CLERK'S OFFICE
APPROVED
Date: 2-14-12

Requested by: Chair of the Assembly at the Request of the Mayor
Prepared by: Cynthia M. Weed, Bond Counsel
K&L Gates LLP
For Reading: January 31, 2012

MUNICIPALITY OF ANCHORAGE, ALASKA
ORDINANCE NO. 2012-13

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS ($120,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE COLLECTED DURING YEAR 2012 AND THE FULL FAITH AND CREDIT TO THE PAYMENT THEREOF; AND DELEGATING CERTAIN MATTERS TO THE CHIEF FISCAL OFFICER IN CONNECTION WITH THE SALE OR PLACEMENT OF THE NOTES.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality") levies ad valorem taxes on real and personal property on an annual basis with payment thereof allowed to be made in installments; and

WHEREAS, the Municipality requires funds to meet on-going expenses until receipt of sufficient money from the payment of ad valorem property taxes to be collected in 2012 and from other revenue sources, and desires to borrow such funds and to issue its tax anticipation notes for this purpose; and

WHEREAS, Alaska Statutes, Sections 29.47.010-.040 and Article XV of the Home Rule Charter of the Municipality provide for the borrowing of money by the Municipality in anticipation of tax revenues; 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 Assembly does herein determine that it is necessary and advisable and in the best interest of the Municipality and its inhabitants that tax anticipation notes in an amount not to exceed $120,000,000 be issued at this time for the purpose of raising funds to pay on-going expenses of the Municipality until sufficient money from receipt of year 2012 ad valorem property taxes and from other revenue sources is available; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Purpose. The purpose of this ordinance is to authorize the issuance and sale of not to exceed $120,000,000 of tax anticipation notes to provide funds to pay the on-going expenses of the Municipality until sufficient funds from receipt of year 2012 ad valorem property taxes and from other revenue sources are available, to provide for original issue discount or premium, if any, to pay the costs of issuance of the tax anticipation notes authorized herein, and to fix certain details of said notes to be issued.

Section 2. Definitions. The following terms shall have the following meanings in this ordinance:

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.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Notes (including persons holding Notes through nominees, depositories or other intermediary).

Chief Fiscal Officer means the chief fiscal officer of the Municipality appointed and confirmed pursuant to Section 5.05 of the Home Rule Charter.

Code means the Internal Revenue Code of 1986, as heretofore or hereafter amended, together with all applicable regulations and rulings heretofore or hereafter promulgated thereunder.

Commission means the Securities and Exchange Commission.

DTC means The Depository Trust Company, New York, New York, as depository for the Notes, or any successor or substitute depository for the Notes.

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.

MSRB means the Municipal Securities Rulemaking Board or any successor to its functions.

Municipal Manager means the Municipal Manager of the Municipality appointed and confirmed pursuant to Section 5.03 of the Home Rule Charter.

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.

Note or ***Notes*** means any of the Municipality's 2012 General Obligation Tax Anticipation Notes, the issuance and sale of which are authorized herein.

Note Redemption Fund means the fund or account of the Municipality established pursuant to Section 13 of this ordinance for the repayment of the Notes.

Note Register means the registration books maintained by the Registrar which include the names and addresses of the owners or nominees of the owners of the Notes.

Registered Owner means the person named as the registered owner of a Note in the Note Register. For so long as the Notes are held in book-entry only form, DTC shall be deemed to be the sole owner of the Notes, except for purposes of Section 17 of this ordinance.

Registrar means Chief Fiscal Officer or the bank or trust company selected by the Chief Fiscal Officer pursuant to Section 14 of this ordinance for the purposes of registering and authenticating the Notes, maintaining the Note Register, and effecting transfer of ownership of the Notes.

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

<u>**Rules of Interpretation**</u>. In this ordinance, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein, "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect;

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Words importing the singular number include the plural number and vice versa.

