of Authentication:

By \_\_\_\_\_  
Authorized Agent

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

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

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

Section 8. Redemption of Bonds. The Bonds may be subject to redemption by or on behalf of the Municipality prior to maturity and upon notice as hereinafter provided, as a whole or in part as may be fixed and determined by the Authorized Municipal Representative pursuant to Section 21 of this Ordinance or by resolution of the Assembly adopted prior to or at the time of delivery of the Bonds. If fewer than all of the Bonds within a single maturity are to be called for redemption prior to their scheduled maturity, the portions of Bonds within a maturity to be redeemed shall be selected by the Paying Agent, acting as Bond Registrar, by lot in the manner chosen by the Paying Agent. In selecting

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

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

24 If the Bonds are no longer held under the Book-Entry System, then, in addition to  
25 the foregoing notice, further notice of redemption shall be given by the Paying Agent as set  
26 out below, but no defect in said further notice nor failure to give all or any portion of such  
27

1 further notice shall in any manner defeat the effectiveness of a call for redemption if notice  
2 thereof is given as above prescribed.

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

13 The Municipality shall notify the Paying Agent of any optional redemption at least  
14 5 days prior to the date on which notice pursuant to this Section is to be given to DTC or  
15 the registered owner of any Bond to be redeemed, as the case may be.

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

21 Section 10. Payment of Redeemed Bonds. Unconditional notice of redemption  
22 having been given in the manner provided in this Ordinance, the Bonds so called for  
23 redemption shall become due and payable on the redemption date stated in said notice  
24 at the applicable redemption price on said date plus interest accrued and unpaid to the  
25 redemption date upon presentation and surrender thereof at a corporate trust office of the  
26 Paying Agent or such other location as may be designated by the Paying Agent. If, on the  
27

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

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

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

12 UNITED STATES OF AMERICA  
13 STATE OF ALASKA

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

15 NO. GOSB- \$

16 2005 GENERAL OBLIGATION BOND, SERIES A  
17 (SCHOOLS)

18 INTEREST RATE MATURITY DATE CUSIP NO.  
19 %

20 REGISTERED OWNER: CEDE & Co.

21 PRINCIPAL AMOUNT:

22 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the  
23 "Municipality"), for value received, acknowledges itself indebted and hereby promises to  
24 pay to the Registered Owner identified above, or registered assigns, on the Maturity Date  
25 identified above, upon presentation and surrender hereof, the Principal Amount shown  
26 above, and to pay interest on such principal sum from the date hereof until its obligation  
27

1 with respect to the payment of such principal sum shall be discharged, at the Interest Rate  
2 per annum shown above, payable on the first days of \_\_\_\_\_ and \_\_\_\_\_ in each  
3 year beginning \_\_\_\_\_, 2005. The principal, interest and redemption price  
4 of this Bond shall be payable in any coin or currency of the United States of America which  
5 at the time of payment is legal tender for the payment of public and private debts. Principal  
6 shall be paid to the Registered Owner or assigns upon presentation and surrender of this  
7 Bond at the corporate trust office of U.S. Bank National Association (hereinafter called the  
8 Paying Agent), or its successors. Payment of interest shall be made by check or draft  
9 mailed to the Registered Owner, as of the 15th day of the month preceding the interest  
10 payment date, at the address appearing on the Bond Register of the Municipality kept at  
11 the corporate trust office of the Paying Agent. Notwithstanding the foregoing, if this Bond  
12 is held in fully immobilized form, payment of principal and interest shall be as provided in  
13 the Blanket Issuer Letter of Representations between the Municipality and The Depository  
14 Trust Company, dated July 1, 1995, and The Depository Trust Company's Operational  
15 Arrangements referred to therein, as they may be amended from time to time (together,  
16 the "Letter of Representations").

