

## OFFICIAL NOTICE OF SALE

**\$53,735,000\***

### **ATWATER PUBLIC FINANCING AUTHORITY WASTEWATER REVENUE BONDS, SERIES 2010**

NOTICE IS HEREBY GIVEN by the Atwater Public Financing Authority (the "Authority") that electronic bids only (see "**FORM OF BID**" under "**TERMS OF SALE**" herein) will be received on Grant Street Group's MuniAuction website (www.GrantStreet.com) between 9:30 a.m. and 10:00 a.m. Pacific Time, on

**THURSDAY, JANUARY 14, 2010,**

unless otherwise extended by the two-minute rule described herein (or at the election of the Authority, at such other time as provided below) for the purchase of \$53,735,000\* principal amount of bonds of the Authority designated the "Atwater Public Financing Authority Wastewater Revenue Bonds, Series 2010" (the "Bonds"). The Bonds will be issued under the provisions of an Indenture of Trust (the "Indenture"), dated as of January 1, 2010, between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), and pursuant to the laws of the State of California. The Bonds are more particularly described in the preliminary Official Statement prepared in connection with the offer and sale of the Bonds (the "Official Statement") and in the proposed form of the Indenture on file with the Authority (which is incorporated herein by reference) and copies thereof will be furnished to the Bidder upon request.

#### **DESCRIPTION OF THE BONDS**

**PURPOSE:** The net proceeds of the Bonds will be used to finance the acquisition of certain improvements to the wastewater system of the City of Atwater (the "City"), to fund a debt service reserve fund for the Bonds and to pay costs of issuance of the Bonds, as described in the Official Statement

**FORM OF BONDS:** The Bonds will be issued in fully registered form in denominations of \$5,000 or authorized integral multiples thereof, to be dated initially as of the date of delivery of the Bonds.

**MATURITIES:** The Bonds will mature, or be subject to mandatory sinking fund redemption, on May 1 in each of the years and in the amounts, as set forth in the following table. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, shall be subject to increase or reduction as described below under the heading "Adjustment of Principal Amounts". *Each bidder is required to specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

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\* Preliminary, subject to change.

**Serial Bonds Or Term Bonds (Bidder's Option)**

| <b>Maturity<br/>Date<br/>(May 1)</b> | <b>Principal<br/>Amount</b> | <b>Maturity<br/>Date<br/>(May 1)</b> | <b>Principal<br/>Amount</b> |
|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
| 2011                                 | 240,000                     | 2029                                 | 1,115,000                   |
| 2012                                 | 560,000                     | 2030                                 | 1,175,000                   |
| 2013                                 | 585,000                     | 2031                                 | 1,230,000                   |
| 2014                                 | 605,000                     | 2032                                 | 1,295,000                   |
| 2015                                 | 630,000                     | 2033                                 | 1,360,000                   |
| 2016                                 | 655,000                     | 2034                                 | 1,430,000                   |
| 2017                                 | 680,000                     | 2035                                 | 1,500,000                   |
| 2018                                 | 705,000                     | 2036                                 | 1,575,000                   |
| 2019                                 | 735,000                     | 2037                                 | 1,650,000                   |
| 2020                                 | 765,000                     | 2038                                 | 1,735,000                   |
| 2021                                 | 795,000                     | 2039                                 | 3,170,000                   |
| 2022                                 | 825,000                     | 2040                                 | 3,330,000                   |
| 2023                                 | 865,000                     | 2041                                 | 3,515,000                   |
| 2024                                 | 900,000                     | 2042                                 | 3,705,000                   |
| 2025                                 | 940,000                     | 2043                                 | 3,910,000                   |
| 2026                                 | 985,000                     | 2044                                 | 4,125,000                   |
| 2027                                 | 1,025,000                   | 2045                                 | 4,350,000                   |
| 2028                                 | 1,070,000                   |                                      |                             |

**PAYMENT PROVISIONS:** Interest on the Bonds will be payable on November 1, 2010, and on May 1 and November 1 in each year thereafter (the "Interest Payment Dates"), to the registered owners by check of the Trustee or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Principal of and premium (if any) on the Bonds will be paid upon presentation and surrender thereof at the corporate trust office of the Trustee in Los Angeles, California. The principal of and interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

**BOOK ENTRY ONLY:** The Bonds are being delivered in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Purchasers of interests in the Bonds will not receive certificates from the Authority or the Trustee representing their interest in the Bonds purchased. Payments of principal, premium, if any, and interest on the Bonds will be payable by the Trustee, to DTC which is obligated in turn to remit such principal, premium, if any, and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds, as provided in the Indenture and as further described in the Official Statement.

