

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 28, 2008

NEW ISSUE – Book Entry Only

RATING: Oklahoma #1

In the opinion of Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. Furthermore, in the opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from Oklahoma income taxation. The Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. See "TAX MATTERS" herein.

\$6,400,000
CITY OF BIXBY, OKLAHOMA
GENERAL OBLIGATION BONDS, SERIES 2008

DATED: June 1, 2008

DUE: June 1, as shown below

The \$6,400,000 City of Bixby, Oklahoma General Obligation Bonds, Series 2008 Bonds (the "Bonds" or "2008 Bonds"), will be issued, 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. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the 2008 Bonds may be made in the denomination of \$1,000 or multiples thereof. Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal of, and premium, if any, on the Bonds will be made by Bank of Oklahoma, National Association, Tulsa, Oklahoma, as initial Paying Agent/Registrar (the "Paying Agent"), directly to DTC or its nominee. Interest on the Bonds is payable June 1 and December 1, commencing June 1, 2009. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. (See "DESCRIPTION OF THE BONDS--Book-Entry System" herein.) The Bonds are subject to redemption prior to maturity. (See "DESCRIPTION OF THE BONDS--Redemption Provisions" herein.)

The Bonds constitute direct and general obligations of the City of Bixby, Oklahoma, payable as to principal and interest from ad valorem taxes which may be levied WITHOUT LIMITATION AS TO RATE OR AMOUNT on all taxable property within the City, excepting homestead exemptions, as prescribed in Article X, Section 27, of the Constitution of the State of Oklahoma. The Bonds are issued pursuant to an election held April 4, 2006, at which the qualified electors of the City approved an aggregate amount of \$20,000,000 in general obligation bonds for various capital improvements. At the same election, voters also approved the levy of an additional 1/4 of 1% sales tax for the purpose of supplementing any ad valorem tax levy necessary to repay obligations of the City. See "Sales Tax Revenue" herein. Proceeds from the Bonds will be utilized for the street improvements. See "DESCRIPTION OF THE BONDS-Purpose of the Bonds" herein. With the issuance of the 2008 Bonds, all authorized bonds from the 2006 Election will have been issued.

MATURITY SCHEDULE

Table with 10 columns: Due June 1, Amount, Interest Rate, Yield/Price, Cusip, Due June 1, Amount, Interest Rate, Yield/Price, Cusip. Rows show maturity years from 2010 to 2023 with corresponding amounts.

* CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. and are included solely for the convenience of the Owners of the Bonds. Neither the City nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth above

The Bonds are offered when, as and if issued and received by the original purchaser thereof, subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the approval of legality of the Bonds by the Attorney General of the State of Oklahoma and Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma, Bond Counsel. It is expected that the Bonds will be available for delivery to the original purchaser on or about June 25, 2008.

FINANCIAL ADVISOR

MUNICIPAL FINANCE SERVICES, INC.
Edmond, Oklahoma

Official Statement dated _____.

Interest rates, reoffering yields or prices and ratings will be set forth in the Final Offering Statement described herein (THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification thereof under the laws of such jurisdiction.

The Bonds are offered only by means of this Official Statement. This Official Statement does not constitute an offering of any security other than the Bonds specifically offered hereby. This Official Statement does not constitute an offer to sell or a solicitation for an offer to buy the Bonds in any state or jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale, and no dealer, broker, salesman or other person has been authorized to make such unlawful offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds and if given or made, such other information or representatives must not be relied upon.

In governmental matters with respect to any filing or use of "prospectus" in any state or jurisdiction, this Official Statement may be deemed to be such a prospectus. The Bonds are not registered under the United States Securities Act of 1933, as amended, pursuant to an exemption under Section 3(a) of that Act. Furthermore, the City and the Purchaser of the Bonds do not intend to list the Bonds on any stock or other securities exchange. The U.S. Securities and Exchange Commission has not passed upon the accuracy or adequacy of this Official Statement.

Any statements contained in this Official Statement, including the Exhibits hereto, involving matters of opinion, estimates or projections, whether or not expressly so stated, are intended as such and not as representations of fact. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their responsibility to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. Such information is subject to change and/or correction without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof. This Official Statement is not to be construed as a contract with the purchaser of the Bonds.

For purposes of compliance with Rule 15c2-12(b)(1) of the Securities and Exchange Commission, this Preliminary Official Statement is deemed to be final as of the date hereof; however, it is subject to revision, amendment and completion as a Final Official Statement.

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CITY OF BIXBY, OKLAHOMA

MAYOR AND CITY COUNCIL

<u>Name</u>	<u>Position</u>
Ray Bowen	Mayor
Dennis Loudermilk	Vice Mayor
Tom Daniels	Councilmember
Joe Williams	Councilmember
Steve Todoroff	Councilmember

ADMINISTRATION

<u>Name</u>	<u>Position</u>
Micky Webb	City Manager
Cheryl Sasser	City Clerk
Rebecca Byers	Finance Director/Treasurer
Phil Frazier, Esq.	City Attorney

FINANCIAL ADVISOR

Municipal Finance Services, Inc.
Edmond, Oklahoma

BOND COUNSEL

Hilborne & Weidman, A Professional Corporation
Tulsa, Oklahoma

SUMMARY STATEMENT

The following information is furnished solely to provide limited introductory information regarding the City of Bixby (the "City") \$6,400,000 General Obligation Bonds, Series 2008 and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement.

