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CLERK'S OFFICE
APPROVED
Date: 8-23-05

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Johnson, Brecht,
Cartledge & Brooking
For Reading: August 9, 2005

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2005-99

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
EXCEED NINETY-SIX MILLION EIGHT HUNDRED FIVE THOUSAND AND
NO/100 DOLLARS (\$96,805,000) IN AGGREGATE PRINCIPAL AMOUNT
OF GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE
MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY
COSTS RELATED TO PUBLIC SAFETY, ROAD AND DRAINAGE
IMPROVEMENTS, PUBLIC TRANSIT IMPROVEMENTS, AND RELATED
CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SAID BONDS;
PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO
THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER
TO CAUSE THE BONDS TO BE SOLD AT COMPETITIVE PUBLIC SALE;
AND RELATED MATTERS.

WHEREAS, pursuant to Ordinance No. AO 2002-23(S) of the Municipality passed
and approved on February 12, 2002, the following question referred to at the general
election held on April 2, 2002, as Proposition 3:

PROPOSITION NO. 3

Shall Anchorage borrow up to \$34,730,000 through the
issuance of general obligation bonds and increase the
municipal tax cap by an annual amount not to exceed
\$73,100?

The bond proceeds would pay costs of roadway
improvements, roadway safety improvements, drainage
collection, drainage treatment and related capital improve-
ments in the Anchorage Roads and Drainage Service Area
and the increase in the municipal tax cap would pay the
associated annual operations and maintenance costs.

Voter approval of this bond proposition authorizes for each
\$100,000 of assessed taxable property value (based on the
estimated 2002 assessed valuation in the Anchorage Roads
and Drainage Service Area): (i) an annual increase in taxes of
approximately \$23.58 to retire the proposed bonds, and (ii) an
annual increase in the municipal tax cap (Charter 14.03(b)(2))
of approximately \$0.54 to pay for annual operations and
maintenance costs related to the proposed capital
improvements.

1 The debt shall be paid from real and personal property taxes
2 levied and collected within the Anchorage Roads and Drainage
3 Service Area. Anchorage will also pledge its full faith and
4 credit for payment of the debt. (No. AO 2002-23(S))

5 (herein called "Proposition 2002-3") was passed and approved, and said election has been
6 duly canvassed and the results thereof certified and confirmed in accordance with law, and
7 \$5,670,000 principal amount of said general obligation bonds remain authorized, but
8 unissued, under Proposition 2002-3; and

9 WHEREAS, pursuant to Ordinance No. AO 2003-18 of the Municipality of
10 Anchorage, Alaska (the "Municipality") passed and approved on February 11, 2003, the
11 following question referred to at the general election held on April 1, 2003, as
12 Proposition 4:

13 PROPOSITION NO. 4

14 Shall Anchorage borrow up to \$39,950,000 through the
15 issuance of general obligation bonds and increase the
16 municipal tax cap by an annual amount not to exceed
17 \$181,000? The bond proceeds would pay costs of roadway
18 improvements, roadway safety improvements, drainage
19 collection, drainage treatment and related capital improve-
20 ments in the Anchorage Roads and Drainage Service Area
21 and the increase in the municipal tax cap would pay the
22 associated annual operations and maintenance costs.

23 Voter approval of this bond proposition authorizes for each
24 \$100,000 of assessed taxable property value (based on the
25 estimated 2003 assessed valuation in the Anchorage Roads
26 and Drainage Service Area): (i) an annual increase in taxes of
27 approximately \$24.38 to retire the proposed bonds, and (ii) an
28 annual increase in the municipal tax cap (Charter 14.03(b)(2))
of approximately \$1.21 to pay for annual operations and
maintenance costs related to the proposed capital
improvements.

The debt shall be paid from real and personal property taxes
levied and collected within the Anchorage Roads and Drainage
Service Area. Anchorage will also pledge its full faith and
credit for payment of the debt. (No. AO 2003-18)

(herein called "Proposition 2003-4") was passed and approved and said general election
has been duly canvassed and the results thereof certified and confirmed in accordance

1 with law and \$12,600,000 principal amount of said general obligation bonds remain
2 authorized, but unissued, under Proposition 2003-4; and

3 WHEREAS, pursuant to Ordinance No. AO 2004-43(S) of the Municipality passed
4 and approved on February 17, 2004, the following question referred to at the general
5 election held on April 6, 2004, as Proposition 10:

PROPOSITION NO. 10

6 ANCHORAGE ROADS AND DRAINAGE SERVICE AREA ROAD AND,
7 STORM DRAINAGE BONDS

8 Shall Anchorage borrow up to \$46,520,000 through the
9 issuance of general obligation bonds to pay costs of roadway
10 improvements, roadway safety improvements, drainage
11 collection, drainage treatment and related capital improve-
ments and increase the municipal tax cap by an annual
amount not to exceed \$285,000 to pay the associated annual
operations and maintenance costs?

12 Voter approval of this bond proposition authorizes for each
13 \$100,000 of assessed taxable property value (based on the
14 estimated 2004 assessed valuation in the Anchorage Roads
15 and Drainage Service Area): (i) an annual increase in taxes of
16 approximately \$24.60 to retire the proposed bonds, and (ii) an
annual increase in the municipal tax cap (Charter 14.03(b)(2))
of approximately \$1.70 to pay for annual operations and
maintenance costs related to the proposed capital
improvements.

17 The debt shall be paid from real and personal property taxes
18 levied and collected within the Anchorage Roads and Drainage
19 Service Area. Anchorage will also pledge its full faith and
credit for payment of the debt.

20 (No. AO 2004-43(S))

21 (herein called "Proposition 2004-10") was passed and approved and said general election
22 has been duly canvassed and the results thereof certified and confirmed in accordance
23 with law and the \$31,625,000 principal amount of said general obligation bonds remain
24 authorized, but unissued, under Proposition 2004-10; and

25 WHEREAS, pursuant to Ordinance No. AO 2005-10(S) of the Municipality passed
26 and approved on February 15, 2005, the following question referred to at the general
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1 election held on April 5, 2005, as Proposition 4:

2 PROPOSITION NO. 4

3 ANCHORAGE ROADS AND DRAINAGE SERVICE AREA ROAD AND,
4 STORM DRAINAGE BONDS

5 Shall Anchorage borrow up to \$44,500,000 through the
6 issuance of general obligation bonds to pay costs of roadway
7 improvements, roadway safety improvements, drainage
8 collection, drainage treatment and related capital improve-
ments and increase the municipal tax cap by an annual
amount not to exceed \$455,000 to pay the associated annual
operations and maintenance costs?