**OPTIONAL REDEMPTION:** The Bonds maturing on or before May 1, 2019, shall not be subject to redemption prior to the respective stated maturities. The Bonds maturing on or after May 1, 2020, shall be subject to redemption in whole, or in part among maturities on such basis as shall be designated in a Request of the Authority filed with the Trustee, and in any case by lot within a maturity, on any date on or after May 1, 2019, at the option of the Authority from any available source of funds, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

**SINKING FUND REDEMPTION:** *The Bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder.* In the event that the winning bid specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on May 1 as so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

**SECURITY:** The Bonds are special obligations of the Authority, payable principally from installment payments to be paid by the City for the facilities being financed with the net proceeds of the Bonds, all as provided in an Installment Sale Agreement, dated as of January 1, 2010, by and between the Authority and the City (the "Installment Sale Agreement"). The Bidder is referred to the Indenture and the Official Statement for further details.

**BOND INSURANCE/RATINGS:** The Authority has received a commitment to issue a policy of municipal bond insurance from Assured Guaranty Municipal Corp. (the "Insurer"). The premium for such insurance will be paid by the Authority from the proceeds of the Bonds, and bidders do not have the option of electing to not obtain such insurance. Upon issuance of the Bonds, Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("**S&P**") has assigned a rating of "AAA" to the Bonds, with the understanding that upon delivery of the Bonds the Insurer will issue such municipal bond insurance policy. In addition, S&P has assigned an underlying rating to the Bonds of "A".

**TAX-EXEMPT STATUS:** In the opinion of Jones Hall, A Professional Law Corporation, Bond Counsel to the Authority ("Bond Counsel"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, although it is included in certain income and earnings in computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. In the event that prior to the delivery of the Bonds (a) the interest on other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the tender of the Bonds, be relieved of its obligation under the contract to purchase the Bonds.

**LEGAL OPINION:** The legal opinion of Bond Counsel, approving the validity of the Bonds and the Indenture, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on or accompany each Bond at the expense of the Authority.

**DISCLOSURE OPINION:** A disclosure letter with respect to the contents of the Official Statement will be provided to the successful bidder by Bond Counsel, as Disclosure Counsel.

**FURTHER INFORMATION:** A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished to the Bidder upon request to the Financial Advisor to the Authority, A. M. Peché & Associates LLC, 1025 Morton Street, Alameda, CA 94501-3904, telephone no. (510) 521-2077, e-mail: [apeche@PeccheAssociates.com](mailto:apeche@PeccheAssociates.com).

## TERMS OF SALE

**FORM OF BID:** Bids will only be accepted via the MuniAuction website at <http://www.GrantStreet.com> on January 14, 2010, between 9:30 a.m. and 10:00 a.m. (Pacific Time) (or at such other time and date as shall be specified via the Amendments Page of the MuniAuction website, through Bloomberg Financial Markets or Thomson Municipal Services), provided, however, that if any bid becomes a leading bid two (2) minutes prior to the scheduled end of the auction, then the time period for submission of bids will be automatically extended by two (2) minutes from the time such new leading bid was received by MuniAuction (the "Two-Minute Rule"). The Two-Minute Rule will remain in effect as long as bids received by MuniAuction meet the requirements of the Two-Minute Rule described herein (see "BIDDING DETAILS" below).

No other provider of electronic bidding services, and no other means of delivery (i.e., telephone, telefax, physical delivery, etc.) will be accepted. To bid via MuniAuction, bidders must have both (1) completed the registration form on the MuniAuction website; and (2) requested and received admission to the Authority's auction (see "REGISTRATION AND ADMISSION TO BID" below).