Issuer:	City of Bixby, Oklahoma						
Security:	The Bonds constitute direct and general obligations of the City, payable as to principal and interest from ad valorem taxes which may be levied WITHOUT LIMITATION AS TO RATE OR AMOUNT on all taxable property within the City, excepting homestead exemptions, as prescribed in Article X, Section 27, of the Constitution of the State of Oklahoma. The City intends to supplement ad valorem tax levies with certain sales tax revenues approved by voters as described herein.						
Purposes:	The 2008 Bonds are issued pursuant to an election held April 4, 2006, at which the qualified electors of the City approved an aggregate amount of \$20,000,000 in general obligation bonds for various capital improvements. Proceeds from the 2008 Bonds will be will be utilized for street improvements.						
Redemption Provisions:	The Bonds are subject to optional redemption prior to maturity at the option of the City on any date on and after June 1, 2018 at par plus accrued interest to the date of redemption upon thirty (30) days notice as provided herein.						
Denominations:	\$1,000 or multiples thereof.						
Record Date:	The 15th day of the preceding the payment date.						
Principal Payments:	Annually commencing June 1, 2010, by check, draft or wire of the Paying-Agent to the owner as of the record date.						
Interest Payments:	Semiannually on June 1 and December 1, commencing June 1, 2009, by check, draft or wire of the Paying Agent to the owner as of the record date.						
Tax Matters:	In the opinion of Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. Furthermore, in the opinion of Bond Counsel, interest on the Bonds is exempt from Oklahoma income taxation. The Bonds will be designated by the City as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. See "TAX MATTERS" herein.						
Professional Consultants:	<table><tr><td><i>Financial Advisor:</i></td><td>Municipal Finance Services, Inc. Edmond, Oklahoma</td></tr><tr><td><i>Bond Counsel:</i></td><td>Hilborne & Weidman, A Professional Corporation Tulsa, Oklahoma</td></tr><tr><td><i>Registrar/ Paying Agent:</i></td><td>Bank of Oklahoma, National Association Tulsa, Oklahoma</td></tr></table>	<i>Financial Advisor:</i>	Municipal Finance Services, Inc. Edmond, Oklahoma	<i>Bond Counsel:</i>	Hilborne & Weidman, A Professional Corporation Tulsa, Oklahoma	<i>Registrar/ Paying Agent:</i>	Bank of Oklahoma, National Association Tulsa, Oklahoma
<i>Financial Advisor:</i>	Municipal Finance Services, Inc. Edmond, Oklahoma						
<i>Bond Counsel:</i>	Hilborne & Weidman, A Professional Corporation Tulsa, Oklahoma						
<i>Registrar/ Paying Agent:</i>	Bank of Oklahoma, National Association Tulsa, Oklahoma						

Legal Matters: Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of the Attorney General of the State of Oklahoma and Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma, Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for certain information under the headings "TAX MATTERS" and "CONTINUING DISCLOSURE."

Authority for Issuance: The Bonds are issued under the provisions of Article X, Section 27, of the Constitution of the State of Oklahoma, as amended, and laws of the State of Oklahoma supplementary thereto, including without limitation, Title 62, Oklahoma Statutes 2001, Sections 353 and 354, as amended. The Bonds were authorized at an election on April 4, 2006.

Conditions Affecting Issuance of the Bonds: The Bonds are offered when, as and if issued, subject to the approving certificate of the Attorney General of the State of Oklahoma and the legal opinion of Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma, Bond Counsel.

Delivery: Expected on or about June 25, 2008, in New York, New York, through the Depository Trust Company (DTC), payable in immediately available funds.

Limitations on Transfer of Securities: No dealer, broker, salesman or other person has been authorized by the City, the Financial Advisor or the Purchaser to give any information or to make any representations other than those contained in this Preliminary Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City or the Financial Advisor.

Limitations on Offering or Reoffering Securities: This Preliminary Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

No Litigation: There is no litigation now pending or, to the knowledge of City officials, threatened, which questions the validity of the Bonds or of any proceedings of the City taken with respect to the issuance or sale thereof.

The Preliminary Official Statement is in a form deemed final as of its date for purposes of Securities and Exchange Commission rule 15c2-12 (the "Rule"), but is subject to minor revision or amendment in accordance with the Rule. Not later than seven business days following the award of the Bonds, the Issuer shall provide copies of the Final Official Statement, as that term is used in the Rule, to the Purchaser of the Bonds.

The Purchaser will be supplied with Final Official Statements in a quantity sufficient to meet its request. Up to 40 copies of the Final Official Statement will be furnished without cost.

Questions regarding the Bonds or the Official Statement can be directed to and additional copies of the Official Statement and the City's audited financial reports may be obtained from Municipal Finance Services, Inc., 3325 French Park Drive, Suite 8, Edmond, Oklahoma 73034, (405/340-1727), the City's Financial Advisor, or Ms. Rebecca Byers, Treasurer, City of Bixby, 116 W. Needles Avenue, Bixby, Oklahoma 74008, (918/366-4430).