9 Voter approval of this bond proposition authorizes for each
10 \$100,000 of assessed taxable property value (based on the
11 estimated 2005 assessed valuation in the Anchorage Roads
12 and Drainage Service Area): (i) an annual increase in taxes of
13 approximately \$19.89 to retire the proposed bonds, and (ii) an
annual increase necessary to fund the proposed increase in
the municipal tax cap (Charter 14.03(b)(2)) of approximately
\$2.48 to pay for annual operations and maintenance costs
related to the proposed capital improvements.

14 The debt shall be paid from real and personal property taxes
15 levied and collected within the Anchorage Roads and Drainage
16 Service Area. Anchorage will also pledge its full faith and
credit for payment of the debt.

17 (No. AO 2005-10(S))

18 (herein called "Proposition 2005-4") was passed and approved and said general election
19 has been duly canvassed and the results thereof certified and confirmed in accordance
20 with law and the \$44,500,000 principal amount of said general obligation bonds remain
21 authorized, but unissued, under Proposition 2005-4; and

22 WHEREAS, pursuant to Ordinance No. AO 2005-11 of the Municipality passed and
23 approved on February 15, 2005, the following question referred to at the general election
24 held on April 5, 2005, as Proposition 5:

PROPOSITION NO. 5

PUBLIC TRANSPORTATION BONDS

Shall Anchorage borrow up to \$1,930,000 through the issuance of general obligation bonds to provide the required local match to secure Federal grants of approximately \$7,720,000 from the Federal Transit Administration and Federal Highway Administration and to pay costs of public transportation upgrades and related public transportation improvements within Anchorage and, increase the municipal tax cap by an annual amount not to exceed \$141,200 to pay associated annual operations and maintenance costs?

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated 2005 assessed valuation areawide in Anchorage): (i) an annual increase in taxes of approximately \$0.68 to retire the proposed bonds, and (ii) an annual increase necessary to fund the proposed increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$0.61 to pay for annual operations 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.

(No. AO 2005-11)

(herein called "Proposition 2005-5") was passed and approved and said general election has been duly canvassed and the results thereof certified and confirmed in accordance with law and the \$1,930,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2005-5; and

WHEREAS, pursuant to Ordinance No. AO 2005-12 of the Municipality passed and approved on February 15, 2005, the following question referred to at the general election held on April 5, 2005, as Proposition 6:

PROPOSITION NO. 6

AMBULANCES AND CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$480,000 through the issuance of general obligation bonds to pay for ambulances and related capital improvements within Anchorage?

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated total 2005 areawide assessed valuation in Anchorage) an annual increase in taxes of approximately \$0.17 to retire the proposed debt.

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

(No. AO 2005-12)

(herein called "Proposition 2005-6") was passed and approved and said general election has been duly canvassed and the results thereof certified and confirmed in accordance with law and the \$480,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2005-6; 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 proceed to plan, design, acquire property for, construct, acquire, rehabilitate, replace, renovate, install and equip the capital improvements of the Municipality specified in Propositions 2002-3, 2003-4, 2004-10, 2005-4, 2005-5, and 2005-6 as the purpose for the authorization of the bonds in said Propositions, and to pay the capital costs thereof (hereinafter referred to, as specified in said Propositions, as the "Projects"); and

WHEREAS, it is deemed necessary and advisable and in the best interest of the Municipality and its inhabitants that (a) not to exceed \$5,670,000 principal amount of

1 general obligation bonds referred to in Proposition 2002-3, consisting of the remaining
2 authorized, but unissued, \$5,670,000 principal amount of general obligation bonds referred
3 to therein, (b) not to exceed \$12,600,000 principal amount of general obligation bonds
4 referred to in Proposition 2003-4, consisting of the remaining authorized, but unissued,
5 \$12,600,000 principal amount of unsold general obligation bonds referred to therein, (c) not
6 to exceed \$31,625,000 principal amount of general obligation bonds referred to in
7 Proposition 2004-10, consisting of the remaining authorized, but unissued, \$31,625,000
8 principal amount of unsold general obligation bonds referred to therein, (d) not to exceed
9 \$44,500,000 principal amount of general obligation bonds referred to in Proposition 2005-
10 4, consisting of the remaining authorized, but unissued, \$44,500,000 principal amount of
11 unsold general obligation bonds referred to therein, (e) not to exceed \$1,930,000 principal
12 amount of general obligation bonds referred to in Proposition 2005-5, consisting of the
13 remaining authorized, but unissued, \$1,930,000 principal amount of unsold general
14 obligation bonds referred to therein, and (f) not to exceed \$480,000 principal amount of
15 general obligation bonds referred to in Proposition 2005-6, consisting of the remaining
16 authorized, but unissued, \$480,000 principal amount of unsold general obligation bonds
17 referred to therein, as hereinafter authorized, fixed and determined, for the purpose of
18 raising funds to pay the Costs (as hereinafter defined) of the Projects.

