

Submitted by: Chairman of the Assembly at the
Request of the Mayor
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For Reading: July 11, 2006

CLERK'S OFFICE

APPROVED

Date: 7-25-06 MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2006-98

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED FORTY-EIGHT MILLION FOUR HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$48,495,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

WHEREAS, pursuant to Ordinance No. AO 2003-9(S) of the Municipality passed and approved on February 11, 2003, the following question referred to at the election held on April 1, 2003 as Proposition 9:

PROPOSITION NO. 9

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$41,790,000 through the issuance of general obligation bonds to pay for educational capital improvements within Anchorage?

\$27,750,000 of these bonds qualify for partial State debt reimbursement (subject to annual legislative appropriation as described below).

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

<u>Projects:</u>	<u>Estimated Cost</u>
Districtwide Major Maintenance:	
Districtwide Mechanical Upgrades	\$3,990,000
Districtwide Code/Hazmat/ADA Projects	2,365,000
Districtwide Electrical Projects	5,257,000
Districtwide Roof Replacement and Repairs	3,499,000
Districtwide Minor Building Renewal Projects	5,678,000
Districtwide Restroom Upgrades	2,083,000
Districtwide Traffic Safety/Site Upgrades	4,128,000
Security Upgrades - Locks: Phase 1	750,000
Emergency Preparedness/Shelters	3,200,000
Student Transportation (10 Replacement School Buses)	840,000
Site Selection and Acquisition	10,000,000

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2003 assessed valuation) an annual increase in taxes of approximately \$18.64 to retire the proposed bonds.

As stated above, \$27,750,000 of the bonds qualify for 70% State debt reimbursement. If the State chooses to make full reimbursement, the annual increase in taxes would be \$9.97 (based on \$100,000 of 2003 assessed real and personal property value). State reimbursement is subject to annual legislative appropriation.

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

(No. AO 2003-9(S))

(herein called "Proposition 2003-9") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and

\$5,910,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2003-9; and

WHEREAS, pursuant to Ordinance No. AO 2003-11(S) of the Municipality passed and approved on February 11, 2003, the following question referred to at the election held on April 1, 2003 as Proposition 11:

PROPOSITION NO. 11

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$125,540,000 through the issuance of general obligation bonds to pay for educational capital improvements within Anchorage and increase the municipal tax cap by an amount of \$2,414,400 to pay for associated annual operations and maintenance costs?

All of these bonds qualify for partial State debt reimbursement (subject to annual legislative appropriation as described below).

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

<u>Projects:</u>	<u>Estimated Cost</u>	<u>Estimated Annual Operation and Maintenance</u>
School Renovations/Additions/Replacement		
Bartlett High School - Phase 2 Construction	\$26,940,000	\$70,300
Chester Valley Elementary School - Design Funding	750,000	0
Chugach Optional School - Construction Funding	7,000,000	49,625
New Eagle River Area High School - Construction Funding	51,000,000	2,129,575
East High School - Phase 3 Construction and Phase 4 Design Funding	18,200,000	0

Polaris K-12 School - Construction Funding	18,600,000	164,900
Sand Lake Elementary School - Design Funding	750,000	0
Service High School - Phase 2A Deferred Inflation, Phase 2B Design, Phases 3 and 4 Preliminary Design Funding	2,300,000	0

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value (based on the estimated 2003 assessed valuation): (i) an annual increase in taxes of approximately \$56.01 to retire the proposed bonds, and (ii) an annual increase in the municipal tax cap (Charter 14.03(b)(2)) of approximately \$12.87 to pay for annual operation and maintenance costs related to the proposed capital improvements.

As stated above, \$47,440,000 of the bonds qualify for 70% State debt reimbursement and \$78,100,000 of the bonds qualify for 60% State debt reimbursement. If the State chooses to make full reimbursement, the annual increase in taxes would be \$20.29 (based on \$100,000 of 2003 assessed real and personal property value). State reimbursement is subject to annual legislative appropriation.