OFFICIAL STATEMENT
relating to
\$6,400,000
CITY OF BIXBY, OKLAHOMA
GENERAL OBLIGATION BONDS, SERIES 2008

INTRODUCTION

This Official Statement, including the cover page and Exhibits hereto, is being provided by the City of Bixby, Oklahoma (the "City"), in connection with the issuance of its \$6,400,000 General Obligation Bonds, Series 2008 dated June 1, 2008 (the "2008 Bonds" or the "Bonds"). The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 27, of the Constitution of Oklahoma and Title 62, Oklahoma Statutes 2001, Sections 353 and 354, as amended, and laws supplementary and amendatory thereto.

The 2008 Bonds are issued pursuant to an election held April 4, 2006, at which the qualified electors of the City approved an aggregate amount of \$20,000,000 in general obligation bonds for various capital improvements. At said election, the voters approved four propositions consisting of the following purposes: Proposition One (1) \$12,200,000 for street improvements; Proposition Two (2) \$6,000,000 for parks and recreation projects; Proposition Three (3) \$1,200,000 for public safety purposes and Proposition Four (4) \$600,000 for water system improvements. With the issuance of the 2008 Bonds, all authorized bonds from the 2006 Election will have been issued. At the same election, voters approved the levy of an additional $\frac{1}{4}$ of 1% sales tax for a period of 15 years to supplement debt service payments of the City and/or the Bixby Public Works Authority.

DESCRIPTION OF THE BONDS

The Bonds

The Bonds are dated June 1, 2008 and are issuable in fully registered form without coupons in denominations of \$1,000 or multiples thereof. The Bonds will mature June 1 of the year and in the principal amounts and interest rates shown on the cover page of this Official Statement. Interest is payable June 1 and December 1 of each year, commencing June 1, 2009, by check, wire or draft mailed to the registered holders of thereof. Principal and premium, if any, on the Bonds is payable at the principal corporate office of the Paying Agent.

Redemption Provisions

The Bonds maturing in the years 2010 through 2018 inclusive, shall not be subject to redemption prior to maturity. Bonds maturing in the years 2019 and thereafter shall be subject to redemption at the option of the City Council, in whole or in part, in inverse order of maturity and by lot within a maturity, on any date, but upon thirty (30) days' notice, on and after June 1, 2018, at a price of par plus accrued interest on the principal amount called for redemption to the date fixed for redemption.

In the event any of the Bonds or portions thereof (which shall be \$1,000 or multiples thereof) are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Paying Agent-Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time.

Book-Entry System

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal of, and premium, if any, and interest and other payments with respect to the Bonds to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such Bonds and other related transactions by and among DTC, the Direct Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City or the Participants.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized officer of DTC. One fully-registered bond certificate will be issued for each stated maturity of each series of the Bonds, in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC and its Participants. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation ("NSCC"), Government Securities Clearing Corporation ("GSCC"), MBS Clearing Corporation ("MBSCC") and Emerging Markets Clearing Corporation ("EMCC") (NSCC, GSCC, MBSCC and EMCC are also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P's highest rating: AAA. The DTC Rules applicable to DTC's Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners (the "Book-Entry-Only System"). Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (or such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the respective Agency as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Payments of, Principal, Premium, if any, and Interest. Principal, premium, if any, and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the respective Agency or the respective Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participants and Indirect Participant and not of DTC or its nominee, the Paying Agent/Registrars, the Participants or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the applicable Paying Agent/Registrar. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of the Bonds at any time by giving reasonable notice to the applicable Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, the Bonds of such series are required to be authenticated and delivered as described in the applicable Indenture.

If the City would like to discontinue the use of the system of book-entry transfers of a series of the Bonds issued by it through DTC (or a successor securities depository), the applicable Agency shall make such request of DTC (or a successor securities depository). Upon receipt of any such withdrawal request, (i) DTC will issue an Important Notice notifying its Direct Participants of the receipt of a withdrawal request from the Agency reminding Direct Participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC and (ii) DTC will process withdrawal requests submitted by Direct Participants in the ordinary course of business, but will not effectuate withdrawals based upon a request from the Agency.

THE CITY, THE PARTICIPANTS AND THE PAYING AGENT/REGISTRARS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS, (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE CITY, THE PARTICIPANTS NOR THE PAYING AGENT/REGISTRARS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE BONDS UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE RESPECTIVE AGENCY KEPT BY THE APPLICABLE PAYING AGENT/REGISTRAR AS BEING A BONDHOLDER. THE CITY, THE PARTICIPANTS AND THE PAYING AGENT/REGISTRARS SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (i) ANY OWNERSHIP

INTEREST IN THE BONDS; (ii) THE PAYMENT BY DTC TO ANY PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (iii) THE DELIVERY TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE APPLICABLE RESOLUTION; (iv) THE SELECTION BY DTC OR ANY PARTICIPANTS OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS, OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Transfer Fees. For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by such Paying Agent/Registrar, DTC or the DTC Participant in connection with such transfers or exchanges.