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 Ninety-Six Million Eight Hundred Five Thousand and No/100
22 Dollars (\$96,805,000) of general obligation general purpose bonds of the Municipality (the
23 "Bonds") to provide funds to pay the capital costs of the Projects, to pay the costs of
24 issuance of the Bonds authorized herein (including the bond insurance premium, if any), to
25 fix certain details and to provide for the form and manner of sale of said Bonds to be
26 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
10 and guaranteed pass-through obligations of the Government National Mortgage Associa-
11 tion; guaranteed Title XI financings of the U.S. Maritime Administration; and participation
12 certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; or
13 (2) any bonds or other obligations of any state of the United States of America or of any
14 agency, instrumentality or local governmental unit of any such state, (a)(i) which are not
15 callable at the option of the obligor prior to maturity, (ii) which are callable prior to maturity
16 and the issuer has foregone the right to call the obligations and the obligations are
17 irrevocably escrowed to maturity, or (iii) as to which irrevocable instructions have been
18 given to the trustee of such bonds or other obligations by the obligor to give due notice of
19 redemption and to call such bonds for redemption on the date or dates specified in such
20 instructions, (b)(i) which are fully secured as to principal and interest and redemption
21 premium, if any, by a fund consisting only of cash or bonds or other obligations of the
22 character described in clause (1) hereof which fund may be applied only to the payment of
23 such principal of and interest and redemption premium, if any, on such bonds or other
24 obligations on the maturity date or dates thereof or the specified redemption date or dates
25 pursuant to such irrevocable instructions, as appropriate, and (ii) the principal of and
26 interest on the bonds and obligations of the character described in clause (1) hereof have

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

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

13 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance
14 and sale of which are authorized herein as the evidence of the indebtedness referred to in
15 the Propositions 2002-3, 2003-4, 2004-10, 2005-4, 2005-5, and 2005-6.

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

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

23 (g) "Bond Registrar" means the bank or trust company appointed the Paying
24 Agent pursuant to Section 13 hereof.

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

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

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

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

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

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

8 (m) "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 (n) "Financial Advisor" means First Southwest Company.

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

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

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

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

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

1 (t) "Paying Agent" means the bank or trust company appointed pursuant to
2 Section 13 hereof to act as Paying Agent, and its successor or successors. The Paying
3 Agent shall also act as Bond Registrar pursuant to Section 13 hereof.

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

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

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

10 Section 3. Authority for Ordinance. The Municipality has ascertained and hereby
11 determines that each and every matter and thing as to which provision is made in this Ordinance
12 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 as referred
15 to in the Propositions 2002-3, 2003-4, 2004-10, 2005-4, 2005-5, and 2005-6.

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

1 Section 5. Authorization of Bonds and Purpose of Issuance. For the purpose of
2 raising funds to pay the Costs of acquiring and developing the Projects as authorized by
3 the Propositions 2002-3, 2003-4, 2004-10, 2005-4, 2005-5, and 2005-6, which, in
4 accordance with said Propositions, is hereby determined to be necessary, and to provide
5 for original issue discount, if any, and to pay all costs incidental thereto and to the issuance
6 of the Bonds as follows:

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
2002-3	\$ 5,670,000
2003-4	12,600,000
2004-10	31,625,000
2005-4	44,500,000
2005-5	1,930,000
2005-6	480,000

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12 general obligation bonds of the Municipality referred to in the Propositions 2002-3, 2003-4,
13 2004-10, 2005-4, 2005-5, and 2005-6 with such designation as is set forth in Section 6
14 hereof, are hereby authorized, and shall be issued in the aggregate principal amount of not
15 to exceed Ninety-Six Million Eight Hundred Five Thousand and No/100 Dollars
16 (\$96,805,000).

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

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

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

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

26 Neither the Municipality nor the Paying Agent will have any responsibility or
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1 obligation to DTC participants or the persons for whom they act as nominees with respect
2 to the Bonds regarding the accuracy of any records maintained by DTC or any DTC
3 participant, the payment by DTC or any DTC participant of any amount in respect of the
4 principal or redemption price of or interest on the Bonds, any notice which is permitted or
5 required to be given to registered owners of the Bonds under this Ordinance (except such
6 notices as shall be required to be given by the Municipality to the Paying Agent or to DTC),
7 the selection by DTC or any DTC participant of any person to receive payment in the event
8 of a partial redemption of the Bonds or any consent given or other action taken by DTC as
9 the owner of the Bonds. For so long as any Bonds are held under the Book-Entry System,
10 DTC or its successor depository shall be deemed to be the owner of the Bonds for all
11 purposes hereunder, and all references herein (except for Section 27) to the owner of the
12 Bonds or similar terms shall mean DTC or its nominee and shall not mean the owners of
13 any beneficial interest in the Bonds.

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

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

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

4 This Bond is one of the Municipality of Anchorage, Alaska, 2005 General Obligation Bonds,
5 Series F (General Purpose) described in and issued pursuant to the within mentioned
6 Ordinance.

7 _____
8 as Paying Agent
9 Date of Authentication:

10 _____ By _____
11 Authorized Agent

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

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

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

1 Section 8. Redemption of Bonds. The Bonds may be subject to redemption by or
2 on behalf of the Municipality prior to maturity and upon notice as hereinafter provided, as a
3 whole or in part as may be fixed and determined by the Authorized Municipal
4 Representative pursuant to Section 21 of this Ordinance or by resolution of the Assembly
5 adopted prior to or at the time of delivery of the Bonds. If fewer than all of the Bonds within
6 a single maturity are to be called for redemption prior to their scheduled maturity, the
7 portions of Bonds within a maturity to be redeemed shall be selected by the Paying Agent,
8 acting as Bond Registrar, by lot in the manner chosen by the Paying Agent. In selecting
9 Bonds to be redeemed in part within a single maturity, the Paying Agent shall treat each
10 Bond as representing that number of Bonds of a \$5,000 denomination which is obtained by
11 dividing the principal amount of such Bond by \$5,000. As long as the Bonds are held
12 under the Book-Entry System, such selection shall be made by DTC in accordance with the
13 Letter of Representations.

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

1 only as provided in the Letter of Representations. In addition to the above required
2 mailing, the Paying Agent shall also cause to be mailed notice of such intended redemption
3 to each NRMSIR or the MSRB, to any SID and, when there is a bond insurance policy with
4 respect to any Bonds, to the Bond Insurer, if any, by certified or registered mail.

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

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

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

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

1 Section 10. Payment of Redeemed Bonds. Unconditional notice of redemption
2 having been given in the manner provided in this Ordinance, the Bonds so called for
3 redemption shall become due and payable on the redemption date stated in said notice at
4 the applicable redemption price on said date plus interest accrued and unpaid to the
5 redemption date upon presentation and surrender thereof at the corporate trust office of
6 the Paying Agent. If, on the redemption date, moneys for the redemption of all the Bonds
7 to be redeemed, together with interest accrued and unpaid to the redemption date, shall be
8 held on behalf of the Municipality at the corporate trust office of the Paying Agent so as to
9 be available therefor on said date and if notice of redemption shall have been given as
10 aforesaid, then from and after the redemption date the Bonds so called for redemption
11 shall cease to bear interest.

