

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Wohlforth, Johnson, Brecht,
Cartledge & Brooking
For Reading: July 11, 2006

Postponed indefinitely
7/25/06

MUNICIPALITY OF ANCHORAGE

ORDINANCE NO. AO 2006-99

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED FORTY-SIX MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$46,110,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF FIRE RELATED IMPROVEMENTS AND ROAD AND DRAINAGE IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE AUTHORIZED MUNICIPAL REPRESENTATIVE TO DETERMINE THE MANNER OF SALE OF SAID BONDS; AND RELATED MATTERS.

WHEREAS, pursuant to Ordinance No. AO 2006-3(S) of the Municipality passed and approved on January 31, 2006, the following question referred to at the election held on April 4, 2006 as Proposition 7:

PROPOSITION NO. 7

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

Shall Anchorage borrow up to \$44,150,000 through the issuance of general obligation bonds to pay costs of roadway improvements, roadway safety improvements, drainage collection, drainage treatment and related capital improvements and increase the municipal tax cap by an annual amount not to exceed \$1,473,000 to 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 2006 assessed valuation in the Anchorage Roads and Drainage Service Area): (i) an annual increase in taxes of approximately \$18.39 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 \$7.44 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.

5 (No. AO 2006-3(S))

6 (herein called "Proposition 2006-7") was passed and approved, and said election has been
7 duly canvassed and the results thereof certified and confirmed in accordance with law, and
8 \$44,150,000 principal amount of said general obligation bonds remain authorized, but
9 unissued, under Proposition 2006-7; and

10 WHEREAS, pursuant to Ordinance No. AO 2006-5 of the Municipality passed and
11 approved on January 31, 2006, the following question referred to at the election held on
12 April 4, 2006 as Proposition 8:

13 PROPOSITION NO. 8

14 ANCHORAGE FIRE SERVICE AREA FIRE PROTECTION BONDS

15 Shall Anchorage borrow up to \$1,960,000 through the
16 issuance of general obligation bonds to pay the costs of fire
17 protection capital improvements to be located within the
18 Anchorage Fire Service Area.

19 Voter approval of this bond proposition authorizes for each
20 \$100,000 of assessed taxable property value (based on the
21 estimated 2006 assessed valuation in the Anchorage Fire
22 Service Area) an annual increase in taxes of approximately
23 \$0.88 to retire the proposed bonds.

24 The debt shall be paid from real and personal property taxes
25 levied and collected within the Anchorage Fire Service Area.
26 Anchorage will also pledge its full faith and credit for payment
27 of the bonds.

28 (No. AO 2006-5)

(herein called "Proposition 2006-8") was passed and approved, and said election has been
duly canvassed and the results thereof certified and confirmed in accordance with law, and
\$1,960,000 principal amount of said general obligation bonds remain authorized, but
unissued, under Proposition 2006-8; and

WHEREAS, the Home Rule Charter of the Municipality provides in Section 15.03

1 that the Assembly by ordinance shall provide for the form and manner of sale of bonds and
2 notes including reasonable limitation upon the sale of bonds and notes to financial
3 consultants of the Municipality; and

4 WHEREAS, the Municipality has determined and does hereby determine that it is
5 necessary to plan, design, acquire property for, prepare the sites for, construct, acquire,
6 renovate, install and equip some of the general purpose capital improvements of the
7 Municipality specified in Propositions 2006-7 and 2006-8, and to pay the capital costs
8 thereof (hereinafter referred to, as specified in said Proposition, as the "Projects"); and

9 WHEREAS, it is deemed necessary and advisable and in the best interest of the
10 Municipality and its inhabitants that not to exceed \$44,150,000 principal amount of general
11 obligation road bonds referred to in Proposition 2006-7, constituting the principal amount of
12 unsold general obligation road bonds referred to therein, and not to exceed \$1,960,000
13 principal amount of general obligation bonds referred to in Proposition 2006-8, constituting
14 the principal amount of unsold general obligation fire bonds referred to therein, be hereby
15 authorized, as hereinafter fixed and determined, for the purpose of raising funds to pay the
16 Costs (as hereinafter defined) of the Projects; and

17 NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

18 Section 1) Purpose. The purpose of this Ordinance is to authorize the issuance
19 and sale of not to exceed \$46,110,000 of general obligation general purpose bonds of the
20 Municipality (the "Bonds") to provide funds to pay capital costs of the Projects, to pay the
21 costs of issuance of the Bonds authorized herein (including the bond insurance premium, if
22 any), and to fix certain details and to provide for the form and manner of sale of said Bonds
23 to be issued.