**The use of MuniAuction shall be at the bidder's risk and expense, and neither the Authority, the Financial Advisor nor Bond Counsel shall have any liability with respect thereto.**

**INTERNET BIDDING:** The Authority will accept All-Or-None ("AON") bids in electronic form exclusively through the MuniAuction website. Instructions for submitting internet bids and information regarding the MuniAuction bidding platform and rules in effect during the bid submission period must be obtained on the MuniAuction website. For additional information about MuniAuction, bidders may contact:

Grant Street Group  
429 Forbes Avenue -Allegheny Bldg., Suite 1800  
Pittsburgh, PA 15219  
(412) 391-5555 (Press 1 for Auction Support)

If any provision of this Official Notice of Sale conflicts with information posted on the MuniAuction website, this Official Notice of Sale shall control, except for any amendments to this Official Notice of Sale posted on the MuniAuction website, in which case such amendments shall control.

**REGISTRATION AND ADMISSION TO BID:** In order to ensure that there is sufficient time to verify their eligibility to bid, bidders must visit the MuniAuction website on or before 5 p.m. Eastern Time (2 p.m. Pacific Time) on Wednesday, January 13, 2010, where, if they have never registered with MuniAuction, they can register and then request admission to bid on the Bonds. (There is no charge for registration with MuniAuction for admission to this sale.) Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. (Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements shall be eligible to bid.) Bidders who have already registered with MuniAuction may call Grant Street Group at (412) 391-4050 to confirm their ID number and password.

**RULES OF MUNIAUCTION:** "Rules of MuniAuction" can be viewed on the MuniAuction website and, as amended and supplemented from time to time, are incorporated herein by reference. Bidders will be required to verify that they have read the "Rules of MuniAuction" prior to submitting bids. In the event of a conflict between the "Rules of MuniAuction" and this Official Notice of Sale, the provisions of this Official Notice of Sale shall prevail.

**BIDDING DETAILS:** Bids submitted during the auction will be for the purchase of all maturities of the Bonds. No AON bid will be considered that does not offer to purchase all of the Bonds. Each AON bid must specify an annual rate of interest for each maturity and a dollar purchase price for the entire issue of the Bonds. All bids must be unconditional and submitted on the MuniAuction website at <http://www.GrantStreet.com>. No facsimile, personal delivery bids or bids delivered by any other method will be accepted.

**Rank Order** - Bidders may change and submit bids as many times as they wish during the auction, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its ranking (i.e., "Leader," "Cover," "3<sup>rd</sup>," etc.).

**Two-Minute Rule** - If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

**MAXIMUM DISCOUNT:** Each bid must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds may not be less than 99.023 percent of the par value thereof.

**CANCELLATION OR POSTPONEMENT OF SALE:** The Authority reserves the right, in its sole discretion, at any time to cancel or postpone the public sale of the Bonds. In such event, the Authority shall cause notice of cancellation or postponement to be communicated through the Amendments Page of the MuniAuction website and through Bloomberg Financial Markets or Thomson Municipal Services as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation or postponement of the public sale of the Bonds. In the event of postponement, any alternative sale date will be announced through the Amendments Page of the MuniAuction website and through Bloomberg Financial Markets or Thomson Municipal Services at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced through the Amendments Page of the MuniAuction website and through Bloomberg Financial Markets or Thomson Municipal Services at the time the sale date and time are announced.

**DESIGNATION OF INTEREST RATES:** Each bidder must specify the rate or rates of interest that the Bonds shall bear. The maximum rate bid on any Bond may not exceed six percent (6.0%) per annum and (i) each interest rate specified must be in a multiple of one-twentieth or one-eighth of one percent; (ii) no Bond shall bear more than one rate of interest; (iii) interest on each Bond shall be computed from the date of original delivery thereof to its stated maturity (or, in the case of term Bonds, to the respective dates of mandatory sinking fund redemption thereof as designated in the bid) at the interest rate specified in the bid, payable on the Interest Payment Dates as set forth above; and (iv) any premium must be paid as part of the purchase price, and no bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price. Promptly following the determination of the winning bidder, the winning bidder will provide the Financial Advisor, via e-mail or fax, a worksheet showing the coupons, yields and prices for each maturity of the Bonds contained within its winning bid.