Use of Certain Terms in Other Sections of this Official Statement; Certain Disclaimers. In reading this Official Statement it should be understood that while the Bonds are in the book-entry-only system, references in other sections of this Official Statement to registered owners should be read to include the person for which the DTC Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry-only system, and (ii) except as described above, notices that are to be given to registered owners under the applicable Resolution will be given only to DTC.

Interest Computation

Interest on the Bonds will be computed on a 360-day year, 30-day month basis. Payments coming due on a non-business day will be paid the following business day.

Record Date

The record date ("Record Date") means the close of business on the fifteenth (15th) day preceding any interest payment date.

Authorization of the Bonds

The Bonds are issued pursuant to the provisions of and in full compliance with the Constitution and Laws of the State of Oklahoma, particularly Article X, Section 27, of the Constitution of the State of Oklahoma and Title 62 of the Oklahoma Statutes 2001, Sections 353 and 354, as amended, and a Resolution of the City Council to be adopted on May 14, 2008. The Bonds were approved by the qualified electors of the City at an election held on April 4, 2006. Six propositions were submitted to the voters at the election, two of which were for the purpose of levying additional sales tax to fund improvements within the City. The bond propositions were as follows: Proposition One (1) - \$12,200,000 for street improvements; Proposition Two (2) - \$6,000,000 for parks and recreation projects; Proposition Three (3) - \$1,200,000 for public safety purposes and Proposition Four (4) - \$600,000 for water system improvements. In addition, voters approved the levy of an additional $\frac{1}{4}$ of 1% sales tax for the purpose of repaying obligations of the City and/or obligations of The Bixby Public Works Authority.

As previously mentioned, at an election held April 4, 2006, voters authorized the issuance of an aggregate amount \$20,000,000 for various capital improvements. Subsequent to the approval, the City issued its 2006 Bonds in the aggregate amount of \$6,600,000 for various purposes consisting of \$2,900,000 street improvements (Proposition 1); \$1,900,000 parks and recreation improvements (Proposition 2); \$1,200,000 public safety improvements (Proposition 3) and \$600,000 water system improvements (Proposition 4). The City issued its 2007 Bonds in the aggregate amount of \$7,000,000 for various purposes consisting of \$2,900,000 street improvements (Proposition 1) and \$4,100,000 parks and recreation improvements (Proposition 2). Upon issuance of the 2008 bonds offered herein, all authorized bonds from the 2006 Election will have been issued.

Purpose of the Bonds

The 2008 Bonds are being issued to provide funds for street improvements (Proposition 1) and to pay certain costs of issuance.

Security for the Bonds

Under state laws, cities and towns in Oklahoma cannot become indebted beyond one year or for an amount in excess of the income and revenue provided in such year without authorization from the voters. Under Article X, Section 27, cities may issue obligations in an amount within the city upon approval by a simple majority of the voters voting in an election held for such purpose. The Bonds are secured by ad valorem or property taxes levied annually **Without Limitation As To Rate Or Amount** to pay principal and interest.

Ad valorem taxes for bond payments are deposited into a sinking fund held by the City. The tax rate for sinking fund purposes is determined annually by ascertaining the actual revenue required for payment of principal and interest on indebtedness and judgments. Such total amount may then be reduced by any surplus from the prior fiscal year. A reserve for delinquent taxes is then added to the net requirements to derive the actual taxes to be levied. The City has traditionally levied a five percent delinquency. The actual levy amount is then apportioned by the total net assessed valuation to determine the appropriate tax rate for each taxpayer. Under state law, tax collections for a sinking fund cannot be placed in any fund of a City other than the sinking fund.

Tax Levy Collection Process

Oklahoma Statutes require that each year the City makes an ad valorem tax levy for a sinking fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following year.

After review and approval by the City Council, copies of the sinking fund estimates are submitted to the county excise board to determine the ad valorem tax levy appropriations. This submission is required to be made by August 27 of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the sinking fund. The amounts contained in the Estimate of Needs are verified by the county excise board and, upon verification, the levies contained therein are ordered to be certified to the county assessor in order that the county assessor may extend said levies upon the tax rolls for the year for which the Estimate of Needs is being submitted. The county excise board further certifies that the appropriations contained in the Estimate of Needs and the millage rate levies are within the limitations provided by law. In accordance with Title 68, Oklahoma Statutes 2001, Section 3007, the County Excise Board may make adjustments to the Estimate of Needs as deemed appropriate.

Cities and counties in Oklahoma are limited to a total of ten (10) mills from ad valorem taxes for operating purposes between them. Traditionally, the Tulsa County Excise Board has not approved any millage for the City for operating purposes since the ten (10) mills have gone to Tulsa County for its operating fund. For purposes of the general obligation bond debt service, however, there is no limitation as to the mill levy for debt issued under Section 27, Article X of the Oklahoma Constitution.

State statutes make it mandatory for any unit of local government to annually provide for a tax sufficient to pay the principal and interest as they become due on any outstanding debt. If the proper officer whose duty it is to annually provide the necessary tax for debt service fails to do so, it becomes the duty of the county clerk, who serves as secretary of the county excise board. Failure by either the particular unit of government or the county clerk to levy the necessary taxes for debt service makes it the duty of the state auditor to certify the proper amount to the county treasurer who is then required to make the necessary levy.