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

26 (a) "Acquired Obligations" means any of the following securities, if and to the

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

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

(d) "Bond" or "Bonds" means any of the bonds of the Municipality, the issuance and sale of which are authorized herein as the evidence of the indebtedness referred to in Propositions 2006-7 and 2006-8.

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

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

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

(h) "Book-Entry System" means the system in which the Bonds (represented by one Bond certificate for each maturity of the Bonds) are delivered into the possession of DTC and are issued and fully-registered as to principal and interest in the name of Cede & Co., and whereby beneficial interests in the Bonds are purchased by investors through

1 DTC Participants, such interests shown and transfers thereof effected only through the
2 records maintained by the respective DTC Participants from whom each such investor
3 acquired such beneficial interest.

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

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

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

9 (l) "Cost" or "Costs" means the cost of planning, designing, acquiring property
10 for, equipping, acquiring, replacing, installing, rehabilitating and constructing the Projects,
11 including interest on the Bonds during the period of planning, designing, equipping,
12 acquiring, replacing, installing, rehabilitating and constructing the Projects, the cost,
13 whether incurred by the Municipality or by another, of field surveys and advance planning
14 undertaken in connection with the Projects properly allocable to the Projects, the cost of
15 acquisition of any land or interest therein required as the site or sites of the Projects or for
16 use in connection therewith, the cost of any indemnity and surety bonds and premiums on
17 insurance incurred in connection with the Projects prior to or during acquisition or
18 construction thereof, all related direct administrative and inspection expenses, whether
19 incurred by the Municipality or by another, in connection with the Projects prior to or during
20 acquisition or construction thereof and allocable portions of direct costs of the Municipality,
21 legal fees, fees and expenses of the Paying Agent, costs of issuance of the Bonds by the
22 Municipality, including financing charges and fees and expenses of bond counsel, financial
23 advisor and consultants in connection therewith, the cost of any bond insurance premium,
24 the cost of audits, the cost of all machinery, apparatus and equipment, the cost of
25 engineering, architectural services, designs, plans, specifications and surveys, estimates of
26 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 purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 6 hereof, and the term DTC shall include any corporate successor thereto.

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

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

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

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

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

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

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

4 Section 3) Authority for Ordinance. The Municipality has ascertained and hereby
5 determines that each and every matter and thing as to which provision is made in this Ordinance is necessary in order to carry out and effectuate the purposes of the Municipality in
6 accordance with the Constitution and statutes of the State of Alaska and the Home Rule
7 Charter of the Municipality, and to incur the indebtedness and issue the Bonds as referred
8 to in Propositions 2006-7 and 2006-8.

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

19 Section 5) Authorization of Bonds and Purpose of Issuance. For the purpose of
20 raising funds to pay the Costs of acquiring and developing the Projects as authorized by
21 Propositions 2006-7 and 2006-8, which, in accordance with said Propositions is hereby
22 determined to be necessary, and to provide for original issue discount, if any, and to pay
23 all costs incidental thereto and to the issuance of the Bonds as follows:
24
25
26

<u>Proposition No.</u>	<u>Not to Exceed Principal Amount</u>
2006-7	\$ 44,150,000
2006-8	1,960,000

general obligation general purpose bonds of the Municipality constituting the authorized, or portion thereof, of the unissued Bonds referred to in Propositions 2006-7 and 2006-8 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-SIX MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$46,110,000).

Section 6) Designation, Maturities, Payment Dates, Rates and Bonds. The Bonds shall be designated "Municipality of Anchorage, Alaska, 2006 General Obligation Bonds, Series C (General Purpose)" 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

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

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

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

1 of a partial redemption of the Bonds or any consent given or other action taken by DTC as
2 the owner of the Bonds. For so long as any Bonds are held under the Book-Entry System,
3 DTC or its successor depository shall be deemed to be the owner of the Bonds for all
4 purposes hereunder, and all references herein (except for Section 29) to the owner of the
5 Bonds or similar terms shall mean DTC or its nominee and shall not mean the owners of
6 any beneficial interest in the Bonds.