In this ordinance, the Chief Fiscal Officer may be authorized to create a number of "funds" and/or "accounts." In each case, the Chief Fiscal Officer may designate each such fund or account in his or her discretion as a fund or as an account, regardless of its designation in this ordinance.

Section 3. Authority for Ordinance. Notwithstanding Anchorage Municipal Code Section 6.20.040, the Municipality has ascertained and hereby 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 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 Notes.

Section 4. Authorization of Notes and Purpose of Issuance. For the purpose of providing the funds required to pay the on-going expenses of the Municipality until sufficient funds from the receipt of year 2012 ad valorem property taxes and from other revenue sources are available and to pay all costs of issuance, the Municipality hereby authorizes the sale and issuance of tax anticipation notes of the Municipality (the "Notes") in the aggregate principal amount of not to exceed $120,000,000 as determined by the Chief Fiscal Officer pursuant to Section 16 of this ordinance.

Section 5. Designation, Interest Rate, Maturity and Payment Date. The Notes shall be designated "Municipality of Anchorage, Alaska, 2012 General Obligation Tax Anticipation Notes," shall be dated the date of their initial issuance and delivery, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification; shall be dated as of the date of their issuance and shall mature no later than December 29, 2012, as established by the Chief Fiscal Officer pursuant to Section 16 of this ordinance.

The Notes shall bear interest from their date calculated on the basis of a 360-day year composed of twelve 30-day months from their date payable at the maturity thereof at the rate per annum fixed and determined by the Chief Fiscal Officer pursuant to Section 16 of this ordinance.

Section 6. Registration, Transfer and Exchange.

(a) *Registrar/Note Register.* The Notes shall be issued only in registered form as to both principal and interest. The Chief Fiscal Officer is hereby authorized to appoint a Registrar for the Notes in accordance with Section 14 of this ordinance. The Municipality shall cause a Note Register to be maintained by the Registrar. So long as any Notes remain outstanding, the Registrar shall make all necessary provisions to permit the exchange or registration of transfer of Notes at its principal corporate trust office. The Registrar may be removed at any time at the option of the Chief Fiscal Officer of the Municipality and a successor Registrar appointed by the Chief Fiscal Officer of the Municipality. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Municipality, to authenticate and deliver Notes transferred or exchanged in accordance with the provisions of such Notes and this ordinance and to carry out all of the Registrar's powers and duties under this ordinance. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Notes.

The Registrar shall keep, or cause to be kept, the Note Register which shall at all times be open to inspection by the Municipality.

(b) *Registered Ownership.* The Municipality and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Note as the absolute owner thereof for all purposes (except as provided in Section 19 of this ordinance), and neither the Municipality nor the Registrar shall be affected by any notice to the contrary. Payment of any such Note shall be made only as described in Section 6(h) hereof, but such Note may be transferred as herein provided. All such payments made as described in Section 6(h) shall be valid and shall satisfy and discharge the liability of the Municipality upon such Note to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations*. The Notes initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Notes as eligible for deposit at DTC, the Municipality has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the Municipality nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or the participants of any successor depository or those for who any such successor acts as nominee) with respect to the Notes in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Notes, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the Municipality to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Notes are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Notes.

If any Note shall be duly presented for payment and funds have not been duly provided by the Municipality on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Note until it is paid.

(d) *Use of Depository*.

(1) The Notes shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Note maturing on each of the maturity dates for the Notes in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Notes, or any portions thereof, may not thereafter be transferred except (A) 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; (B) to any substitute depository appointed by the Chief Fiscal Officer pursuant to subsection (2) below or

such substitute depository's successor; or (C) to any person as provided in subsection (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 Chief Fiscal Officer to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Chief Fiscal Officer may hereafter 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 (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Notes, together with a written request of the Chief Fiscal Officer, issue a single new Note, 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 Chief Fiscal Officer.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Chief Fiscal Officer determines that it is in the best interest of the beneficial owners of the Notes that such owners be able to obtain such Notes in the form of Note certificates, the ownership of such Notes may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Chief Fiscal Officer shall deliver a written request to the Registrar, together with a supply of definitive Notes, to issue Notes as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Notes together with a written request of the Chief Fiscal Officer to the Registrar, new Notes shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations*. The transfer of any Note may be registered and Notes may be exchanged, but no transfer of any such Note shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Note duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the