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

(No. AO 2003-11(S))

(herein called "Proposition 2003-11") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and \$4,560,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2003-11; and

WHEREAS, pursuant to Ordinance No. AO 2004-25(S) of the Municipality passed and approved on February 17, 2004, the following question referred to at the election held on April 6, 2004 as Proposition 4:

PROPOSITION NO. 4

EDUCATIONAL CAPITAL IMPROVEMENT BONDS

Shall Anchorage borrow up to \$36,380,000 through the issuance of general obligation bonds to pay costs of code upgrades, sprinklers, security upgrades, roof replacements, mechanical upgrades, and other educational capital improvements within Anchorage? \$34,365,000 of the estimated costs of the projects currently qualify for 60% or 70% State debt reimbursement (subject to annual Legislative appropriation as described below).

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

<u>Projects</u>	<u>Estimated Cost</u>
Districtwide Security Upgrades - Locks Phase 2	\$1,300,000
Multi-School Security System Upgrades	1,250,000
Multi-School Sprinklers (Eagle River, Mt. View and Gladys Wood)	950,000
Districtwide Roof Replacement and Repairs	1,000,000
Districtwide Mechanical Upgrades	7,230,000
Heavy Equipment Replacement	985,000
Heating System Conversions - 5 Schools	5,000,000
Districtwide Minor Building Renewal Projects	6,890,000
Districtwide Code/Hazmat/ADA Projects	800,000
Replacement School Buses	830,000
Districtwide Electrical Projects	9,345,000
Multi-School Traffic Safety Planning/Design	200,000
Traffic Safety/Site Upgrades	600,000

1 Voter approval of this bond proposition authorizes for each
2 \$100,000 of assessed real and personal property value (based
on the estimated 2004 assessed valuation) an annual increase
in taxes of approximately \$14.64 to retire the proposed bonds.

3 \$34,365,000 of the estimated costs of the projects currently
4 qualify for 60% or 70% State debt reimbursement. If the State
5 chooses to make full reimbursement, the annual increase in
6 taxes would be \$5.16 (based on \$100,000 of 2004 assessed
real and personal property value). State reimbursement is
subject to annual Legislative appropriation.

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

9 (No. AO 2004-25(S))

10 (herein called "Proposition 2004-4") was passed and approved, and said election has been
11 duly canvassed and the results thereof certified and confirmed in accordance with law, and
12 \$18,525,000 principal amount of said general obligation bonds remain authorized, but
13 unissued, under Proposition 2004-4; and

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

17 PROPOSITION NO. 1

18 EDUCATIONAL CAPITAL IMPROVEMENT BONDS

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

24 Voter approval of this bond proposition authorizes for each
25 \$100,000 of assessed real and personal property value (based
26 on the 2004 assessed valuation): (i) an annual increase in
taxes of approximately \$20.87 to retire the proposed bonds,
and (ii) an annual increase in the municipal tax cap (Charter

14.03(b)(2)) of approximately \$9.13 to pay for annual operation and maintenance costs related to the proposed capital improvements.

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

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

(No. AO 2004-118)

(herein called "Proposition 2004-1") was passed and approved, and said election has been duly canvassed and the results thereof certified and confirmed in accordance with law, and \$19,500,000 principal amount of said general obligation bonds remain authorized, but unissued, under Proposition 2004-1; and

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

WHEREAS, the Municipality has determined and does hereby determine that it is necessary to continue to plan, design, acquire property for, prepare the sites for, construct, acquire, renovate, install and equip some of the educational capital improvements of the Municipality specified in Propositions 2003-9, 2003-11, 2004-4 and 2004-1, and to pay the capital costs thereof (hereinafter referred to, as specified in said Proposition, as the "Projects"); and

WHEREAS, it is deemed necessary and advisable and in the best interest of the Municipality and its inhabitants that not to exceed \$5,910,000 principal amount of general obligation school bonds referred to in Proposition 2003-9, constituting the remaining principal amount of unsold general obligation school bonds referred to therein, and not to

1 exceed \$4,560,000 principal amount of general obligation bonds referred to in Proposition
2 2003-11, constituting the remaining principal amount of unsold general obligation school
3 bonds referred to therein, and not to exceed \$18,525,000 principal amount of general
4 obligation bonds referred to in Proposition 2004-4, constituting the remaining principal
5 amount of unsold general obligation school bonds referred to therein, and not to exceed
6 \$19,500,000 principal amount of general obligation school bonds referred to in Proposition
7 2004-1, constituting the remaining principal amount of unsold general obligation school
8 bonds referred to therein, be hereby authorized, as hereinafter fixed and determined, for
9 the purpose of raising funds to pay the Costs (as hereinafter defined) of the Projects; and

10 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

11 Section 1) Purpose. The purpose of this Ordinance is to authorize the issuance
12 and sale of not to exceed \$48,495,000 of general obligation school bonds of the
13 Municipality (the "Bonds") to provide funds to pay capital costs of the Projects, to pay the
14 costs of issuance of the Bonds authorized herein (including the bond insurance premium, if
15 any), and to fix certain details and to provide for the form and manner of sale of said Bonds
16 to be issued.