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

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

18 **PAYING AGENT'S CERTIFICATE
19 OF AUTHENTICATION**

20 This Bond is one of the Municipality of Anchorage, Alaska, 2006 General Obligation Bonds,
21 Series C (General Purpose) described in and issued pursuant to the within mentioned
22 Ordinance.

23 _____,
24 as Paying Agent
25 Date of Authentication:

26 _____ By _____
27 Authorized Agent
28

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

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

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

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

Bond as representing that number of Bonds of a \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000. As long as the Bonds are held under the Book-Entry System, such selection shall be made by DTC in accordance with the Letter of Representations.

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

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

thereof is given as above prescribed.

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

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

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

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

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

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

\$

2006 GENERAL OBLIGATION BOND, SERIES C
(GENERAL PURPOSE)

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 C (General Purpose)
23 of Anchorage, Alaska, of like tenor and effect except as to interest rate, number,
24 redemption terms and maturity, aggregating \$46,110,000 in principal amount, and
25 constituting Bonds authorized for the purpose of raising funds to pay the cost of general
26 purpose capital improvements 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 Proposition 2006-7 and Proposition 2006-8 at the elections held in the Municipality on April 4, 2006 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-SIX MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$46,110,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION GENERAL PURPOSE BONDS OF THE MUNICIPALITY FOR THE PURPOSE OF RAISING FUNDS TO PAY THE COSTS OF FIRE RELATED IMPROVEMENTS AND ROAD AND DRAINAGE IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENT PROJECTS IN THE MUNICIPALITY; FIXING CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID BONDS; PLEDGING THE FULL FAITH AND CREDIT OF THE MUNICIPALITY TO THE PAYMENT THEREOF; AUTHORIZING THE AUTHORIZED MUNICIPAL REPRESENTATIVE TO DETERMINE THE MANNER OF 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, 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.

[SEAL]

[Mayor] [Municipal Manager]

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
3 consisting of the Cost of Issuance Fund, the Debt Service Fund, and the Project Fund of
4 the Municipality to be held and maintained in the custody of the Paying Agent pursuant to
5 the terms of the Paying Agent Agreement. The funds maintained by the Paying Agent may
6 be further subdivided into accounts or subaccounts.

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

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

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

ownership of each Bond that complies with the provisions of Section 149 of the Code.

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

(b) Concerning the use of DTC,

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

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

(3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the Paying Agent shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Authorized Municipal Representative, issue a single new

Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Authorized Municipal Representative.

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

Section 14) Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Municipality may cause to be executed, and shall deliver, a new Bond of like interest rate, principal amount, maturity and series in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed, stolen or lost, in each case upon the registered owner thereof paying the reasonable expenses and charges of the Municipality and the Paying Agent in connection therewith and in the case of a Bond destroyed, stolen or lost, filing by the owner with the Paying Agent evidence satisfactory to the Paying Agent and the Municipality that such Bond was destroyed, stolen or lost and the owner's ownership thereof, and furnishing the Municipality and the Paying Agent with indemnity

1 satisfactory to them. Any new Bond so delivered may bear a number differing from the
2 number of the Bond it replaces.

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

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

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

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

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

23 Section 18) Compliance with Code. The Municipality hereby covenants to comply
24 with any and all applicable requirements set forth in the Code in effect from time to time to
25 the extent that such compliance shall be necessary for the exemption from federal income
26 taxes of the interest on the Bonds. The Municipality hereby further covenants to observe

any and all applicable requirements in any future federal tax legislation to the extent that such compliance is determined by the Municipality to be legal and practicable and required for such exemption.

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

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

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

Section 21) Sale of Bonds, Final Terms, Approval of Official Statement. (a) The Authorized Municipal Representative is hereby authorized to cause the Bonds to be sold in a manner which is determined by him to be in the best interest of the Municipality. The method of sale may include either negotiated or competitive sale.