The county assessor is required to file a tax roll report on or before October 1 of each year with the county treasurer indicating the net assessed valuation for each governmental entity within the county. This report includes the assessed valuation for all real, personal and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). The county treasurer must begin collecting taxes by November. The first half of taxes is due and payable on or before December 31. The second half becomes due and payable on or before March 31. If the first half is not paid by December 31, it all becomes due and payable on January 1.

Ad valorem taxes not paid on or before April 1 are considered delinquent. Interest accrues on delinquent taxes at the rate of one and one-half percent monthly (18 percent annually) to a maximum of 100 percent of the taxes due and owing until such time as the delinquent taxes are paid. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The purchaser is issued a Certificate of Tax Lien; however, the original owner of the property has two years in which to redeem the property by paying the taxes and penalties owed. If at the end of two years the original owner has not done so, the purchaser may then apply for a deed to the property. If there is no purchaser, then the county acquires the same lien and the property is auctioned after approximately two and one-half years.

Sales Tax Revenue

On April 4, 2006 voters approved the levy of an additional ¼ of 1% sales tax for the purpose of repaying obligations of the City and/or The Bixby Public Works Authority. Said sales tax became effective June 1, 2006 and will terminate on May 31, 2021, encompassing a 15-year term. During Fiscal Year 2006/07, ¼ of 1% sales tax generated \$470,558.04. City officials intend to utilize approximately one-half of such revenues to reduce the ad valorem tax levy to repay the Bonds of the City and one-half to supplement debt service requirements on debt issued by The Bixby Public Works Authority, however, such allocation is subject to change in association with the City’s annual budget preparation.

CITY OF BIXBY

General

The City of Bixby, Oklahoma (the "City") is primarily located in southern Tulsa County, the second most populated county in Oklahoma. A small portion of the City also lies in Wagoner County adjacent to Tulsa County. The 2005 Census reported the population of the City at 18,600, an increase of 39.47% over the 2000 population of 13,336, making Bixby one of the fastest growing incorporated municipalities in the state. The 2005 Census populations for Tulsa County and Wagoner County were 572,059 and 64,183, representing an increase over the 2000 population of 1.56% and 11.64%, respectively.

Bixby was originally incorporated as a township in 1906 and operates under a Council-Manager form of government. The City is directly south of Tulsa, Oklahoma, along U.S. Highway 64 that connects Tulsa and Bixby with the Creek Nation Turnpike, the main route to Interstate 44 and points both east and west. Based on the U.S. Census Bureau’s information, Bixby encompasses approximately 24.1 square miles.

For Fiscal Year 2007/08, the City is budgeting 100 persons full-time and one (1) part-time position. Full-time employees by department are shown below:

Administration and Finance	16
Police	30
Fire	22
Water and Sewer	28
Engineering and Construction	2
Parks and Recreation	<u>3</u>
TOTAL	101

The legislative and policy-making body consists of a five-member City Council, elected by wards with staggered terms for a period of four years. The Mayor and Vice-Mayor are elected within the Council membership for one year terms. The City Manager is responsible for the day-to-day operations of City government.

The major public school system in the City is the Bixby School District (Tulsa County Independent School District No. 4) with an enrollment of 4,492 students for the 2007/08 school year. The school system is comprised of two elementary schools (PK-4th Grade), two fifth and sixth grade centers, one middle school (7th and 8th Grades) and one high school(9th through 12th Grade). Higher educational opportunities are available nearby in the City of Tulsa, including the University of Tulsa, Tulsa Community College, Oral Roberts University as well as branches of other Oklahoma colleges and universities.

Ambulance service is provided by the Emergency Medical Services Authority, electric service by AEP/ Public Service Company of Oklahoma, Oklahoma Gas and Electric, and East Central Electric Cooperative. Natural gas is provided by the Oklahoma Natural Gas Company and telephone and cable service is provided by Bixby Telephone Company and Cox Communications, respectively.

Medical facilities available to the community include the Southcrest Hospital, a 180-bed hospital that offers comprehensive health care services. The medical staff consists of more than 800 physicians and over 1,000 employees. Key Services at Southcrest Hospital include a cardiovascular center, an orthopedics and neurosciences center, an outpatient diagnostic center, and a women’s pavilion & special care nursery. Other hospitals within a twenty mile radius include St. John’s Medical Center, Saint Francis Health System, Cancer Treatment Centers of America, and Tulsa Regional Medical Center.

Major Area Employers

<u>NAME</u>	<u>TYPE OF BUSINESS</u>	<u># EMPLOYED</u>
1. Bixby Public Schools	Public Education	460
2. Kimberly Clark	Hygiene Products	400
3. Lowe’s	Building Material Retailer	125
4. City of Bixby	Municipal Government	100
5. Citizen’s Security Bank	Banking Institution	90
6. YMCA	Youth Fitness Education	80
7. Cobra Manufacturing	Archery Accessories	70
8. Dickenson Theatres	Movie Theatre	67
9. BTC Broadband	Telephone Service Provider	65
10. Doc’s Country Mart	Convenient Store	63

Source: City of Bixby

Municipal Services

The City provides basic services affecting all its residents including but not limited to police and fire protection, parks, streets, water, and sewer. Refuse collection is provided by a private company.