17 Section 2) Definitions. The following terms shall have the following meanings in this
18 Ordinance:

19 (a) "Acquired Obligations" means any of the following securities, if and to the
20 extent the same are at the time legal for investment of funds of the Municipality: (1) any
21 bonds or other obligations which as to principal and interest constitute direct obligations of,
22 or are unconditionally guaranteed as to timely payment by, the United States of America;
23 direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import
24 Bank of the United States; senior debt obligations of the Federal Home Loan Banks;
25 debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds
26 and guaranteed pass-through obligations of the Government National Mortgage Associa-

tion; guaranteed Title XI financings of the U.S. Maritime Administration; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; or (2) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state, (a)(i) which are not callable at the option of the obligor prior to maturity, (ii) which are callable prior to maturity and the issuer has foregone the right to call the obligations and the obligations are irrevocably escrowed to maturity, or (iii) as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (1) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) the principal of and interest on the bonds and obligations of the character described in clause (1) hereof have been deposited in such fund and, along with any cash on deposit in such fund, are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (2) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (2), as appropriate, and (c) such securities are unconditionally rated Aaa by Moody's Investors Service or unconditionally rated AAA by Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies.

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

1 (c) "Authorized Municipal Representative" means the Chief Fiscal Officer of the
Municipality or his designee appointed in writing.

2 (d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance
3 and sale of which are authorized herein as the evidence of the indebtedness referred to in
4 Propositions 2003-9, 2003-11, 2004-4 and 2004-1.

5 (e) "Bond Insurer" means, with respect to the Bonds, an insurance company, if
6 any, which issues a policy of insurance with respect to payment of the interest on and
7 principal of the Bonds.

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

12 (g) "Bond Registrar" means a bank or trust company selected by the Authorized
13 Municipal Representative which shall also serve as the Paying Agent pursuant to Section
14 13 of this Ordinance.

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

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

24 (j) "Code" means the Internal Revenue Code of 1986, as amended from time to
25 time, together with all regulations effective or promulgated and applicable thereto.
26

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

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

(m) "Cost of Issuance Fund" means the fund created under Section 12 hereof.

(n) "Debt Service Fund" means the account created under Section 12 hereof.

(o) "DTC" means The Depository Trust Company, New York, New York, a limited

1 purpose trust company organized under the laws of the State of New York, as depository
2 for the Bonds pursuant to Section 6 hereof, and the term DTC shall include any corporate
3 successor thereto.

4 (p) "Letter of Representations" means the Blanket Issuer Letter of
5 Representations from the Municipality to DTC dated July 1, 1995, including DTC's
6 Operational Arrangements referenced in said letter, as they may be amended from time to
7 time.

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

13 (r) "Ordinance" means this Ordinance of the Municipality.

14 (s) "Paying Agent" means bank or trust company organized under the laws of
15 any state of the United States of America or a national banking association appointed by
16 the Authorized Municipal Representative pursuant to Section 13 of this Ordinance. The
17 Paying Agent shall also act as Bond Registrar pursuant to Section 13 hereof.

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

20 (u) "Project Fund" means the fund created under Section 12 hereof.

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

23 Section 3) Authority for Ordinance. The Municipality has ascertained and hereby
24 determines that each and every matter and thing as to which provision is made in this Ordinance
25 is necessary in order to carry out and effectuate the purposes of the Municipality in
26 accordance with the Constitution and statutes of the State of Alaska and the Home Rule

Charter of the Municipality, and to incur the indebtedness and issue the Bonds as referred to in Propositions 2003-9, 2003-11, 2004-4 and 2004-1.