Registrar shall cancel the surrendered Note and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Note (or Notes at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Note, in exchange for such surrendered and cancelled Note. Any Note may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Notes of the same date, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or to exchange any Note during the 15 days preceding any interest payment or principal payment date any such Note is to be redeemed.

(f) *Registrar's Ownership of Notes.* The Registrar may become the Registered Owner of any Note with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Notes.

(g) *Registration Covenant.* The Municipality covenants that, until all Notes have been surrendered and canceled, it will maintain a system for recording the ownership of each Note that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Notes shall be payable in lawful money of the United States of America. Interest on the Notes shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Notes are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Notes are no longer in fully immobilized form, interest on the Notes shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Note Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than $1,000,000 of Notes (received by the Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Notes shall be payable upon presentation and surrender of such Notes by the Registered Owners at the principal office of the Registrar.

Section 7. Redemption of Notes. The Notes are not subject to redemption prior to their scheduled maturity.

Section 8. Form of Note. Each Note shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this ordinance:

UNITED STATES OF AMERICA

No. ______ $_________

STATE OF ALASKA
ANCHORAGE, ALASKA

2012 GENERAL OBLIGATION TAX ANTICIPATION NOTE

INTEREST RATE: MATURITY DATE: ____________, 2012 CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Anchorage, Alaska (the "Municipality"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns on the Maturity Date identified above, the Principal Amount indicated above together with interest thereon at the Interest Rate shown above, payable on the Maturity Date. Payments of principal of and interest on this note shall be made as provided in The Depository Trust Company Operational Arrangements Memorandum dated December 12, 1994, as amended from time to time and referred to in the Blanket Issuer Letter of Representations dated July 1, 1995, between the Municipality and The Depository Trust Company (together, the "Letter of Representations") for so long as this note is held in book entry only form. ________________________ has been appointed as the authentication agent, paying agent and registrar for the notes of this issue (the "Registrar").

The notes of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Alaska, including the Home Rule Charter of the Municipality and Ordinance No. AO-______ duly passed by the Municipal Assembly on __________ (the "Note Ordinance"). Capitalized terms used in this note have the meanings given such terms in the Note Ordinance.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of

Authentication hereon shall have been manually signed by or on behalf of the Registrar or its duly designated agent.

This note is one of an authorized issue of notes of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of $__________ and is issued pursuant to the Note Ordinance for providing funds to operating expenses of the Municipality pending the receipt of taxes of the and to pay costs of issuance.

The notes of this issue are not subject to redemption prior to their stated maturity.

The Municipality hereby irrevocably covenants and agrees with the owner of this note that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the Municipality without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this note as the same shall become due. The full faith, credit and resources of the Municipality are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The notes of this issue are <u>not</u> "qualified tax-exempt obligations" for investment by financial institutions under Section 265(b) of the Code.

The pledge of tax levies for payment of principal of and interest on the notes may be discharged prior to maturity of the notes by making provision for the payment thereof on the terms and conditions set forth in the Note Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Home Rule Charter, ordinances and ordinances of the Municipality to be done precedent to and in the issuance of this note have happened, been done and performed.

IN WITNESS WHEREOF, Anchorage, Alaska, has caused this note to be executed with the manual or facsimile signature of its Municipal Manager or Mayor and to be countersigned with the manual or facsimile signature of its Municipal Clerk and the official seal of the Municipality to be impressed, imprinted or otherwise reproduced hereon, this __________ day of _______, 20__.