Water System. The Bixby water system provides water to its citizens through the City of Tulsa and surrounding rural water districts. Ground level storage capacity is estimated at 2.3 million gallons. Currently, there are approximately 129 miles of water system mains in the City of Bixby. The system serves approximately 8,000 customers.

Sewer System. The sewer system of the City consists of approximately 96 miles of collection lines. The Bixby Sewage Treatment Plant, a primary / secondary lagoon system has a system capacity of 1.5 million gallons per day and an estimated present load usage of 77 million gallons per month. Approximately 8,000 customers are currently served by the City’s sewer system.

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FINANCIAL INFORMATION

Financial Management and Control

The accounting and reporting policies of the City of Bixby relating to the fund types included in the financial statements conform to generally accepted accounting principles. Generally accepted accounting principles for municipalities are defined as those principles established by the Governmental Accounting Standards Board (GASB).

Governmental Fund Types

General Fund. The General Fund is the primary operating fund of the City that accounts for all financial transactions not accounted for in other funds and certain Public Trust activities that require separate accountability for services rendered.

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are normally restricted to expenditures for specified purposes.

Debt Service Funds. As prescribed by State law, the Debt Service Funds receive monies for the retirement of general obligation bonded debt and court-assessed judgments. Such revenues are used for the payment of principal and interest on the City's general obligation bonds and judgments which are recorded in the General Long-Term Debt Account Group.

Capital Projects Funds. The Capital Project Funds account for major capital improvements that are financed from bond proceeds, federal and state grants and other specific receipts.

Proprietary Fund Types

Enterprise Funds. The City's Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds. Internal Service Funds account for charges to the operating funds of the City to pay workers compensation claims and certain group health and life insurance plans.

Fiduciary Fund Types

Agency Funds. Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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General Fund Highlights

Revenues and expenditures for the City's General Fund as presented in the City's audited financial statements for Fiscal Years 2003 through 2007:

For Fiscal Year Ending June 30					
<u>REVENUES</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Taxes	\$2,528,219	\$2,901,480	\$3,187,848	\$3,509,026	\$3,620,251
Licenses & Permit	370,865	587,406	531,442	558,385	511,611
Intergovernmental	121,940	174,771	245,709	50,075	52,143
Fines & Forfeitures	313,673	341,685	413,100	413,721	529,076
Interest	40,232	28,262	39,822	51,947	59,183
Miscellaneous	<u>154,949</u>	<u>155,381</u>	<u>218,987</u>	<u>146,324</u>	<u>291,752</u>
TOTAL REVENUES	\$3,529,878	\$4,188,985	\$4,636,908	\$4,729,478	\$5,063,566
<u>EXPENDITURES</u>					
General Government	\$1,090,323	\$1,058,141	\$1,203,220	\$1,348,064	\$1,518,239
Public Safety	2,047,883	2,357,490	2,771,642	3,070,735	3,330,353
Public Services	97,662	93,524	106,066	120,975	213,152
Culture and Recreation	68,278	86,085	97,286	78,127	3,902
Capital Outlay	---	32,121	50,557	2,800	1,400
Debt Service	<u>---</u>	<u>---</u>	<u>102,493</u>	<u>122,961</u>	<u>---</u>
TOTAL EXPENDITURES	\$3,304,146	\$3,627,361	\$4,331,264	\$4,743,662	\$5,067,046
REVENUES OVER (UNDER) EXPENDITURES	<u>\$225,732</u>	<u>\$561,624</u>	<u>\$305,644</u>	<u>\$(14,184)</u>	<u>\$(3,480)</u>
SALE OF FIXED ASSETS	---	15,072	---	---	---
OPERATING TRANSFERS IN	30,215	30,372	106,016	30,000	50,000
OPERATING TRANSFERS OUT	<u>(140,523)</u>	<u>(119,845)</u>	<u>(777,202)</u>	<u>(111,698)</u>	<u>(130,000)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$115,424	\$487,223	\$(365,542)	\$(95,882)	\$(83,480)
BEGINNING FUND BALANCE	1,561,970	1,677,394	2,164,617	\$1,799,075	\$1,703,192
ENDING FUND BALANCE	<u>\$1,677,394</u>	<u>\$2,164,617</u>	<u>\$1,799,075</u>	<u>\$1,703,192</u>	<u>\$1,619,712</u>

Net Assessed Valuation

Since ad valorem taxes are correlated to the value of property within the City, trends in property valuations are an important economic indicator. The assessed valuation of property within the City is comprised of three components: real, personal and public service. The county assessor in each county determines the real and personal property values on an annual basis. Public service valuations are compiled annually by the Oklahoma Tax Commission and set by the State Board of Equalization. Once the valuation is determined, an assessment rate is calculated to provide the assessed valuation on which the appropriate tax levy is determined.