(b) If the Authorized Municipal Representative causes the Bonds to be sold at negotiated sale, the Authorized Municipal Representative, with the assistance of First Southwest Company, as financial advisor (the "Financial Advisor"), is hereby authorized to

determine which of the following entities shall underwrite the Bonds: A.G. Edwards, Bear, Stearns, & Co., Inc., Citicorp Global Markets Inc., Goldman Sachs & Co., JP Morgan Securities, Inc., Merrill Lynch & Co., Seattle-Norwest Securities Corp., Siebert Brandford Shank & Co., LLC, and UBS Financial Services, Inc. The entities selected by the Authorized Municipal Representative shall be herein referred to as the "Underwriters."

The Authorized Municipal Representative is hereby authorized to execute a purchase contract with the representative of the Underwriters, for the purchase of the Bonds (the "Purchase Contract") which is in the best interest of the Municipality. The Purchase Contract shall include details of the Bonds including the date and the delivery date, the aggregate principal amount and the principal amount of each maturity, the purchase price, the maturity and interest payment dates, the redemption provisions and the interest rate of each maturity, the delivery date, the underwriters' discount and the true interest cost on the Bonds; provided that the true interest cost on the Bonds is less than 5.5% and the Underwriters' discount does not exceed 0.55% of the par value of the Bonds.

(c) If the Authorized Municipal Representative causes the Bonds to be sold at competitive sale, the Authorized Municipal Representative, with the assistance of the Financial Advisor, is hereby authorized to publish a Summary Notice of Sale in the Bond Buyer, New York, New York on such date in advance of the date of the sale of the Bonds as is determined by them to be adequate to give prospective bond purchasers adequate notice and information regarding the sale of the Bonds. The bid proposal of the successful bidder shall be the bid with the lowest true interest cost and be accompanied by a good faith deposit properly drawn to the order of the Municipality in an amount equal to 1% of the principal amount of the Bonds to be sold, or a financial surety bond from a company licensed to issue such bond in the State.

(d) The authority granted to the Authorized Municipal Representative by this Section 21 shall expire in 210 days from the date of approval of this Ordinance. If the

1 Purchase Contract has not been executed by the Authorized Municipal Representative, or
2 the Bonds have not been sold at competitive sale, in accordance with the delegated
3 authority of this Section 21 by said date, the Bonds may only be sold in the manner
4 provided in the following paragraph (e).

5 (e) The terms of this paragraph apply only if the Authorized Municipal
6 Representative has not entered into a Purchase Contract for the Bonds, or the Bonds have
7 not been sold at competitive sale, within 210 days of approval of this Ordinance. The
8 Authorized Municipal Representative is hereby authorized to solicit an offer or offers for the
9 purchase of the Bonds in such manner as he deems appropriate, and thereafter to
10 negotiate a contract for the purchase of the Bonds which is in the best interest of the
11 Municipality, said contract or contracts be executed by the Authorized Municipal
12 Representative after approval of a resolution by the Assembly.

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

20 (g) The Authorized Municipal Representative is authorized to approve the final terms
21 of, and to execute on behalf of the Municipality, the Paying Agent Agreement.

22 (h) The Authorized Municipal Representative is further authorized to review and to
23 deem final (in the case of the preliminary official statement) and approve (in the case of the
24 final official statement), on behalf of the Municipality, the preliminary official statement and
25 final official statement relating to the issuance and sale of the Bonds with such changes, if
26 any, as may be deemed by him to be appropriate, including changes necessary in order to

evidence compliance with Section (b)(5) of the Rule.

Section 22) Authority of Officers. The Mayor, the Municipal Manager, the Authorized Municipal Representative, the Municipal Attorney, the Municipal Clerk, the acting Municipal Clerk and the Deputy Municipal Clerk from time to time, are, and each of them is, hereby authorized 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

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

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

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

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

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

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

terms and conditions of this Ordinance for any and all purposes.

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

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

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

Section 26) Undertaking to Provide Ongoing Disclosure.

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

Section 27) Authorization to Amend Ordinance No. AO 2006-97. The Authorized Municipal Representative is hereby directed to amend Exhibit A attached to Ordinance No.

1 AO 2006-97, to include all Bonds issued under the terms of this Ordinance to be included
2 on Exhibit A as refunding candidates under the terms of Ordinance No. AO 2006-97.