ANCHORAGE, ALASKA

By /s/manual or facsimile signature
[Municipal Manager][Mayor]

Countersigned:

/s/manual or facsimile signature
Municipal Clerk

(Form of Certificate of Authentication)

Date of Authentication:

This note is one of the Municipality of Anchorage, Alaska, 2012 General Obligation Tax Anticipation Notes, described in and issued pursuant to the within mentioned Note Ordinance.

_________________________, Registrar

By _______________________________
Authorized Signer

In the event the Notes are no longer held in book-entry only form, the form of Notes may be modified to conform to printing requirements and the terms of this ordinance.

Section 9. Execution of Notes. The Notes shall be executed on behalf of the Municipality with the manual or facsimile signature of the Municipal Manager or Mayor of the Municipality, attested with the manual or facsimile signature of the Municipal Clerk and authenticated by the manual signature of an authorized representative of the Registrar. The official seal of the Municipality shall be impressed or imprinted or otherwise reproduced on each Note. In case any of the officers who shall have signed, attested or registered any of the Notes shall cease to be such officer before such Notes have been actually issued and delivered, such Notes shall be valid nevertheless and may be issued by the Municipality with the same effect as though the persons who had signed, attested or registered such Notes had not ceased to be such officers.

Section 10. Lost, Stolen, Destroyed or Mutilated Notes. In case any Notes shall at any time become mutilated or be lost, stolen or destroyed, the Municipality in the case of such a mutilated Note shall, and in the case of such a lost, stolen or destroyed Note in its discretion may, execute and deliver a new Note of the same interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender and cancellation of such mutilated Note, or in lieu of or in substitution for such destroyed, stolen or lost Note, or if such stolen, destroyed or lost Note shall have matured, instead of issuing a substitute therefor, the Municipality may at its option pay the same without the surrender thereof. Except in the case where a mutilated Note is surrendered, the applicant for the issuance of a substitute Note shall furnish to the Registrar evidence satisfactory to it of the theft, destruction or loss of the original Note, and of the ownership thereof, and also such security and indemnity as may be required by the Municipality, and no such substitute Note shall be issued unless the applicant for the issuance thereof shall reimburse the Municipality for the expenses incurred by the Municipality in connection with the preparation, execution, issuance and delivery of the substitute Note, and any such substitute Note shall be equally and proportionately entitled to the security of this ordinance with all other Notes issued hereunder, whether or not the Note alleged to have been lost, stolen or destroyed shall be found at any time or be enforceable by anyone.

Section 11. Defeasance. In the event that money and/or Acquired Obligations maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Notes in accordance with their terms are set aside in a special trust account in the Note Redemption Fund to effect such redemption or retirement and such money 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 into the Note Redemption Fund for the payment of the principal of and interest on such Notes, and such Notes shall cease to be entitled to any benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Notes shall be deemed not to be outstanding hereunder.

Section 12. Application of Note Proceeds. The monies derived from the sale of the Notes shall be deposited in the fund or funds of the Municipality designated in the closing memorandum approved by the Chief Fiscal Officer (or her designee) on the date of delivery of the Notes.

Certain funds of the Municipality may be held and maintained in the custody of the Registrar, as depository, under the terms of the written agreement with the Registrar. Those funds may be further subdivided into accounts or subaccounts for accounting purposes. All such money and securities held by the Registrar, as depository, shall be applied and invested only in accordance with the terms of the agreement with the Registrar. All interest earnings from investment, if any, of money held in any fund or account held by the Registrar shall accrue for the benefit of the invested fund or account. All money, accounts and funds of the Municipality that may be held by the Registrar, as depository, shall be and continue to be funds of the Municipality and subject to the terms of this ordinance.

Section 13. Note Redemption Fund and Provision for Tax Levy Payments. The Municipality shall establish a fund to be used for the payment of debt service on the Notes (the "Note Redemption Fund") with the Registrar. No later than the date of maturity, the Municipality shall transmit sufficient funds from legally available sources of the Municipality to the Registrar for the payment of such principal and/or interest. Money in the Note Redemption Fund may be invested in legal investments for Municipality funds.