In accordance with the Oklahoma Constitution, the assessment rate for real and personal property set by each county must be within a range established by the State Board of Equalization. As a result of passage of State Question No. 675 on November 5, 1996, the Oklahoma Constitution was amended to provide that the allowable range for real property be placed between 11 percent to 13 ½ percent and the range for personal property be set between 10 percent and 15 percent. Beginning January 1, 1997, the percentage at which real or personal property is assessed within a county shall not be increased except upon approval by a majority of the registered voters of the county, voting at an election called for that purpose by a majority of county commissioners, or upon a petition initiated by not less than ten percent (10%) of the registered voters of the county based on the total number of votes cast at the last general election for the county office receiving the highest number votes at the election. In no event shall the percentage be increased by more than one percentage point per year or increase in excess of the aforementioned assessment ranges for personal and real property.

The percentage at which real or personal property is assessed within a county may be decreased within the limitations (assessment ranges) without approval of the voters of the county.

Also, as provided by State Question No. 675, all other property (primarily public service property) assessed by the State Board of Equalization shall be assessed at the percentage of its fair cash value, estimated at the price it would bring at a fair voluntary sale, at which it was assessed on January 1, 1996. Consequently, the assessment rates on public service property and on airlines and railroads included in the public service category were set at 22.85% and 11.84%, respectively.

The Constitution of the State of Oklahoma provides exemptions to real and personal property owners based on certain qualifications and guidelines. A residential homeowner is allowed a homestead exemption deduction equal to \$1,000 of net assessed valuation. The homeowner must apply annually for the exemption in order to receive the deduction.

At a special election on September 14, 1993, the qualified electors of Tulsa County approved the exemption of personal property taxes on "household goods of the heads of families and livestock employed in support of the family" located within the County. The election was held pursuant to an amendment to the Constitution of the State of Oklahoma approved by the voters as State Question 648 on November 3, 1992, which gave each county the authorization to hold such an election. The exemption was effective beginning in 1994. Wagoner County voters also approved such exemption in 1998, effective in 1999.

Table 1 presents the historical net assessed valuation by county for the City of Bixby from 1998 to 2007. Net assessed valuation increased 244.42% percent during the period shown. The current assessment rates are 11 percent and 10 percent in Tulsa County for real and personal property, respectively. The rates in Wagoner County have been 11.2 percent for real property since 1989 and for personal property purposes, the rate was set at 12 percent in 1991. The City's Net Assessed Valuation in the most recent year shows an increase of 11.83 percent for both counties.

Table 1
Net Assessed Valuation *

Fiscal Year	Tulsa County		Wagoner County		\$ Total	% Change
	\$ Amount	Percent	\$ Amount	Percent		
2007/08	150,913,197	99.43%	875,770	0.57%	151,778,967	11.83%
2006/07	134,901,634	99.39	826,537	0.61	135,728,171	12.94
2005/06	119,413,424	99.36	763,464	0.64	120,176,888	14.42
2004/05	104,352,614	99.35	680,676	0.65	105,033,290	13.61
2003/04	91,825,857	99.32	627,290	0.68	92,453,147	15.16
2002/03	79,699,521	99.27	582,945	0.73	80,282,466	16.09
2001/02	68,638,347	99.26	515,152	0.74	69,153,499	13.90
2000/01	60,212,796	99.17	503,549	0.83	60,716,345	14.89
1999/00	52,410,506	99.17	438,062	0.83	52,848,568	16.85
1998/99	44,819,277	99.10	407,349	0.90	45,226,626	---

* Reflects applicable homestead exemption allowance.

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Table 2 presents a breakdown of the valuation components by county for the last ten years.

Table 2
City of Bixby, Oklahoma
Historical Net Assessed Valuation By County

<u>Fiscal Year</u>	<u>Tulsa County</u>				<u>Wagoner County</u>			
	<u>Real Property*</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total NAV</u>	<u>Real Property*</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total NAV</u>
2007/08	\$137,076,967	\$6,051,942	\$7,784,288	\$150,913,197	\$831,672	\$21,717	\$22,381	\$875,770
2006/07	121,611,017	5,632,301	7,658,316	134,901,634	767,872	20,076	38,589	826,537
2005/06	107,201,836	5,346,503	6,865,085	119,413,424	701,838	23,208	38,418	763,464
2004/05	92,728,280	5,301,659	6,322,675	104,352,614	652,525	19,586	8,565	680,676
2003/04	82,090,849	5,058,834	4,676,174	91,825,857	599,139	7,650	20,501	627,290
2002/03	70,605,199	4,240,878	4,853,444	79,699,521	540,943	8,736	33,266	582,945
2001/02	60,120,920	4,315,296	4,202,131	68,638,347	476,246	4,059	34,847	515,152
2000/01	52,599,847	3,672,822	3,940,127	60,212,796	449,170	1,536	52,843	503,549
1999/00	45,282,688	3,253,460	3,874,358	52,410,506	409,022	3,702	25,338	438,062
1998/99	38,519,870	2,976,578	3,322,829	44,819,277	383,331	18,959	5,059	407,349