17 This Bond is one of the 2005 General Obligation Bonds, Series A (Schools) of  
18 Anchorage, Alaska, of like tenor and effect except as to interest rate, number, redemption  
19 terms and maturity, aggregating \$63,850,000 in principal amount, and constituting Bonds  
20 authorized for the purpose of raising funds to pay the cost of educational capital improve-  
21 ments in the Municipality, with the question of their issuance for such purpose approved  
22 and ratified by a majority vote of the qualified voters of the Municipality who voted on  
23 Propositions 1999-11, 2002-5, 2002-6, 2004-1 and Proposition 2004-2

1 EXCEED SIXTY-THREE MILLION EIGHT HUNDRED FIFTY THOUSAND  
2 DOLLARS (\$63,850,000) IN AGGREGATE PRINCIPAL AMOUNT OF  
3 GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR  
4 THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF  
5 EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICI-  
6 PALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR  
7 THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE  
8 FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT  
9 THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER TO NEGOTIATE  
10 AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID  
11 BONDS; AND RELATED MATTERS.

12 (the "Ordinance").

13 The Bonds maturing in the years 20\_\_ through 20\_\_, inclusive, are not subject to  
14 redemption prior to maturity. The Bonds maturing on and after \_\_\_\_\_, 20\_\_,  
15 are subject to redemption at the option of the Municipality on and after \_\_\_\_\_ 1,  
16 20\_\_, in whole on any date or in part in increments of \$5,000 with maturities selected by  
17 the Municipality on any interest payment date prior to maturity, at the following prices  
18 expressed as a percentage of the principal amount thereof, plus accrued interest to the  
19 date of redemption, upon notice as provided in the Ordinance and the Letter of  
20 Representations:

<u>Redemption Date</u>	<u>Redemption Price</u>
_____ 1, 20__ through _____, 20__ _____ 1, 20__ and thereafter	%

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

beginning on \_\_\_\_\_ 1, 20\_\_, at a price of 100% of the principal amount thereof, plus accrued interest, if any, to the date of redemption, upon notice as provided in the Ordinance and the Letter of Representations:

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

\* Final Maturity

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

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



1 of the Municipality to exist, to have happened or to have been performed precedent to or  
2 in the issuance of this Bond, exist, have happened and have been performed, and that the  
3 series of Bonds of which this is one, together with all other indebtedness of the Munic-  
4 ipality, is within every debt and other limit prescribed by said Constitution, statutes or  
5 Charter.

6 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be  
7 signed in its name and on its behalf by the manual or facsimile signature of its [Mayor]  
8 [Municipal Manager] and its corporate seal to be hereunto impressed or imprinted or  
9 otherwise reproduced and attested by the manual or facsimile signature of its [Deputy]  
10 Municipal Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2005.

11  
12 [ S E A L ]

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

13  
14 A T T E S T:

15  
16 \_\_\_\_\_  
[Deputy] Municipal Clerk

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

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

26 All moneys and securities deposited with the Paying Agent pursuant to the terms  
27

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

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

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

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

23 (b) Concerning the use of DTC,

24 (1) Unless otherwise provided by resolution of the Assembly, the Bonds shall  
25 be registered initially in the name of Cede & Co., as nominee of DTC, with one  
26 Bond maturing on each of the maturity dates established in a denomination  
27

1 corresponding to the total principal amount therein designated to mature on such  
2 date. Registered ownership of such immobilized Bonds, or any portions thereof,  
3 may not thereafter be transferred except (i) to any successor of DTC or its nominee,  
4 provided that any such successor shall be qualified under any applicable laws to  
5 provide the service proposed to be provided by it; (ii) to any substitute depository  
6 appointed by the Assembly pursuant to (2) below or such substitute depository's  
7 successor; or (iii) to any person as provided in (4) below.

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

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

22 (4) In the event that (i) DTC or its successor (or substitute depository or its  
23 successor) resigns from its functions as depository and no substitute depository can  
24 be obtained, or (ii) the Assembly determines that it is in the best interest of the  
25 registered owners of the Bonds that they be able to obtain Bond certificates, the  
26 ownership of Bonds may then be transferred to any person or entity as herein  
27

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

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

20 Section 15. Transfer of Bonds and Delivery of New Bonds. If the Bonds are no  
21 longer held in the Book-Entry System or immobilized form, any Bond may be transferred  
22 only upon the books kept for the registration and transfer of Bonds by the Paying Agent,  
23 upon surrender thereof at a corporate trust office of the Paying Agent, as may be  
24 designated by the Paying Agent, together with an assignment duly executed by the  
25 registered owner or the registered owner's attorney in such form as shall be satisfactory  
26 to the Paying Agent. Upon the transfer of any such Bond, there shall be executed in the  
27

1 name of the transferee, and the Municipality shall cause to be authenticated and delivered,  
2 a new registered Bond or Bonds of the same maturity and aggregate principal amount in  
3 any of the authorized denominations.

