

PROGRAM ADMINISTRATOR:

WEDBUSH Wedbush Securities is the Program Administrator and Underwriter for SDAO's sponsored FLEXLEASE and FLEXTRAN programs. Wedbush's Public Finance, Municipal Trading and Underwriting Activities in the Northwest are centralized in Portland, thus offering specialized knowledge and experience of the Oregon municipal finance markets.

For more information about SDAO's financing programs contact:

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PROGRAM LEGAL COUNSEL:

K&L | GATES Special Counsel is K&L Gates LLP. As Special Counsel, K&L Gates LLP provides the validity and tax opinion on behalf of the investors and serves as special financing counsel to the participating cities with respect to the LOCAP program.

PROGRAM TRUSTEE:



The Trustee is U.S. Bank National Association. The security is a "certificate of participation," which requires payment

of principal and interest by each participating district. Payments are made to U.S. Bank National Association who, in turn, causes payment to be made to investors.

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SPECIAL DISTRICTS
ASSOCIATION OF OREGON

**COOPERATIVE
FINANCING
PROGRAMS**



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ASSOCIATION OF OREGON

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PROGRAM ADMINISTRATOR



FLEXLEASE

ASSET ACQUISITION PROGRAM

FLEXLEASE is a financing program which enables SDAO members to finance projects at flexible terms and competitive market rates.

FLEXLEASE is a proven alternative to traditional forms of financing capital assets. FLEXLEASE offers districts attractive tax-exempt rates, precise and quantifiable costs of borrowing, “user-friendly” documentation, flexible payment terms, prepayment options, fixed rate financing and 100% financing with no down payment required.

The costs associated with financing the projects, such as program administration fees, legal fees and trustee fees, are capitalized, or included in the amount to be financed.

With FLEXLEASE, districts can maintain cash reserves, acquire essential equipment or real property quickly and conveniently, retain the benefits of ownership, and finance property over its useful life.

The average length of time to complete a financing transaction is 45 days for equipment and 60 days for real property.

SDAO members with smaller voter-approved general obligation bonds also may be included in a FLEXLEASE financing. For districts contemplating a general obligation bond measure, legal counsel to FLEXLEASE will prepare the ballot title free of charge. The FLEXLEASE Program also may be used to refinance existing obligations, such as bank and U.S.D.A. Rural Development loans, at lower rates.

Examples of projects financed through the FLEXLEASE Program include:

EQUIPMENT PURCHASES

- Fire trucks
- Rescue and utility vehicles
- Computer equipment
- Telecommunications equipment
- Hospital equipment
- Transportation vehicles and buses
- Park and playground equipment

REAL PROPERTY

- Land
- New building construction
- Remodeling and improvements



FLEXTRAN

CASH FLOW BORROWING PROGRAM

Many Oregon special districts face short-term cash flow deficits, primarily between the beginning of the fiscal year on July 1 and the first receipt of property tax revenue in late November. SDAO’s FLEXTRAN Program, administered by Wedbush Securities, offers Oregon’s special districts a short-term financing tool to help meet immediate expenditures prior to receipt of the current year’s property tax collections or other legally budgeted revenues.

SHORT-TERM BORROWING

FLEXTRAN can provide reduced short-term interest rates and borrowing costs. Each district issues its own tax and revenue anticipation notes, using the note proceeds to meet short-term cash flow needs. Districts may invest corresponding tax revenues for the remainder of the fiscal year. At maturity (approximately one year), each district pays the principal and interest due on the Notes.

The FLEXTRAN Program utilizes the corporate trust services of U.S. Bank, N.A., Portland, Oregon (the Trustee). The Trustee provides separate account administration for each of the participating districts and receives payments due under the Notes for the benefit of the investors.

TO PARTICIPATE IN THE PROGRAM, THE FOLLOWING INFORMATION IS NEEDED:

- Adopted or Proposed Budget for the upcoming fiscal year
- Monthly Cash Flow Certificate
- Authorized Borrowing Resolution
- Audited Financial Statement for the last two fiscal years (or equivalent financial statements)
- A Working Capital Reserve Worksheet