**DETERMINATION OF BEST BID:** The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest cost (TIC) on the Bonds. The TIC specified in any

bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of delivery of the Bonds to the successful bidder to their respective maturity dates produces an amount equal to the purchase price specified in such bid. For purposes of computing the TIC represented by any bid, the purchase price specified in such bid shall be equal to the par amount of the Bonds less any discount specified in such bid or plus any premium specified in such bid, and the TIC shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds.

**VERIFICATION:** All bids are subject to verification and approval by the Authority. The Authority shall have the right to deem each final bid reported on the MuniAuction Observation Page immediately after the deadline for receipt of bids to be accurate and binding on the bidder. Information or calculations provided by MuniAuction other than the information required to be provided by the bidder in accordance with this Official Notice of Sale is for information purposes only and shall not be binding on either the bidder or the Authority. In the event that two or more bidders offer bids for the same Bonds at the same lowest TIC, the winning bid shall be the first bid received in the determination of the Authority, whose determination shall be final.

**ADJUSTMENT OF PRINCIPAL AMOUNTS:** The Authority reserves the right to increase or to decrease the principal amount of any maturity of the Bonds, as the Authority deems advisable, based on the actual rates of interest to be borne by the Bonds. Any such increase or decrease shall be allocated among the various maturities of the Bonds on such basis as the Authority deems advisable, and shall result in a proportionate increase or decrease (as the case may be) in the amount of any premium or discount bid. The aggregate increase or decrease of maturities of the Bonds shall not exceed ten percent (10%) of the principal amount of the Bonds hereby offered for sale, as set forth in the first paragraph of this Official Notice of Sale. Notice of such increase or decrease shall be given to the successful bidder as soon as practicable following the notification of award, as described below. No such adjustment will have the effect of altering the basis upon which the best bid is determined.

**RIGHT TO REJECT ANY BID:** The Authority reserves the right, in its discretion, to reject any and all proposals and to waive any irregularity or informality in any proposal.

**TIME OF AWARD:** The Authority has authorized its Executive Director to award the sale of the Bonds to the bidder whose proposal is the best responsible proposal determined in accordance herewith. Notice of the award will be given in writing to the successful bidder within twenty-four (24) hours from the time proposals are received.

**DELIVERY AND PAYMENT:** Delivery of the definitive Bonds will be made to the purchaser upon the issuance thereof, which is expected to occur on January 27, 2010. Payment for the Bonds must be made by wire transfer of Federal Reserve Bank funds, or Federal Reserve Bank funds check, which is immediately available to the Trustee on the date of delivery. Any expense in providing immediately available funds shall be borne by the purchaser.

**RIGHT OF CANCELLATION:** The purchaser shall have the right, at its option, to cancel the contract of purchase if the Authority fails to execute the Bonds and tender the same for delivery within 60 days from the date of award thereof.

**GOOD FAITH DEPOSIT:** Each bidder must provide a Financial Surety Bond payable to the order of the Authority in the amount of \$100,000, as a guaranty that the bidder, if successful, will accept and pay for the Bonds in accordance with the terms of its bid. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of California, and such bond must be submitted to the Authority or its Financial Advisor prior to the

participation by the bidder in the bidding. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. Upon the Bonds being awarded to a bidder, such bidder is required to submit its deposit to the Trustee, on behalf of the Authority in the form of a Cashier's check (or wire transfer such amount as instructed by the Authority or its Financial Advisor) not later than 12:30 p.m. California time on the next business day following the award. If such deposit is not received by that time, the Financial Surety Bond may be drawn by the Authority to satisfy the deposit requirement. The amount will be applied as a credit towards the payment of the purchase price by the successful bidder. If after the award of the Bonds, the successful bidder fails to complete its purchase on the terms stated in its bid, the full amount of the good faith deposit will be retained by the Authority.