12 Each check or other transfer of funds issued for the payment of the Redemption
13 Price of Bonds being redeemed shall bear the CUSIP number identifying, by issue and
14 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.
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Section 11. Form of Bond. Each Bond shall be in substantially the following form,
with such variations, omissions and insertions as may be required or permitted by this
Ordinance or by other ordinance or resolution of the Assembly:

UNITED STATES OF AMERICA
STATE OF ALASKA

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

NO. GOGP-

\$

2005 GENERAL OBLIGATION BOND, SERIES F
(GENERAL PURPOSE)

INTEREST RATE
%

MATURITY DATE:

CUSIP NO.

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
"Municipality"), for value received, acknowledges itself indebted and hereby promises to
pay to the Registered Owner identified above, or registered assigns, on the Maturity Date
identified above, upon presentation and surrender hereof, the Principal Amount shown
above, and to pay interest on such principal sum from the date hereof until its obligation
with respect to the payment of such principal sum shall be discharged, at the Interest Rate
per annum shown above, payable on the first days of _____ and _____ in each
year beginning _____, 200____. The principal, interest and redemption
price of this Bond shall be payable in any coin or currency of the United States of America
which at the time of payment is legal tender for the payment of public and private debts.
Principal shall be paid to the Registered Owner or assigns upon presentation and surren-
der of this Bond at the corporate trust office of _____ (hereinafter called the
Paying Agent), or its successors. Payment of interest shall be made by check or draft

1 mailed to the Registered Owner, as of the 15th day of the month preceding the interest
2 payment date, at the address appearing on the Bond Register of the Municipality kept at
3 the corporate trust office of the Paying Agent. Notwithstanding the foregoing, if this Bond
4 is held in fully immobilized form, payment of principal and interest shall be as provided in
5 the Blanket Issuer Letter of Representations between the Municipality and The Depository
6 Trust Company, dated July 1, 1995, and The Depository Trust Company Operational
7 Arrangements referred to therein, as they may be amended from time to time (together, the
8 "Letter of Representations").

9 This Bond is one of the 2005 General Obligation Bonds, Series F (General
10 Purpose), of Anchorage, Alaska, of like tenor and effect except as to interest rate, number,
11 redemption terms and maturity, aggregating \$_____ in principal amount, and
12 constituting Bonds authorized for the purpose of raising funds to pay the costs of capital
13 improvements in the Municipality, with the question of their issuance for such purpose
14 approved and ratified by a majority vote of the qualified voters of the Municipality who
15 voted on Proposition 2002-3 at the election held in the Municipality on April 2, 2002,
16 Proposition 2003-4 at the election held in the Municipality on April 1, 2003, Proposition
17 2004-10 at the election held in the Municipality on April 6, 2004, and Propositions 2005-4,
18 2005-5, and 2005-6 at the election held in the Municipality on April 5, 2005, and is issued
19 pursuant to Ordinance No. AO 2005-___ of the Municipality entitled:

20 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA,
21 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO
22 EXCEED NINETY-SIX MILLION EIGHT HUNDRED FIVE THOUSAND AND
23 NO/100 DOLLARS (\$96,805,000) IN AGGREGATE PRINCIPAL AMOUNT
24 OF GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE
25 MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY
26 COSTS RELATED TO PUBLIC SAFETY, ROAD AND DRAINAGE
27 IMPROVEMENTS, PUBLIC TRANSIT IMPROVEMENTS, AND RELATED
28 CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SAID BONDS;
PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO
THE PAYMENT THEREOF; AUTHORIZING THE CHIEF FISCAL OFFICER
TO CAUSE THE BONDS TO BE SOLD AT COMPETITIVE PUBLIC SALE;
AND RELATED MATTERS.

(the "Ordinance").

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

<u>Redemption Date</u>	<u>Redemption Price</u>
_____ 1, _____ through _____ 31, _____ _____ 1, _____ and thereafter	_____%

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

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

* Final Maturity

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

5 This Bond is transferable as provided in the Ordinance and the Letter of
6 Representations. The Municipality and the Paying Agent may treat and consider the
7 person in whose name this Bond is registered as the absolute owner hereof for the
8 purpose of receiving payment of, or on account of, the principal or redemption price, if any,
9 hereof and interest due hereon and for all other purposes whatsoever.

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

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

24 IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be
25 signed in its name and on its behalf by the manual or facsimile signature of its [Mayor]
26 [Municipal Manager] and its corporate seal to be hereunto impressed or imprinted or
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1 otherwise reproduced and attested by the manual or facsimile signature of its [Deputy]
2 Municipal Clerk, all as of the ____ day of _____, 2005.

3
4 [SEAL]

[Mayor] [Municipal Manager]

5 ATTEST:

6
7 _____
8 [Deputy] Municipal Clerk

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

12 Section 12. Disposition of Proceeds and Establishment of Funds. The net
13 proceeds of the sale of the Bonds shall be deposited in the hereby authorized funds and
14 accounts of the Municipality. There is hereby authorized to be created certain funds of the
15 Municipality to be held and maintained in the custody of the Paying Agent pursuant to the
16 terms of the Paying Agent Agreement. The funds maintained by the Paying Agent may be
17 further subdivided into accounts or subaccounts.

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

23 Section 13. Paying Agent and Bond Registrar. (a) The Authorized Municipal
24 Representative is hereby authorized to appoint the Paying Agent for the Bonds, and to
25 approve the final terms of, and to execute on behalf of the Municipality, the Paying Agent
26 Agreement. Any Paying Agent appointed under the provisions of this Section 13 shall be a
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1 trust company or bank organized under the laws of the United States of America or a
2 national banking association, in good standing, having the powers of a trust company, and
3 having a capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) and
4 willing to accept the office in reasonably and customary terms and authorized by law to
5 perform all the duties imposed by this Ordinance and the Paying Agent Agreement. The
6 term "Paying Agent" shall include any business successor or successors thereto provided
7 the requirements found in this Section 13 are satisfied. Any company into which the
8 Paying Agent may be merged or converted or with which it may be consolidated or any
9 company resulting from any merger, conversion or consolidation to which it shall be a
10 party, provided such company shall be a bank or trust company organized under the laws
11 of any state of the United States of America or a national banking association, in good
12 standing and shall be authorized by law to perform all the duties imposed upon it by this
13 Ordinance and the Paying Agent Agreement shall be the successor to the Paying Agent
14 without the execution or filing of any 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.