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

Section 5) Authorization of Bonds and Purpose of Issuance. For the purpose of raising funds to pay the Costs of acquiring and developing the Projects as authorized by Propositions 2003-9, 2003-11, 2004-4 and 2004-1, which, in accordance with said Propositions is hereby determined to be necessary, and to provide for original issue discount, if any, and to pay all costs incidental thereto and to the issuance of the Bonds as follows:

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
2003-9	\$ 5,910,000
2003-11	4,560,000
2004-4	18,525,000
2004-1	19,500,000

general obligation school bonds of the Municipality constituting the authorized, or portion thereof, of the unissued Bonds referred to in Propositions 2003-9, 2003-11, 2004-4 and 2004-1 with such designation as is set forth in Section 6 hereof, are hereby authorized, and shall be issued in the aggregate principal amount of not to exceed FORTY-EIGHT

MILLION FOUR HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$48,495,000).

Section 6) Designation, Maturities, Payment Dates, Rates and Bonds. The Bonds shall be designated "Municipality of Anchorage, Alaska, 2006 General Obligation Bonds, Series A (Schools)" or such other or additional designation as may be made by the Authorized Municipal Representative, shall be issued in one or more series or may be combined and sold as a single series with other bonds authorized by an ordinance approved by the Assembly, shall be dated and mature on such dates and may be redeemed in such manner as shall be established by the Authorized Municipal Representative pursuant to Section 21 of this Ordinance or by the Assembly by resolution adopted prior to delivery of the Bonds.

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

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

governmental authority or any usage or requirement of law with respect thereto.

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

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

Section 7) Additional Details of Bonds. Each of the Bonds shall be signed by the manual or facsimile signature of the Mayor or the Municipal Manager and the official seal

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

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

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

12 This Bond is one of the Municipality of Anchorage, Alaska, 2006 General Obligation Bonds,
13 Series A (Schools) described in and issued pursuant to the within mentioned Ordinance.

14 _____,
15 as Paying Agent
16 Date of Authentication:

17 _____ By _____
18 Authorized Agent

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

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

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

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

25 Section 9) Notice of Redemption. Except as hereafter provided in this Section 9,
26 when the Municipality determines to redeem any Bonds, the Paying Agent shall give notice

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

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

22 Each further notice of redemption given hereunder shall contain the information
23 required above for an official notice of redemption plus: (i) if fewer than all outstanding
24 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the
25 principal amounts) of the Bonds to be redeemed, (ii) if the Bonds are no longer held under
26 the Book-Entry System the Bonds are to be surrendered for payment at the corporate

1 trust office of the Paying Agent or such location as may be designated by the Paying
2 Agent (iii) the CUSIP numbers of all Bonds being redeemed, (iv) the dated date of the
3 Bonds, (v) the rate of interest for each Bond being redeemed, (vi) the date of the notice,
4 and (vii) any other descriptive information needed to identify accurately the Bonds being
redeemed.

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

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

13 Section 10) Payment of Redeemed Bonds. Unconditional notice of redemption
14 having been given in the manner provided in this Ordinance, the Bonds so called for
15 redemption shall become due and payable on the redemption date stated in said notice at
16 the applicable redemption price on said date plus interest accrued and unpaid to the
17 redemption date upon presentation and surrender thereof at a corporate trust office of the
18 Paying Agent or such other location as may be designated by the Paying Agent. If, on the
19 redemption date, moneys for the redemption of all the Bonds to be redeemed, together
20 with interest accrued and unpaid to the redemption date, shall be held on behalf of the
21 Municipality at the corporate trust office of the Paying Agent so as to be available therefor
22 on said date and if notice of redemption shall have been given as aforesaid, then from and
23 after the redemption date the Bonds so called for redemption shall cease to bear interest.

24 Each check or other transfer of funds issued for the payment of the redemption price
25 of Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity,
26

the Bonds being redeemed with the proceeds of such check or other transfer.

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. GOSB-

\$

2006 GENERAL OBLIGATION BOND, SERIES A
(SCHOOLS)

INTEREST RATE
%

MATURITY DATE

CUSIP NO.