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

16 Section 16. 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 26 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, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat  
26 the person in whose name any Bond is registered as the absolute owner thereof for all  
27

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

5 Section 17. 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  
8 taxation by reason of Section 148 of the Code. To that end, so long as any of the Bonds  
9 are outstanding, the Municipality, with respect to the proceeds of the Bonds, shall comply  
10 with all requirements of said Section 148 and the regulations thereunder to the extent that  
11 such requirements are, at the time, applicable and in effect.

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

19 The covenants of this Section 18 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 19. Rebate Requirement. The Municipality covenants and agrees that it  
23 will pay any amounts required to comply with the arbitrage rebate requirements of  
24 Section 148(f) of the Code.

25 Section 20. Defeasance. In the event money and/or noncallable Acquired Obliga-  
26 tions maturing at such times and bearing interest to be earned thereon in amounts

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

9       Section 21. Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds  
10 shall be sold at negotiated sale to the Underwriters (as hereinafter defined). The  
11 Authorized Municipal Representative, with the assistance of the Financial Advisor (as  
12 defined herein), is hereby authorized to negotiate terms for the purchase of the Bonds by  
13 Bear, Stearns, & Co., Inc., Citicorp Global Markets Inc., George K. Baum & Co., Morgan  
14 Stanley, and Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters"), and to  
15 execute a purchase contract with the representative of the Underwriters, for the purchase  
16 of the Bonds (the "Purchase Contract") which is in the best 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  
20 date of the Assembly. The Assembly has determined that it would be inconvenient,  
21 perhaps impossible, to hold a special meeting on short notice and, accordingly, has  
22 determined that it would be in the best interest of the Municipality to delegate to the  
23 Authorized Municipal Representative for a limited time the authority to approve certain  
24 details of the Bonds including the date and the delivery date, the principal amount of each  
25 maturity, the purchase price, the maturity and interest payment dates, the redemption  
26 provisions and the interest rates of each maturity. The interest rates for the Bonds of each  
27

1 maturity and the corresponding principal amount of Bonds shall be determined by  
2 agreement among the Underwriters and the Authorized Municipal Representative. The  
3 Authorized Municipal Representative shall take into account those factors which, in his  
4 judgment, will result in the lowest true interest cost on the Bonds, and shall be set forth as  
5 an exhibit to the purchase contract for the Bonds; provided that the true interest cost on  
6 the Bonds is less than 6.00% and the Underwriters' discount does not exceed .75% of the  
7 par value of the Bonds.

8 The Authorized Municipal Representative is hereby authorized to execute the  
9 Purchase Contract with the Underwriters for the Bonds upon his approval of the details of  
10 the Bonds including the date and the delivery date, the aggregate principal amount and the  
11 principal amount of each maturity, the purchase price, the maturity and interest payment  
12 dates, the redemption provisions and the interest rate of each maturity, the underwriters'  
13 discount and the true interest cost on the Bonds. The authority granted to the Authorized  
14 Municipal Representative by this Section 21 shall expire in 120 days from the date of  
15 approval of this Ordinance. If the Purchase Contract has not been executed by the  
16 Authorized Municipal Representative in accordance with the delegated authority of this  
17 Section 21 by said date, the Bonds may only be sold in the manner provided in the  
18 following paragraph.

19 The terms of this paragraph apply only if the Authorized Municipal Representative  
20 has not entered into a Purchase Contract for the Bonds within 120 days of approval of this  
21 Ordinance. The Authorized Municipal Representative is hereby authorized to solicit an  
22 offer or offers for the purchase of the Bonds in such manner as he deems appropriate, and  
23 thereafter to negotiate a contract for the purchase of the Bonds which is in the best interest  
24 of the Municipality, said contract or contracts be executed by the Authorized Municipal  
25 Representative after approval of a resolution by the Assembly.