1 (b) Concerning the use of DTC,

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

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

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

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

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

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

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

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

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

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

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

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

4 Section 19. Rebate Requirement. The Municipality covenants and agrees that it will
5 pay any amounts required to comply with the arbitrage rebate requirements of Section
6 148(f) of the Code.

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

17 Section 21. Sale of Bonds and Approval of Official Statement. The Authorized
18 Municipal Representative is hereby authorized to cause the Bonds to be sold at
19 competitive public sale on a date not later than 90 days from the date of approval of this
20 Ordinance in accordance with the form of the Official Notice of Sale and Bidding
21 Instructions (the "Notice of Sale") attached to this Ordinance as Exhibit A which is
22 approved in substantially the form presented subject to Section 26 herein. The publication
23 of a Summary Notice of Sale by the Financial Advisor in the Bond Buyer, New York, New
24 York on such date in advance of the date of sale of the Bonds as shall be determined by
25 the Financial Advisor as will be adequate to give prospective bond purchasers adequate
26 notice of the sale of the Bonds, is hereby approved.

1 The bid proposal of the successful bidder shall be: (i) received at the time and place
2 stated in the Notice of Sale of the Bonds, (ii) in regular form and order and accompanied by
3 a good faith deposit properly drawn to the order of the Municipality of Anchorage in an
4 amount equal to 1% of the principal amount of Bonds to be sold; and (iii) the bid with the
5 lowest true interest cost determined pursuant to the Notice of Sale.

6 The amount of the good faith deposit shall be in the form of a check properly drawn
7 to the order of the Municipality of Anchorage, or a financial surety bond from an insurance
8 company licensed to issue such bond in the State of Alaska. The amount of the good faith
9 deposit received by the Municipality from the successful bidder under the terms of the
10 Notice of Sale for the Bonds shall be deposited by the Municipality with such bank or banks
11 as the Authorized Municipal Representative shall designate in a special trust account
12 established for that purpose. The interest earned on such deposit shall be applied in
13 accordance with the terms of the Notice of Sale; provided that upon delivery of the Bonds
14 any such interest retained by the Municipality shall be deposited in the Municipality's
15 general operating fund.

16 The Authorized Municipal Representative is further authorized to review and to
17 deem final (in the case of the preliminary official statement) and approve (in the case of the
18 final official statement), on behalf of the Municipality, the preliminary official statement and
19 final official statement relating to the issuance and sale of the Bonds with such changes, if
20 any, as may be deemed by him to be appropriate, including changes necessary in order to
21 evidence compliance with Section (b)(5) of the Rule.

1 Section 22. Authority of Officers. The Mayor, the Municipal Manager, the Chief
2 Fiscal Officer, the Municipal Attorney, the Municipal Clerk, the acting Municipal Clerk and
3 the Deputy Municipal Clerk from time to time, are, and each of them is, hereby authorized
4 and directed to do and perform all things and determine all matters not determined by this
5 Ordinance, or to be determined by a subsequent ordinance or resolution of the Municipi-
6 pality, to the end that the Municipality may carry out its obligations under the Bonds and
7 this Ordinance.

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

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

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

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

25 (b) With the consent of the registered owners of not less than 60% in aggregate
26 principal amount of the Bonds at the time outstanding affected by the supplemental
27

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

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

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

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

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

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

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

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

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

20 Section 26. Bond Insurance. The Authorized Municipal Representative, after
21 consultation with the Financial Advisor, is hereby authorized to procure a policy of
22 insurance from a bond insurer if determined to be in the best interest of the Municipality.

23 Section 27. Undertaking to Provide Ongoing Disclosure. The Authorized Municipal
24 Representative is hereby authorized and directed to execute a certificate for ongoing
25 disclosure for the benefit of the beneficial owners of the Bonds.

26 Section 28. Severability. If any one or more of the covenants and agreements
27

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

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

7 PASSED AND APPROVED by the Anchorage Assembly, this 23rd day of

8 August 2005.

9 Anna L. Fairclough
Chair

10 ATTEST:

11 Beth S. Grant
12 Municipal Clerk

Exhibit A

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MOA/2005 General Obligation Bonds, Series F (General Purpose)

Ordinance No. AO 2005-99

H:\MS DOCUMENTS\MY DOCUMENTS\CHECKED\INDOCS\2005-08-09\AO99_GENERAL OBLIGATION GENERAL PURPOSE \$96M.DOC

NOTICE OF SALE

\$96,805,000*

MUNICIPALITY OF ANCHORAGE General Obligation Bonds (General Purpose) 2005 Series F

Electronic Bids for the purchase of all, and not less than all, of the \$96,805,000* Municipality of Anchorage General Obligation Bonds (General Purpose), 2005 Series F (the "Bonds"), will be received until 11:00 a.m., EASTERN TIME (7:00 a.m. Alaska Time), on September 7, 2005 (unless postponed as described herein), by or on behalf of the Municipality of Anchorage (the "Municipality"), exclusively through the system of BiDCOMP/Parity Competitive Bidding System ("BiDCOMP/Parity").

THE BONDS

Authorization and Security

The Bonds are in the aggregate principal amount of \$96,805,000* and will be issued pursuant to Article XV of the Municipal Charter and approval by the qualified voters of the Municipality. The sale of the General Purpose Bonds is further authorized by Ordinance No. 2005-99 passed by the Assembly on _____, 2005 (the "Bond Ordinance"). The Bond Ordinance sets forth certain details of the Bonds and authorizes the Chief Fiscal Officer of the Municipality to cause the Bonds to be sold at competitive public sale.

The Bonds are valid and legally binding general obligations of the Municipality, and the full faith, credit and taxing power of the Municipality are pledged for the payment of the principal of and interest on the Bonds as the same shall become due. The Municipality has irrevocably pledged and covenanted with the owners of the Bonds 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 when due.