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

1 The Municipality of Anchorage, a municipal corporation of the State of Alaska (the
2 "Municipality"), for value received, acknowledges itself indebted and hereby promises to
3 pay to the Registered Owner identified above, or registered assigns, on the Maturity Date
4 identified above, upon presentation and surrender hereof, the Principal Amount shown
5 above, and to pay interest on such principal sum from the date hereof until its obligation
6 with respect to the payment of such principal sum shall be discharged, at the Interest Rate
7 per annum shown above, payable on the first days of _____ and _____ in each
8 year beginning _____, 2006. The principal, interest and redemption price
9 of this Bond shall be payable in any coin or currency of the United States of America which
10 at the time of payment is legal tender for the payment of public and private debts. Principal
11 shall be paid to the Registered Owner or assigns upon presentation and surrender of this
12 Bond at the corporate trust office of _____ (hereinafter
13 called the Paying Agent), or its successors. Payment of interest shall be made by check or
14 draft mailed to the Registered Owner, as of the 15th day of the month preceding the
15 interest payment date, at the address appearing on the Bond Register of the Municipality
16 kept at the corporate trust office of the Paying Agent. Notwithstanding the foregoing, if this
17 Bond is held in fully immobilized form, payment of principal and interest shall be as
18 provided in the Blanket Issuer Letter of Representations between the Municipality and The
19 Depository Trust Company, dated July 1, 1995, and The Depository Trust Company's
20 Operational Arrangements referred to therein, as they may be amended from time to time
21 (together, the "Letter of Representations").

22 This Bond is one of the 2006 General Obligation Bonds, Series A (Schools) of
23 Anchorage, Alaska, of like tenor and effect except as to interest rate, number, redemption
24 terms and maturity, aggregating \$48,495,000 in principal amount, and constituting Bonds
25 authorized for the purpose of raising funds to pay the cost of educational capital improve-
26 ments in the Municipality, with the question of their issuance for such purpose approved

and ratified by a majority vote of the qualified voters of the Municipality who voted on Propositions 2003-9, 2003-11, 2004-4 and Proposition 2004-1 at the elections held in the Municipality on April 1, 2003, April 6, 2004, and November 2, 2004, and is issued pursuant to Ordinance No. AO 2006-___ of the Municipality entitled:

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED FORTY-EIGHT MILLION FOUR HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$48,495,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION SCHOOL BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF EDUCATIONAL CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE AND SALE OF SAID BONDS; AND RELATED MATTERS.

(the "Ordinance").

The Bonds maturing in the years 20__ through 20__, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after ____, 20__, are subject to redemption at the option of the Municipality on and after ____ 1, 20__, in whole or in part on any date, in increments of \$5,000, with maturities selected by the Municipality, 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, 20__ through ____, 20__ ____ 1, 20__ 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

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

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

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

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

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

IN WITNESS WHEREOF, ANCHORAGE, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its [Mayor] [Municipal Manager] and its corporate seal to be hereunto impressed or imprinted or otherwise reproduced and attested by the manual or facsimile signature of its [Deputy] Municipal Clerk, all as of the ____ day of _____, 2006.

[Mayor] [Municipal Manager]

[SEAL]

ATTEST:

[Deputy] Municipal Clerk

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

Section 12) Disposition of Proceeds and Establishment of Funds. The net

1 proceeds of the sale of the Bonds shall be deposited in the hereby authorized funds and
2 accounts of the Municipality. There is hereby authorized to be created certain funds of the
3 Municipality to be held and maintained in the custody of the Paying Agent pursuant to the
4 terms of the Paying Agent Agreement. The funds maintained by the Paying Agent may be
5 further subdivided into accounts or subaccounts.

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

11 Section 13) Paying Agent and Bond Registrar. (a) The Authorized Municipal
12 Representative is hereby authorized to appoint the Paying Agent for the Bonds. The term
13 "Paying Agent" shall include any business successor or successors thereto, i.e., any
14 company into which the Paying Agent may be merged or converted or with which it may be
15 consolidated or any company resulting from any merger, conversion or consolidation to
16 which it shall be a party, provided such company shall be a bank or trust company
17 organized under the laws of any state of the United States of America or a national banking
18 association and shall be authorized by law to perform all the duties imposed upon it by this
19 Ordinance, shall be the successor to the Paying Agent without the execution or filing of any
20 paper or the performance of any further act.

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

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

3 (b) Concerning the use of DTC,

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

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

23 (3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the
24 Paying Agent shall, upon receipt of all outstanding Bonds, together with a written
25 request on behalf of the Authorized Municipal Representative, issue a single new
26 Bond for each maturity then outstanding, registered in the name of such successor

1 or such substitute depository, or their nominees, as the case may be, all as
2 specified in such written request of the Authorized Municipal Representative.