The Municipality hereby irrevocably covenants and agrees that it will include in its budget and levy an *ad valorem* tax upon all the property within the Municipality subject to taxation in an amount that will be sufficient, together with all other revenues and money of the Municipality legally available for such purposes, to pay the principal of and interest on the Notes as the same shall become due.

The Municipality hereby irrevocably pledges that the tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to the Municipality without a vote of the people, and such amounts are hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Notes. The full faith, credit and resources of the Municipality are hereby irrevocably pledged for the levy and collection of said taxes and for the prompt payment of the principal of and interest on the Notes as the same shall become due.

Section 14. Registrar. The Chief Fiscal Officer is hereby authorized to appoint a Registrar for the Notes; provided such company shall be a bank or trust company organized under the laws of the United States of America or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this ordinance.

Section 15. Arbitrage Covenant. The Municipality covenants with the registered owners of all Notes at any time outstanding that it will make no use of the proceeds of the Notes which will cause the Notes to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. As part of the performance of this covenant, within 25 days of the end of the six-month period beginning on the date of delivery of the Notes, the Municipality will perform such calculations as are necessary to determine whether or not the Municipality has met the "safe harbor" requirements of Section 148(f)(4)(B)(iii) of the Code with respect to the Notes and, if it has not met such safe harbor requirements, it will, within 45 days after the retirement of the Notes, calculate the amount, if any, of investment profits that must be rebated to the United States, and will pay to the United States the amount of any such investment profit within 60 days of retirement of the Notes.

Section 16. Sale of Notes, Final Terms, Approval of Official Statement. The Notes shall be sold at a competitive public sale or may be sold by private placement to a financial institution selected by the Chief Fiscal Officer. If the Notes are sold by competitive public sale, the following procedures shall be followed. The Chief Fiscal Officer or her designee shall (a) establish the date of the public sale; (b) establish the criteria by which the successful bidder will be determined; (c) determine whether a good faith deposit shall be required and if so, the amount required; (d) cause notice of the public sale to be given; and (e) provide for such other matters pertaining to the public sale as he deems necessary or desirable. Upon the date and time established for the receipt of bids for the Notes, the Chief Fiscal Officer or her designee shall open the bids and shall cause the bids to be mathematically verified. The Notes shall be sold to the bidder offering to purchase them at the lowest net interest cost to the Municipality; provided, however, that the Municipality may reserve the right to reject any and all bids for the Notes and also may waive any irregularity or informality in any bid. The Chief Fiscal Officer is hereby authorized to accept the bid of the bidder offering to purchase the Notes in accordance with the criteria established in this Section or may sell the Notes by private placement to a financial institution selected by the Chief Fiscal Officer so long as (i) the aggregate principal amount of the Notes does not exceed $120,000,000; and (ii) the net interest cost for the Notes (in the aggregate) does not exceed 3.0%.

The authority granted to the Chief Fiscal Officer by this Section 16 shall expire 120 days after the date of approval of this ordinance. If the sale for the Notes has not been completed within 120 days after the date of final approval of this ordinance, the authorization for the issuance of the Notes shall be rescinded, and the Notes shall not be issued nor their sale approved unless such Notes shall have been re-authorized by ordinance of the Municipality. The ordinance re-authorizing the issuance and sale of such Notes may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance establishing terms and conditions for the authority delegated under this Section.

The Chief Fiscal Officer and/or her designee are hereby authorized to review and approve on behalf of the Municipality the preliminary and final Official Statements relative to the Notes with such additions and changes as may be deemed necessary or advisable to them. The Chief Fiscal Officer is hereby further authorized to deem final the Preliminary Official Statement for the Notes for purposes of compliance with the Rule.

The Chief Fiscal Officer and other Municipality officials, agents and representative are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Notes to the successful bidder and for the proper application and use of the proceeds of sale of the Notes.