Book Entry Only

The Bonds will be dated the date of delivery. Interest on the Bonds will be calculated on a 30/360 day basis and will be payable semiannually on March 1 and September 1, commencing March 1, 2006. The Bonds will be issued only as fully registered bonds in book entry form payable to a nominee of The Depository Trust Company, New York, New York ("DTC"), as securities depository for the Bonds. Reference is made to the Preliminary Official Statement, as defined herein, for the applicable provisions relating to the transfer of beneficial ownership, manner of redemption, the responsibilities of DTC participants and the right of the Municipality to discontinue the book entry only system.

Maturity Schedule

Principal of the Bonds will be paid (subject to the right of prior redemption) through serial maturities and/or term maturities with annual sinking fund redemptions on the following dates and in the following amounts:

* Preliminary, subject to change.

<u>September 1</u>	Preliminary Annual Principal Amounts *	<u>September 1</u>	Preliminary Annual Principal Amounts *
2006	\$3,625,000	2016	\$4,750,000
2007	3,500,000	2017	4,930,000
2008	3,600,000	2018	5,125,000
2009	3,710,000	2019	5,330,000
2010	3,825,000	2020	5,545,000
2011	3,950,000	2021	5,780,000
2012	4,085,000	2022	6,040,000
2013	4,230,000	2023	6,315,000
2014	4,400,000	2024	6,595,000
2015	4,575,000	2025	6,895,000

*Preliminary, subject to revision as described herein.

Term Bonds

The prospective bidder may designate two or more of the consecutive serial maturities as one or more term bonds. Any such term bond shall be subject to mandatory sinking fund redemption commencing on September 1 of the first year which has been combined to form such term bond and continuing on September 1 in each year thereafter until the stated maturity date of that term bond. Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Bonds of the same maturity, as described in the Preliminary Official Statement.

Optional Redemption

Bonds maturing on or before September 1, 2015, are not subject to redemption prior to maturity. Bonds maturing on or after September 1, 2016, are subject to redemption prior to maturity at the option of the Municipality on or after September 1, 2015, in whole or in part at any time, at par plus interest accrued thereon to the date fixed for redemption, as described in the Preliminary Official Statement.

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid

All prospective bidders must be contracted customers of BiDCOMP/Parity. To become a contracted customer contact BiDCOMP/Parity at (212) 404-8102. By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Municipality that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

If any provisions of this Notice of Sale shall conflict with information provided by BiDCOMP/Parity, this Notice of Sale shall control. Further information about BiDCOMP/Parity, including any fees charged, may be

obtained from BiDCOMP/Parity at (212) 404-8102.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Municipality nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Municipality nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of BiDCOMP/Parity, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The Municipality is using BiDCOMP/Parity as a communication mechanism, and not as the Municipality's agent, to conduct the electronic bidding for the Bonds. The Municipality is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the Municipality is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for Bonds, it should telephone BiDCOMP/Parity at (212) 404-8102 and notify the Chief Fiscal Officer of the Municipality by facsimile at (907) 343-6616.

Bidding Procedures

Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Municipality of Anchorage AON Bid Form (the "Bid Form") via BiDCOMP/Parity by 11:00 a.m., Eastern Time, on September 7, 2005, unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the Chief Fiscal Officer, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Municipality, as described under "Award of the Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

Bid Specifications

Bidders are invited to name the rate or rates of interest that the Bonds are to bear, in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Any number of rates may be named provided that (a) the difference between the highest interest rate and the lowest interest rate shall not exceed [300] basis points and (b) no interest rate may exceed [5.00%]. Each bidder must specify in its bid a single rate for each maturity date. No Bond of any maturity may be reoffered at a price less than [95%] of the principal amount of such Bond. Bids must be for not less than [99.5%] and not more than [103%] of the par value of the aggregate principal amount of the Bonds (based on the Revised Amounts as described below), plus accrued interest from the dated date of deliver, to, but not including, the date of delivery of the Bonds. No bid for less than all of the

Bonds will be considered.

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of Financial Surety Bond or a check properly drawn to the order of the Municipality of Anchorage, in the amount of \$968,050 is required for each bid to be considered. The Financial Surety Bond must be from an insurance company acceptable to the Municipality and licensed to issue such a bond in the State of Alaska, and such Financial Surety Bond or check must be submitted to the Municipality prior to 12:00 Noon Alaska Time on the day prior to the date for receipt of bids, and must be in the form and substance acceptable to the Municipality. The Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The successful bidder is required to submit its Deposit to the Chief Fiscal Officer in the form of a wire transfer not later than 8:00 a.m., Alaska Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Chief Fiscal Officer to satisfy the Deposit requirement.

The Deposit of the successful bidder will be deposited and credited to the purchase price and interest earned on such deposit shall be retained by the Municipality and deposited in the Municipality's general operating fund. Proceeds of the Deposit will be retained by the Municipality as liquidated damages in case the successful bidder fails to comply with the terms of its bid.

Award of the Bonds

Award or rejection of bids will be made on behalf of the Municipality prior to 4:00 p.m. Eastern time on the sale date. Upon such award, such successful bidder shall advise the Municipality of the Initial Reoffering Prices (as hereinafter defined) of the various maturities of the Bonds as described below. Such Initial Reoffering Prices, among other things, will be used by the Municipality to calculate the Final Amounts, as defined below (see "Changes to Revised Principal Amounts").

ALL BIDS SHALL REMAIN FIRM UNTIL 4:00 P.M., EASTERN TIME, ON THE DATE OF THE RECEIPT OF BIDS. An award of the Bonds, if made, will be made by or on behalf of the Municipality within such five-hour period of time. Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Municipality, based on the Revised Amounts, as defined below (see "Changes to Preliminary Principal Amounts"). The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price (exclusive of accrued interest). The true interest cost shall be calculated from the dated date of the Bonds (Date of Delivery). In case of a tie, the Chief Fiscal Officer on behalf of the Municipality may select the successful bidder. The Chief Fiscal Officer on behalf of the Municipality reserves the right to waive irregularities in any bid or the bidding process and to reject any or all bids.