3 (4) In the event that (i) DTC or its successor (or substitute depository or its
4 successor) resigns from its functions as depository and no substitute depository can
5 be obtained, or (ii) the Authorized Municipal Representative determines that it is in
6 the best interest of the registered owners of the Bonds that they be able to obtain
7 Bond certificates, the ownership of Bonds may then be transferred to any person or
8 entity as herein provided and the Bonds shall no longer be held under the Book-
9 Entry System. The Municipality shall deliver a written request to the Paying Agent,
10 together with a supply of definitive Bonds, to issue Bonds as herein provided in any
11 authorized denomination. Upon receipt of all then outstanding Bonds by the Paying
12 Agent, together with a written request on behalf of the Authorized Municipal
13 Representative to the Paying Agent, new Bonds shall be issued in such
14 denominations and registered in the names of such persons as are requested in
15 such written request.
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1 Section 14) Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall
2 become mutilated or be destroyed, stolen or lost, the Municipality may cause to be
3 executed, and shall deliver, a new Bond of like interest rate, principal amount, maturity and
4 series in exchange and substitution for and upon cancellation of such mutilated Bond, or in
5 lieu of and in substitution for such Bond destroyed, stolen or lost, in each case upon the
6 registered owner thereof paying the reasonable expenses and charges of the Municipality
7 and the Paying Agent in connection therewith and in the case of a Bond destroyed, stolen
8 or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent
9 and the Municipality that such Bond was destroyed, stolen or lost and the owner's
10 ownership thereof, and furnishing the Municipality and the Paying Agent with indemnity
11 satisfactory to them. Any new Bond so delivered may bear a number differing from the
12 number of the Bond it replaces.

13 Section 15) Transfer of Bonds and Delivery of New Bonds. If the Bonds are no
14 longer held in the Book-Entry System or immobilized form, any Bond may be transferred
15 only upon the books kept for the registration and transfer of Bonds by the Paying Agent,
16 upon surrender thereof at a corporate trust office of the Paying Agent, as may be
17 designated by the Paying Agent, together with an assignment duly executed by the
18 registered owner or the registered owner's attorney in such form as shall be satisfactory to
19 the Paying Agent. Upon the transfer of any such Bond, there shall be executed in the
20 name of the transferee, and the Municipality shall cause to be authenticated and delivered,
21 a new registered Bond or Bonds of the same series, maturity and aggregate principal
22 amount in any of the authorized denominations.

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

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

21 The Bonds shall be uncertificated securities to the extent provided by Alaska
22 Statutes, Chapter 45.08. The Municipality and the Paying Agent shall be entitled to treat
23 the person in whose name any Bond is registered as the absolute owner thereof for all
24 purposes of this Ordinance and any applicable laws, notwithstanding any notice to the
25 contrary received by the Paying Agent or the Municipality. Neither the Municipality nor the
26 Paying Agent will have any responsibility or obligation, legal or otherwise, to any other

party, except to the registered owners of the Bonds.

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

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

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

18 Section 19) Rebate Requirement. The Municipality covenants and agrees that it will
19 pay any amounts required to comply with the arbitrage rebate requirements of
20 Section 148(f) of the Code.
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1 Section 20) Defeasance. In the event money and/or noncallable Acquired Obliga-
2 tions maturing at such times and bearing interest to be earned thereon in amounts
3 sufficient to redeem and retire any or all of the Bonds in accordance with their terms are
4 set aside in a trust account to effect such redemption or retirement and such moneys and
5 the principal of and interest on such obligations are irrevocably set aside and pledged for
6 such purpose, then no further payments need be made to pay or secure the payment of
7 the principal of and interest on such Bonds and such Bonds shall be deemed not to be out-
8 standing. If the Bonds are insured, any defeasance of the Bonds shall be made by cash
9 and/or direct, non-callable obligations of the United States of America and/or agencies of
10 the United States of America.