3 Section 28) Severability. If any one or more of the covenants and agreements
4 provided in this Ordinance to be performed on the part of the Municipality shall be declared
5 by any court of competent jurisdiction to be contrary to law, then such covenant or
6 covenants, agreement or agreements shall be null and void and shall be deemed
7 separable from the remaining covenants and agreements in this Ordinance and shall in no
8 way affect the validity of the other provisions of this Ordinance or of the Bonds.

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

10 PASSED AND APPROVED by the Anchorage Assembly, this ____ day of
11 _____ 2006.

12 _____
13 Chairman

14 ATTEST:

15 _____
16 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2006-99

Title: \$46,110,000 - General Purpose 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	748	748	748	748
4000 Debt Service	0	3,779*	3,779*	3,779*	3,779*
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	4,527	4,527	4,527	4,527

ADD: 6000 Charge from Others

LESS: 7000 Charge to Others

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS:

PUBLIC SECTOR ECONOMIC EFFECTS:

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

PRIVATE SECTOR ECONOMIC EFFECTS:

Estimated annual debt service of \$3,778,820 assumes bonds are sold as a package @ 5.25% interest, for 20 years. 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: 6/26/06



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 485 -2006

Meeting Date: July 11, 2006

From: Mayor

Subject: Ordinance No. AO 2006-99 \$46,110,000 2006 General Obligation General Purpose Bonds.

The attached Ordinance provides for the issuance of not to exceed \$46,110,000 General Obligation General Purpose Bonds. The amount of \$46,110,000 includes all authorized but unissued general obligation general purpose bonds.

The current schedule calls for the Bonds to be sold on about August 1, 2006. In the case of these general purpose bonds, the Municipality anticipates a delayed closing date in early December 2006. The purpose of a delayed closing is to align the receipt of bond proceeds with the cash flow needs of the capital projects, while achieving a reduced cost of issuance by combining multiple bond issues into a single bond sale. The general purpose bonds will be combined with a new money school bond issue and a school bond refunding issue and sold through a single sale. The issuance costs will be shared proportionately by all three issues resulting in a lower cost of issuance than would occur with separate sales. The Chief Fiscal Officer and the MOA's financial advisor will monitor the difference in costs for a delayed closing bond series versus a separate bond issue in early December. Based on the comparative cost of the two approaches, a decision will be made at the time of the scheduled sale to either move ahead as planned, or delay the sale of the general purpose bonds until later this fall. The attached ordinance permits either approach.

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 as determined to be in the best interest of the Municipality.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2006 - 99.

Recommended by: Jeffrey E. Sinz, Chief Fiscal Officer

Concurrence: Denis C. LeBlanc, Municipal Manager

Respectfully submitted: Mark Begich, Mayor

Content Information**Content ID :** 004090**Type:** Ordinance - AO**Title:** AO 2006-99 \$46,110,000 2006 General Obligation General Purpose Bonds, Finance**Author:** pruittns**Initiating Dept:** Finance**Keywords:** AO 2006-99, General Obligation, G.O. Bonds, General Purpose, \$46,110,000**Date Prepared:** 6/23/06 3:29 PM**Director Name:** Jeffrey Sinz**Assembly Meeting Date**
MM/DD/YY: 7/11/06**Public Hearing Date**
MM/DD/YY: 7/25/06M.O.A.
2006 JUL -3 PM 1:45
CLERKS OFFICE**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 3:31 PM	Checkin	pruittns	Public	004090
Finance_SubWorkflow	6/23/06 5:09 PM	Approve	sinzje	Public	004090
AllOrdinanceWorkflow	6/26/06 4:02 PM	Reject	mitsonjl	Public	004090
AllOrdinanceWorkflow	6/27/06 11:51 AM	Checkin	pruittns	Public	004090
Finance_SubWorkflow	6/27/06 5:37 PM	Approve	sinzje	Public	004090
OMB_SubWorkflow	6/28/06 5:09 PM	Approve	mitsonjl	Public	004090
Legal_SubWorkflow	6/28/06 5:56 PM	Approve	fehlenrl	Public	004090
MuniManager_SubWorkflow	6/30/06 9:25 AM	Approve	leblancdc	Public	004090
MuniMgrCoord_SubWorkflow	6/30/06 2:14 PM	Approve	abbottmk	Public	004090