CHANGES TO BID DATE, CLOSING DATE, PRINCIPAL AMOUNTS

Change of Bid Date and Closing Date

The Municipality expects to take bids on the Bonds on September 7, 2005. However, the Municipality reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such

changes in the date or time for the receipt of bids by so advising, and furnishing their facsimile numbers to First Southwest Company at (212) 642-4357 by 12 Noon, Eastern Time, two days prior to the date fixed for the receipt of bids.

A postponement of the bid date will be announced via TM3 not later than 9:00 a.m., Eastern Time, on the Bid Date, and an alternative sale date and time, if any, will be announced via TM3 at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative date and time for receipt of bids, the Municipality will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time that the new date and time for receipt of bids are announced.

The Municipality may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids. See "Delivery of Bonds" hereinafter.

Changes to Preliminary Principal Amounts

The preliminary aggregate principal amount of the Bonds and the preliminary annual principal amounts as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively, and collectively, the "Preliminary Amounts") may be revised before the date established for submission of electronic bids. **ANY SUCH REVISIONS (THE "REVISED AGGREGATE PRINCIPAL AMOUNT" AND THE "REVISED ANNUAL PRINCIPAL AMOUNTS," RESPECTIVELY, AND COLLECTIVELY, THE "REVISED AMOUNTS") WILL BE PUBLISHED AS AN AMENDMENT TO THIS NOTICE OF SALE AND DISTRIBUTED ON TM3 NO LATER THAN 4:00 P.M., EASTERN TIME, ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE.** In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS. Prospective bidders may request notification by facsimile transmission of any such changes in the Preliminary Amounts by so advising, and furnishing their facsimile numbers to First Southwest Company at (212) 642-4350 by 12 Noon, Eastern Time, on the day prior to the announced date for receipt of bids.

Changes to Revised Principal Amounts

After selecting the winning bid, the Chief Fiscal Officer may adjust the Revised Aggregate Principal Amount and the Revised Annual Principal Amount of each maturity of the Bonds. In determining the final aggregate principal amount of the Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Principal Amount," respectively, and collectively, the "Final Amounts"), the Chief Fiscal Officer will not increase or reduce the aggregate principal amount by more than 10% of such amount. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The interest rate specified by the successful bidder for each maturity at the Initial Reoffering Prices will not change. The Final Amounts and the adjusted bid price will be

communicated to the successful bidder within 24 hours after the receipt of the Initial Reoffering Prices from the successful bidder.

MISCELLANEOUS; CLOSING

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the Chief Fiscal Officer in writing (via facsimile transmission) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the Chief Fiscal Officer within 24 hours after notification of the award, furnish the following information to the Chief Fiscal Officer to complete the Preliminary Official Statement in final form (the "Final Official Statement"):

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Bonds are sold at the Initial Reoffering Prices).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the Chief Fiscal Officer determines is necessary to complete the Final Official Statement.

After the award of the bonds, the Municipality will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the Municipality will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the Chief Fiscal Officer in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

Prior to the delivery of the Bonds, the successful bidder shall furnish to the Municipality a "Certificate Regarding Issue Price," establishing that the successful bidder has made a bona fide public offering of the Bonds at the Initial Reoffering Prices set forth in such certificate and that a substantial amount of the Bonds of each maturity was sold to the public (excluding bond houses, brokers and other intermediaries) at such Initial Reoffering Prices.

The Municipality expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds, the Municipal Securities Rulemaking Board ("MSRB") and the nationally recognized municipal securities information repositories ("NRMSIRs"). The successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB and such NRMSIRs, to acknowledge that the Municipality expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

In the event that the successful bidder has on its own obtained a commitment for a municipal bond insurance policy or other credit enhancement, the Municipality shall indicate in the Final Official Statement those maturities that the successful bidder has informed the Municipality are expected to be covered by credit enhancement. The purchase of any such credit enhancement shall be at the sole option and expense of the successful bidder. The Municipality will also indicate within the Final Official Statement that further information concerning such potential credit enhancement may be obtained through the successful bidder. The

1 Municipality will not include the identity of the potential credit enhancer or other information with respect to
2 the potential credit enhancer in the Final Official Statement. In addition, the Municipality will not place a
3 statement of insurance on the Bonds or provide such documentation, or make such covenants or arrangements,
4 as would customarily be provided, made or arranged if the Municipality were to obtain a commitment for
5 municipal bond insurance or other credit enhancement on its own.

6 If the successful bidder obtains a municipal bond insurance policy or other form of credit enhancement, at
7 the same time it provides the Initial Reoffering Prices it shall advise the Municipality of the cost of such credit
8 enhancement. At or before the closing of the Bonds, the successful bidder shall provide to the Municipality a
9 certificate certifying that (i) the present value of the fees paid for such credit enhancement are less than the
10 present value of the interest reasonably expected to be saved as a result of obtaining such credit enhancement,
11 using the yield on the Bonds (determined with regard to the payments for such credit enhancement) as the
12 discount factor for this purpose, and (ii) to the best of its knowledge, such fees were obtained in arm's length
13 negotiations and do not exceed a reasonable charge for the transfer of credit risk. In addition, the successful
14 bidder will cooperate with the Chief Fiscal Officer to obtain the necessary certifications from the credit
15 enhancement provider. Failure of the Bonds to be so insured or of any such policy to be issued shall not in any
16 manner relieve the successful bidder of its contractual obligations arising from the acceptance of its bid for the
17 purchase of the Bonds.

18 *It is the policy of the Municipality of Anchorage to ensure that small businesses and businesses owned by
19 women and minorities receive every opportunity to compete for the Municipality's business. Following award of
20 the 2005 Series F Bonds, the Municipality requires that the winning bidder provide a listing of syndicate
21 members noting any minority, women or disadvantaged business enterprises participating in the syndicate.*

22 **Delivery of Bonds**

23 The Bonds are expected to be delivered on or about September 22, 2005 in New York City through the
24 facilities of DTC against payment of the purchase price therefor (less the amount of the good faith Deposit) in
25 Federal Reserve Bank Funds.