Section 17. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* If the Notes are sold by competitive public sale and are determined to be subject to the Rule, this section constitutes the Municipality's written undertaking for the benefit of the owners of the Notes as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The Municipality agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing June 30, 2013 for the fiscal year ending December 31, 2012):

1. Annual financial statements, which may or may not be audited prepared in accordance with generally accepted accounting principles;

2. The assessed valuation of taxable property in the Municipality;

3. Ad valorem taxes due and percentage of taxes collected;

4. Property tax levy rate per $1,000 of assessed valuation; and

5. Outstanding general obligation debt of the Municipality.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

Such annual information and operating data described above shall be provided on or before seven months after the end of the Municipality's fiscal year. The Municipality's current fiscal year ends December 31. The Municipality may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the Municipality may cross-reference to other documents available to the public on the MSRB's internet website.

If not provided as part of the annual financial information discussed above, the Municipality shall provide the Municipality's audited annual financial statement prepared in accordance generally accepted accounting principles when and if available to the MSRB.

(c) *Material Events.* The Municipality agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Notes not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax status of the Notes;
- Modifications to rights of owners, if material;
- Optional, contingent or unscheduled Note calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Notes, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Municipality;
- The consummation of a merger, consolidation, or acquisition of the Municipality or the sale of all or substantially all of the assets of the Municipality, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of the trustee, if material.

Solely for purposes of information, but without intending to modify this agreement, with respect to the notice regarding property securing the repayment of the Notes, the Municipality will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Notes.

(d) *Notice Upon Failure to Provide Financial Data.* The Municipality agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *EMMA; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The Municipality's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. Any provision of this section shall be null and void if the Municipality (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Notes and (2) notifies the MSRB of such opinion and the cancellation of this section.

The Municipality may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the Municipality shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Municipality. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a material event under Subsection (c), and (2) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Note Owner's Remedies Under this Section.* A Note owner's right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the Municipality's obligations hereunder, and any failure by the Municipality to comply with the provisions of this undertaking shall not be a default with respect to the Notes under this ordinance.

(h) *Additional Information*. Nothing in this Section 17 shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Section 17 or any other means of communication, or including any other information in any annual financial statement or notice of occurrence of a material event, in addition to that which is required by this Section 17. If the Municipality chooses to include any information in any annual financial statement or notice of the occurrence of a material event in addition to that specifically required by this Section 17 the Municipality shall have no obligation under this ordinance to update such information or to include it in any future annual financial statement or notice of occurrence of a material event.

Section 18. Authority of Officers. The Mayor, the Municipal Manager, the Chief Fiscal Officer, the Municipal Clerk and the acting Municipal Clerk from time to time, are, and each of them hereby is, 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 ordinance of the Municipality, to the end that the Municipality may carry out its obligations under the Notes and this ordinance.

Section 19. 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 adversely affect the interests of the registered owners of the Notes.

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

(b) With the consent of the registered owners of not less than 60% in aggregate principal amount of the Notes at the time outstanding, 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; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of the Notes, or reduce the rate of interest thereon, or extend the time of payment of interest from its due date, or reduce the amount of the principal thereof, without the consent of the owner of each Note so affected; or

(2) Reduce the aforesaid percentage of owners of Notes required to approve any such supplemental ordinance without the consent of the owners of all of the Notes then outstanding.

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

(c) Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Municipality under this ordinance and all owners of Notes outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendment, and all the terms 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) Notes executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may bear a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Notes 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 Notes then outstanding, upon surrender for cancellation of such Notes in equal aggregate principal amounts.

Section 20. Prohibited Sale of Notes. 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 Notes is eligible to purchase the Notes as a member of the original underwriting syndicate either at public or private sale.

Section 21. Miscellaneous. No recourse shall be had for the payment of the principal of or the interest on the Notes 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 Notes. The Notes 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 22. Severability. If any one or more of the covenants and agreements provided in this ordinance to be performed on the part of the Municipality shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Notes.