11 Section 21) Sale of Bonds, Final Terms, Approval of Official Statement. The Bonds
12 shall be sold at negotiated sale to the Underwriters (as hereinafter defined). The
13 Authorized Municipal Representative, with the assistance of the Financial Advisor (as
14 defined herein), is hereby authorized to determine which of the following entities shall be
15 selected to underwrite, on behalf of the Municipality, the Bonds: A.G. Edwards, Bear,
16 Stearns, & Co., Inc., Citicorp Global Markets Inc., Goldman Sachs & Co., JP Morgan
17 Securities, Inc., Merrill Lynch & Co., Seattle-Norwest Securities Corp., Siebert Brandford
18 Shank & Co., LLC, and UBS Financial Services, Inc. The entities selected by the
19 Authorized Municipal Representative shall be herein referred to as the "Underwriters." The
20 Authorized Municipal Representative is hereby authorized to execute a purchase contract
21 with the representative of the Underwriters, for the purchase of the Bonds (the "Purchase
22 Contract") which is in the best interest of the Municipality.

23 The Municipality has been advised by its financial advisor, First Southwest Company
24 (the "Financial Advisor"), that market conditions continue to fluctuate and, as a result, the
25 most favorable market conditions may occur on a day other than a regular meeting date of
26 the Assembly. The Assembly has determined that it may not be in the best interest of the

1 Assembly to hold a special meeting on short notice and, accordingly, has determined that it
2 would be in the best interest of the Municipality to delegate to the Authorized Municipal
3 Representative for a limited time the authority to approve certain details of the Bonds
4 including the aggregate principal amount, date and the delivery date, the principal amount
5 of each maturity, the purchase price, the principal maturities and interest payment dates,
6 the redemption provisions and the interest rates of each maturity. The Bond terms shall be
7 determined by agreement among the Underwriters and the Authorized Municipal
8 Representative. The Authorized Municipal Representative shall take into account those
9 factors which, in his judgment, will result in the lowest true interest cost on the Bonds, and
10 shall be set forth as an exhibit to the Purchase Contract for the Bonds; provided that the
11 true interest cost on the Bonds is less than 5.5% and the Underwriters' discount does not
12 exceed 0.55% of the par value of the Bonds.

13 The Authorized Municipal Representative is hereby authorized to execute the
14 Purchase Contract with the Underwriters for the Bonds upon his approval of the details of
15 the Bonds including the date and the delivery date, the aggregate principal amount and the
16 principal amount of each maturity, the purchase price, the principal maturities and interest
17 payment dates, the redemption provisions and the interest rate of each maturity, the
18 Underwriters' discount and the true interest cost on the Bonds. The authority granted to
19 the Authorized Municipal Representative by this Section 21 shall expire in 120 days from
20 the date of approval of this Ordinance. If the Purchase Contract has not been executed by
21 the Authorized Municipal Representative in accordance with the delegated authority of this
22 Section 21 by said date, the Bonds may only be sold in the manner provided in the
23 following paragraph.
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1 The terms of this paragraph apply only if the Authorized Municipal Representative
2 has not entered into a Purchase Contract for the Bonds within 120 days of approval of this
3 Ordinance. The Authorized Municipal Representative is hereby authorized to solicit an
4 offer or offers for the purchase of the Bonds in such manner as he deems appropriate, and
5 thereafter to negotiate a contract for the purchase of the Bonds which is in the best interest
6 of the Municipality, said contract or contracts be executed by the Authorized Municipal
7 Representative after approval of a resolution by the Assembly.

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

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

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

23 Section 22) Authority of Officers. The Mayor, the Municipal Manager, the Chief
24 Fiscal Officer, the Municipal Attorney, the Municipal Clerk, the acting Municipal Clerk and
25 the Deputy Municipal Clerk from time to time, are, and each of them is, hereby authorized
26 and directed to do and perform all things and determine all matters not determined by this

Ordinance, or to be determined by a subsequent ordinance or resolution of the Municipality, to the end that the Municipality may carry out its obligations under the Bonds and this Ordinance.

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

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

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

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

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

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

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

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

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

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

23 (d) Bonds executed and delivered after the execution of any supplemental
24 ordinance adopted pursuant to the provisions of this Section 23 may bear a notation as to
25 any matter provided for in such supplemental ordinance, and if such supplemental
26 ordinance shall so provide, new Bonds so modified so as to conform, in the opinion of the

1 Municipality, to any modification of this Ordinance contained in any such supplemental
2 ordinance may be prepared by the Municipality and delivered without cost to the registered
3 owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in
4 equal aggregate principal amounts.