**CERTIFICATION OF REOFFERING PRICE:** (i) The successful bidder for the Bonds (the "Underwriter") will, as of the date of purchase of the Bonds (the "Sale Date"), certify the prices at which it reasonably expects to initially offer each maturity of the Bonds to the general public (the "Initial Offering Prices"). For this purpose, the general public does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. Said certification of Initial Offering Prices will be included in a certificate to be executed by the Underwriter as of the date of issue of the Bonds (the "Underwriter's Certificate").

(ii) The Underwriter agrees that, on or prior to the date of issue of the Bonds, it will actually offer one hundred percent (100%) of each maturity of the Bonds to the general public in a bona fide public offering for prices equal to or less than the Initial Offering Prices.

(iii) The Underwriter agrees that, as of the date of issue of the Bonds, it will make the following representations and certifications in the Underwriter's Certificate: (A) that, as of the Sale Date, the Underwriter, taking into account market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices, (B) that, as of the Sale Date, other than specifically identified maturities of the Bonds, at least 10 percent (10%) of each maturity of the Bonds was initially sold to the general public at the respective Initial Offering Prices, and (C) that, in the opinion of the Underwriter, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

**NO LITIGATION:** There is no litigation pending concerning the validity of the Bonds, the corporate existence of the Authority, or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Authority; *provided, however,* that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

**CALIFORNIA DEBT ADVISORY AND INVESTMENT COMMISSION FEES:** All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds shall be the responsibility of the purchaser of the Bonds.

**OFFICIAL STATEMENT:** The Authority has approved a preliminary Official Statement relating to the Bonds. Copies of such preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the Authority and the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). In addition,

NASD registered broker-dealers and dealer banks with DTC clearing arrangements may receive an electronic copy of the preliminary Official Statement by requesting it on the MuniAuction website or by contacting the Financial Advisor as specified above. In order to print a copy or request a photocopy of the preliminary Official Statement from Grant Street Group, click the "View POS" button on the MuniAuction Selections Page and follow the instructions. All bidders must review the preliminary Official Statement and certify that they have done so prior to participating in the bidding.

Within seven (7) business days from the sale date, the Authority will deliver to the successful bidder up to 250 copies of the final Official Statement (additional copies being available at the winning bidder's expense), executed by an authorized representative of the Authority and dated the date of delivery thereof to the successful bidder, in sufficient number to allow the successful bidder to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as shall have been approved by the Authority (the "Final Official Statement"). The successful bidder agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement.

**CONTINUING DISCLOSURE.** In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"), the City has committed to undertake, pursuant to the Installment Sale Agreement and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the City, and the failure by the City to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

The City is currently in compliance with its continuing disclosure obligations. However, with respect to a continuing disclosure undertaking related to the City's Community Facilities District No. 1-90 Special Tax Bonds, Series 1995A (Senior Lien) (the "**1995 Disclosure Undertaking**"), the City failed to file its audited financial statements for fiscal year 2003-04 on a timely basis. The 1995 Disclosure Undertaking called for the annual report required thereunder to be filed by October 1 of each fiscal year or, if not available by that date, when available. Although the City timely filed the annual report, the City's fiscal year audited financial statements were not included. The City's fiscal year 2003-04 audited financial statements were not included because such audited financial statements were not available until October 1, 2004. The City actually filed such audited financial statements on December 11, 2007. The City has taken steps to ensure it will file its annual report, including its annual audited financial statements, on a timely basis in the future, including extending the annual report date to March 31 based on the City's current June 30 fiscal year end. The annual report date for the Bonds is also March 31.

**AMENDMENT AND MODIFICATION OF THIS NOTICE:** The Authority reserves the right to amend this Official Notice of Sale at any time prior to the bidding start time for the Bonds, by publishing such amendments on the Amendments Page of the MuniAuction website and via The Bond Buyer Wire and Bloomberg Business News. **Bidders are urged to check the MuniAuction website, and to watch The Bond Buyer Wire and/or Bloomberg Business News, for any change in the terms of the sale of the date and time of receipt of bids. Failure by the Authority to announce any such change on any particular information or news service, or the failure of any such information or news service to publish such**

**change, does not affect the validity of such change and therefore bidders should check all sources.**

Dated: January 7, 2010

ATWATER PUBLIC FINANCING  
AUTHORITY

By: /s/ Stanley E. Feathers  
Authority Treasurer