26 There will also be furnished the usual closing papers, including (1) a certificate signed by appropriate
27 officials of the Municipality stating that no litigation of any kind is now pending or, to their information,
28 knowledge or belief, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or
collection of taxes by the Municipality to pay principal of or interest on the Bonds, or in any manner
questioning the proceedings and authority under which the Bonds are issued, or affecting the validity of the
Bonds and (2) a certificate signed by the Chief Fiscal Officer relating to the Official Statement, each as
described in the Preliminary Official Statement.

29 **Legal Opinion**

30 The approving opinion of Wohlforth, Johnson, Brecht, Cartledge, and
31 Brooking, Bond Counsel, in substantially the form set forth in the Preliminary Official Statement,
32 will be furnished without cost to the successful bidder. The Preliminary Official Statement contains a
33 discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross
34 income of interest for Federal income tax purposes on the Bonds and a discussion of Bond Counsel's
35 opinion insofar as it concerns such exclusion.

36 **CUSIP Numbers**

37 CUSIP numbers will be applied for with respect to the Bonds, but the Municipality will assume no

obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

Official Statement

The Preliminary Official Statement dated September __, 2005 (the "Preliminary Official Statement") and the information contained therein have been deemed final by the Chief Fiscal Officer as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Final Official Statement.

The Municipality, at its expense, will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds, within seven (7) business days of the award of the Bonds.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the MSRB, including its obligation to provide information to the Municipality on a timely basis for the Final Official Statement.

Continuing Disclosure

In order to assist bidders in complying with Rule 15c2-12(b)(5), the Municipality will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events, if material. A description of the undertakings is set forth in the Preliminary Official Statement and also will be set forth in the Final Official Statement.

Additional Information

For further information relating to the Bonds, reference is made to the Preliminary Official Statement prepared for and authorized by the Municipality. The Preliminary Official Statement may be obtained via the Internet at www.munios.com. Copies are available upon request by calling Imagemaster at (734) 821-2525, or from the undersigned at the Office of the Chief Fiscal Officer, 632 W. 6th Avenue, Suite 810, Anchorage, Alaska 99519 (telephone (907) 343-6610; facsimile (907) 343-6616) or from the financial advisor, First Southwest Company, 250 W. 57th Street, Suite 1420, New York, NY 10107 telephone (212) 642-4350; facsimile (212) 642-4357.

Dated: September __, 2005

Municipality of Anchorage
By: Jeffrey E. Sinz, Chief Fiscal Officer

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects -- General Government

AO Number: 2005-99

Title: AO 2005-99 authorizing and providing for the issuance of not to exceed \$96,805,000 in aggregate principal amount of General Obligation General Purpose Bonds of the Municipality for the purpose of raising funds to pay costs related to public safety, road and drainage improvements; fixing certain details of said bonds; pledging the full faith and credit of the Municipality to the payment thereof; authorizing the Chief Fiscal Officer to cause the bonds to be sold at competitive public sale; and related matters.

Sponsor: Mayor
 Preparing Agency: Finance Department
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:		(In Thousands of Dollars)			
	FY05	FY06	FY07	FY08	FY09
Operating Expenditures					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service		7,206	7,203	7,203	7,204
TOTAL DIRECT COSTS:	0	\$ 7,206	\$ 7,203	\$ 7,203	\$ 7,204
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	0	\$ 7,206	\$ 7,203	\$ 7,203	\$ 7,204
REVENUES:	0	7,206	7,203	7,203	7,204
CAPITAL:					
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

Approval provides capital for both new and improved infrastructure in the areas of roads, drainage, public transportation and emergency services.

PRIVATE SECTOR ECONOMIC EFFECTS:

Approval raises voter authorized taxes to pay debt service on the bonds and allows for increased infrastructure operations and maintenance expenses associated with those improvements.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 520 - 2005

Meeting Date: August 9, 2005

From: Mayor

Subject: Ordinance No. AO 2005-99
\$96,805,000 2005 General Obligation Bonds (General Purpose)

The attached Ordinance No. AO 2005-99 provides for the issuance of not to exceed \$96,805,000 General Obligation Bonds (General Purpose) of unissued voter authorized debt. The amount of \$96,805,000 includes all outstanding voter authorized debt for general government projects; such amount does not include voter authorized debt for educational capital improvements.

This will be a competitively bid transaction rather than a negotiated transaction. The Public Finance & Investments Staff has been looking forward to executing a competitive transaction for some time and this new money, single series bond issue represents a good opportunity to access the market with a competitive transaction.

The current schedule for the sale and related matters calls for a public hearing on the Ordinance on August 23, 2005. Sale of the Bonds is anticipated to take place in early September 2005.

The Chief Fiscal Officer is authorized by Section 21 of the Ordinance to accept the bid from the purchaser that results in the lowest overall cost to the Municipality.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2005-99.

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

Content Information**Content ID :** 003118**Type:** Ordinance - AO**Title:** AO 2005-99, 2005 General Obligation Bonds (General Purpose) \$96,805,000, Finance**Author:** pruittns**Initiating Dept:** Finance**Keywords:** \$96M, General Obligation, Bonds, General Purpose**Date Prepared:** 7/28/05 11:44 AM**Director Name:** Jeffrey Sinz**Assembly Meeting Date**
MM/DD/YY: 8/9/05**Public Hearing Date**
MM/DD/YY: 8/23/05**Workflow History**

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	7/28/05 11:47 AM	Checkin	pruittns	Public	003118
Finance_SubWorkflow	7/28/05 11:52 AM	Approve	sinzje	Public	003118
AllOrdinanceWorkflow	7/28/05 2:45 PM	Reject	mitsonjl	Public	003118
AllOrdinanceWorkflow	7/28/05 2:54 PM	Checkin	pruittns	Public	003118
Finance_SubWorkflow	7/28/05 3:38 PM	Approve	richardsdm	Public	003118
OMB_SubWorkflow	7/28/05 4:23 PM	Approve	mitsonjl	Public	003118
Legal_SubWorkflow	7/28/05 6:08 PM	Approve	fehlenrl	Public	003118
MuniManager_SubWorkflow	7/29/05 2:31 PM	Approve	leblancdc	Public	003118
MuniMgrCoord_SubWorkflow	7/29/05 3:22 PM	Approve	abbottmk	Public	003118

M.O.A.
 2005 AUG - 1 AM 11:41
 CLERKS OFFICE