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

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

16 Section 26) Undertaking to Provide Ongoing Disclosure.

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

20 Section 27) Authorization to Amend Ordinance No. AO 2006-97. The Authorized
21 Municipal Representative is hereby directed to amend Exhibit A attached to Ordinance No.
22 AO 2006-97, to include all Bonds issued under the terms of this Ordinance to be included
23 on Exhibit A as refunding candidates under the terms of Ordinance No. AO 2006-97.

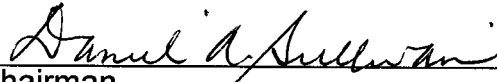
24 Section 28) Severability. If any one or more of the covenants and agreements
25 provided in this Ordinance to be performed on the part of the Municipality shall be declared
26 by any court of competent jurisdiction to be contrary to law, then such covenant or

1 covenants, agreement or agreements shall be null and void and shall be deemed
2 separable from the remaining covenants and agreements in this Ordinance and shall in no
3 way affect the validity of the other provisions of this Ordinance or of the Bonds.

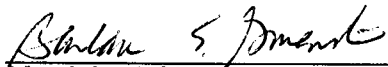
4 Section 29) Effective Date. This Ordinance shall take effect immediately.

5 PASSED AND APPROVED by the Anchorage Assembly, this 25th day of

6 July 2006.

7 
8 Chairman

9 ATTEST:

10 
11 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - Anchorage Schools

AO Number: 2006-98 Title: \$48,495,000 - School Bonds (New Money)
Sponsor:
Preparing Agency: Public Finance and Investments
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY06	FY07	FY08	FY09	FY10
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	235	2,043	2,043	2,043
4000 Debt Service		3,974*	3,974*	3,974*	3,974*
5000 Capital Outlay	0				
TOTAL DIRECT COSTS:	0	4,209	6,017	6,017	6,017

ADD: 6000 Charge from Others

LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS:

PUBLIC SECTOR ECONOMIC EFFECTS:

Provides the public with new schools and repairs on existing schools necessary to meet ongoing educational infrastructure requirements of the community.

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$3,974,276 assumes bonds are sold as a package @ 5.25% interest, for 20 years. Debt Service is scheduled to have partial reimbursement by the State of Alaska subject to annual appropriation by the Alaska State Legislature.

Increased operations and maintenance are required for new facilities.

* Subject to market rates and timing

Prepared by: Richard G. Whitehead Telephone: 343-6681

Validated by OMB: _____ Date: 6/19/06



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 484 - 2006

Meeting Date: July 11, 2006

From: Mayor

Subject: Ordinance No. AO 2006-98 \$48,495,000 2006 General Obligation School Bonds

The attached Ordinance provides for the issuance of not to exceed \$48,495,000 General Obligation School Bonds. The amount of \$48,495,000 includes all authorized but unissued general obligation school bonds.

The current schedule calls for the Bonds to be sold on about August 1, 2006.

The Chief Fiscal Officer is authorized by Section 21 of the Ordinance to negotiate terms for sale of the Bonds and to execute a contract for their sale in the Municipality's best interest.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2006 - 98.

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

AM 2006 \$48 General Obligation Bonds (Schools).doc

Content Information**Content ID :** 004089**Type:** Ordinance - AO**Title:** AO 2006-98 \$48,495,000 2006 General Obligation School Bonds, Finance**Author:** pruittns**Initiating Dept:** Finance**Keywords:** \$48,495,000, School Bonds, General Obligation, G.O., AO 2006-98**Date Prepared:** 6/23/06 3:25 PM**Director Name:** Jeffrey Sinz**Assembly Meeting Date**
MM/DD/YY: 7/11/06**Public Hearing Date**
MM/DD/YY: 7/25/06**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	6/23/06 3:27 PM	Checkin	pruittns	Public	004089
Finance_SubWorkflow	6/23/06 5:09 PM	Approve	sinzje	Public	004089
OMB_SubWorkflow	6/26/06 3:58 PM	Approve	mitsonjl	Public	004089
Legal_SubWorkflow	6/27/06 3:29 PM	Approve	fehlenrl	Public	004089
MuniManager_SubWorkflow	6/30/06 9:30 AM	Approve	leblancdc	Public	004089
MuniMgrCoord_SubWorkflow	6/30/06 2:14 PM	Approve	abbottmk	Public	004089

M.O.A.
 2006 JUL -3 PM 1:45
 CLERKS OFFICE