Section 23. Effective Date. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Assembly of the Municipality of Anchorage, this 14th day of February, 2012.

By Debbie Ossiander
Chair of the Assembly

ATTEST:

Barbara S. Jones
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ORDINANCE No. 2012-13

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS ($120,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE COLLECTED DURING YEAR 2012 AND THE FULL FAITH AND CREDIT TO THE PAYMENT THEREOF; AND DELEGATING CERTAIN MATTERS TO THE CHIEF FISCAL OFFICER IN CONNECTION WITH THE SALE OR PLACEMENT OF THE NOTES.

Prepared by

K&L GATES LLP

MUNICIPALITY OF ANCHORAGE
ORDINANCE No. 2012-13

TABLE OF CONTENTS*

* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this ordinance.

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - 2012 General Obligation Tax Anticipation Notes

AO Number: 2012-13

Title: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS ($120,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE COLLECTED DURING YEAR 2012 AND THE FULL FAITH AND CREDIT TO THE PAYMENT THEREOF; AND DELEGATING CERTAIN MATTERS TO THE CHIEF FISCAL OFFICER IN CONNECTION WITH THE SALE OR PLACEMENT OF THE NOTES.

Sponsor: Mayor
Preparing Agency: Finance/Public Finance and Investments Division
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	0	0	0	0	0
4000 Debt Service	0	0	0	0	0
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	0	0	0	0
ADD: 6000 Charge from Others					
LESS: 7000 Charge to Others					
FUNCTION COST:					
REVENUES:					
CAPITAL:					
POSITIONS:					

PUBLIC SECTOR ECONOMIC EFFECTS:

The sale of the notes in the tax-exempt market or by private placement to a financial institution, rather than borrowing from other Municipal entities in the General Cash Pool, allows the Municipality of Anchorage to continue to earn interest on the expected cash shortfall at a taxable rate. Tax Anticipation Notes revenue and expenditures are already in the 2012 budget.

PRIVATE SECTOR ECONOMIC EFFECTS:

None.

Prepared by: Finance Department/Public Finance & Investments Division   Telephone: 343-6610

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 74-2012

Meeting Date: January 31, 2012

From: MAYOR

Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS ($120,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE COLLECTED DURING YEAR 2012 AND THE FULL FAITH AND CREDIT TO THE PAYMENT THEREOF; AND DELEGATING CERTAIN MATTERS TO THE CHIEF FISCAL OFFICER IN CONNECTION WITH THE SALE OR PLACEMENT OF THE NOTES.

The ordinance authorizes the issuance of not to exceed $120,000,000 in Tax Anticipation Notes. The date and sale of the notes is expected to occur in February 2012. The sale of the notes in the tax-exempt market or by private placement to a financial institution, rather than borrowing from other Municipal entities in the General Cash Pool, allows the Municipality of Anchorage to continue to earn interest on the expected cash shortfall at a taxable rate.

Interest earned by the Municipality on the note proceeds will be credited to five major operating funds. Tax Anticipation Notes revenue and expenditures are already in the 2012 budget.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TWENTY MILLION DOLLARS ($120,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES; FIXING CERTAIN DETAILS OF SAID NOTES; PROVIDING FOR THE FORM AND MANNER OF SALE OF SAID NOTES; PLEDGING THE RECEIPTS FROM AD VALOREM PROPERTY TAXES TO BE COLLECTED DURING YEAR 2012 AND THE FULL FAITH AND CREDIT TO THE PAYMENT THEREOF; AND DELEGATING CERTAIN MATTERS TO THE CHIEF FISCAL OFFICER IN CONNECTION WITH THE SALE OR PLACEMENT OF THE NOTES.

Prepared by:	Ross Risvold, Public Finance & Investments Manager
Concur:	Lucinda Mahoney, CFO
Concur:	Dennis A. Wheeler, Municipal Attorney
Concur:	George J. Vakalis, Municipal Manager
Respectfully Submitted:	Daniel A. Sullivan, Mayor