26 The Authorized Municipal Representative is hereby authorized to solicit  
27



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

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

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

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

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

26 (1) To add to the covenants and agreements of the Municipality in this  
27

1 Ordinance contained, other covenants and agreements thereafter to be observed,  
2 or to surrender any right or power herein reserved to or conferred upon the  
3 Municipality.

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

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

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

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

25 (2) Reduce the aforesaid percentage of registered owners of Bonds required  
26 to approve any such supplemental ordinance without the consent of the registered  
27

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

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

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

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

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

1 Section 25. Miscellaneous. No recourse shall be had for the payment of the  
2 principal of or the interest on the Bonds or for any claim based thereon or on this  
3 Ordinance against any member of the Assembly or officer of the Municipality or any person  
4 executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of  
5 the State of Alaska or of any political subdivision thereof, except the Municipality, and do  
6 not and shall not create or constitute an indebtedness or obligation, either legal, moral or  
7 otherwise, of said State or of any political subdivision thereof, except the Municipality.

8 Section 26. Undertaking to Provide Ongoing Disclosure.

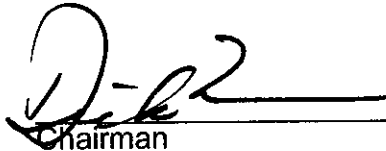
9 The Municipality will execute a certificate for ongoing disclosure in form and  
10 substance satisfactory to the Underwriters, and the Authorized Municipal Representative  
11 is hereby authorized and directed to execute such certificate.

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

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

19 PASSED AND APPROVED by the Anchorage Assembly, this 1<sup>st</sup> day of

20 March 2005.

21   
22 \_\_\_\_\_  
Chairman

23 ATTEST:

24   
25 \_\_\_\_\_  
26 Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 77 - 2005

Meeting Date: February 15, 2005

1 **From:** Mayor

2  
3 **Subject:** \$63,850,000 2005 General Obligation Bonds, Series A (Schools)

4  
5 The attached Ordinance No. AO 2005-21 provides for the issuance of not to exceed  
6 \$63,850,000 General Obligation School Bonds for the Anchorage School District.  
7 Proceeds from the sale are to be used for Anchorage School District capital projects  
8 approved by the voters in April 1999, April 2002 and November 2004. This completes  
9 the sale of all School District bonds authorized prior to 2003.

10  
11 The current schedule for the sale and related matters calls for a public hearing on the  
12 Ordinance on March 1, 2005. Sale of the bonds is anticipated to take place by the end  
13 of March 2005.

14  
15 The Chief Fiscal Officer is authorized by Section 21 of the Ordinance to negotiate terms  
16 for purchase of the bonds and to execute a contract for their purchase in the  
17 Municipality's best interest.

18  
19 THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2005-21.

20  
21 Recommended by: Jeffrey E. Sinz, Chief Fiscal Officer  
22 Concurrence: Denis C. LeBlanc, Municipal Manager  
23 Respectfully submitted: Mark Begich, Mayor

**Content Information****Content ID :** 002591**Type:** Ordinance - AO**Title:** Ordinance AO 2005-21 \$63,850,000 2005 General  
Obligation Bonds, Series A (Schools)**Author:** pruittns**Initiating Dept:** Finance**Keywords:** General Obligation Bonds, Schools, Series A, School Bonds**Date Prepared:** 2/3/05 11:05 AM**Director Name:** Jeffrey Sinz**Assembly Meeting Date**  
**MM/DD/YY:** 2/15/05**Public Hearing Date**  
**MM/DD/YY:** 3/1/05**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	2/3/05 11:11 AM	Checkin	pruittns	Public	002591
Finance_SubWorkflow	2/3/05 11:23 AM	Approve	sinzje	Public	002591
OMB_SubWorkflow	2/3/05 1:33 PM	Approve	pearcydl	Public	002591
Legal_SubWorkflow	2/3/05 3:11 PM	Approve	gatesdt	Public	002591
MuniManager_SubWorkflow	2/3/05 7:58 PM	Approve	leblancdc	Public	002591
MuniMgrCoord_SubWorkflow	2/4/05 2:16 PM	Approve	katkusja	Public	002591

M.O.A  
 2005 FEB -7 AM 11:07  
 CLERKS OFFICE