* Reflects Homestead Exemption Deduction

Estimated Actual Market Valuation

<u>Year</u>	<u>Market Valuation</u>	<u>Percent Increase</u>
2007/08	\$1,385,176,602	11.84%
2006/07	1,238,587,627	12.66
2005/06	1,099,375,015	14.21
2004/05	962,584,823	12.73
2003/04	853,867,865	15.52
2002/03	739,177,060	15.73
2001/02	638,723,388	13.83
2000/01	561,137,585	14.90
1999/00	488,368,554	16.10
1998/99	420,628,236	--

Four school districts overlap the City of Bixby with their respective valuations within the City for 2007/2008 shown below:

<u>SCHOOL DISTRICT</u>	<u>NET ASSESSED VALUATION</u>	<u>% OF CITY'S NAV</u>
Bixby (I-4)	\$138,123,978	90.9974%
Jenks (I-5)	13,216,242	8.7070
Haskell (I-2)	244,294	0.1609
Liberty (I-14)	535	0.0004
Leonard (E-18)	<u>200,688</u>	<u>0.1343</u>
TOTALS	\$151,788,967	100.0000%

Largest Ad Valorem Taxpayers

The ten largest ad valorem taxpayers in the City for Fiscal Year 2007-2008 are shown in Table 3 according to net assessed valuation.

Table 3
Largest Ad Valorem Taxpayers

<u>Name</u>	<u>Type of Business</u>	<u>Net Assessed Valuation</u>
Bixby Telephone Company	Phone Utility	\$2,755,891
Links at Bixby	Apartments / Golf Course	2,058,068
Enogex	Gas Company	1,795,913
Lowe's Home Center	Building Material Retailer	1,672,017
Home Ventures, Inc.	Real Estate	1,108,615
Spirit Master Funding LLC	Real Estate	1,081,093
Public Service Co. of Oklahoma	Electric Utility	962,297
Market Pointe Tulsa LLC	Real Estate	945,502
Oklahoma Natural Gas Co.	Gas Utility	920,798
Palazzo Shopping Center LLC	Real Estate	<u>824,989</u>
	Total	\$14,125,183
	% of Total NAV*	9.31%

* Based on 2007/08 Net Assessed Valuation of \$151,788,967.

Source: Tulsa and Wagoner County Officials

Levy History

Table 4 presents the historical ad valorem tax levies within the City for taxpayers in the Bixby School District (I-4) for all taxing entities. Total tax levies have averaged 123.16 mills during the last ten years with the Fiscal Year 2007-08 levy at 118.55 mills.

Table 4
Historical Tax Levies*

Fiscal Year	Tulsa County	ISD No. 4			Tulsa Comm. College	Tulsa Vo-Tech	City Sinking Fund	Total Levy
		General	Building	Sinking				
2007/08	22.21	36.05	5.15	21.76	7.21	13.33	12.84	118.55
2006/07	22.21	36.05	5.15	21.87	7.21	13.33	13.38	119.20
2005-06	22.59	36.05	5.15	22.57	7.21	13.33	8.53	115.43
2004-05	22.61	36.05	5.15	24.63	7.21	13.33	12.18	121.16
2003-04	22.89	36.05	5.15	20.63	8.28	13.33	13.61	119.94
2002-03	23.83	36.05	5.15	24.41	8.31	13.33	15.88	126.96
2001-02	24.31	36.05	5.15	23.04	8.39	13.33	20.60	130.87
2000-01	23.93	36.05	5.15	26.52	8.70	13.33	18.98	132.66
1999-00	24.32	36.05	5.15	28.72	8.80	13.33	10.62	126.99
1998-99	22.61	36.05	5.15	22.00	7.21	13.33	13.48	119.83
							10-Yr. Average	123.16

* Shown as \$1/\$1000.

Sinking Fund Tax Collection History

Table 5 presents the dollar amount of ad valorem taxes levied for Sinking Fund purposes for the last five fiscal years. The City has traditionally levied a five percent delinquency amount. Also shown are actual tax receipts collected on a current and total basis.

Table 5
Tax Collection History

	Fiscal Year Ended June 30				
	2003	2004	2005	2006	2007
Total Tax Levy*	1,274,731	1,258,555	1,278,958	1,025,234	1,816,588
Tax Collections					
Current Year	1,225,265	1,223,683	1,243,935	1,019,738	1,768,317
Prior Years	55,557	39,793	33,568	37,993	24,894
Total Tax Collections	1,280,722	1,263,476	1,277,503	1,057,731	1,793,211
Percent of Tax Collections to Total Tax Levy	98.52%	100.47%	100.39%	99.89%	98.22%

* Reflects 5% excess levy for delinquencies

INDEBTEDNESS

Payment Record

The City has no default on principal and interest payments of its general obligation bonded indebtedness of record.

Existing Indebtedness

As of April 28, 2008, the City had seven General Obligation Bond issues outstanding in the aggregate principal amount of \$18,265,000, as shown in Table 6.

Table 6
Summary of Existing General Obligation Bonds

<u>Issue Description</u>	<u>Date of Bonds</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Average Interest Rate</u>	<u>Bonds Outstanding</u>
1993 Bonds	11/01/93	600,000	11/01/2008	4.3272%	80,000
1995 Bonds	06/01/95	1,850,000	06/01/2010	5.5561	475,000
1997 Bonds	06/01/97	540,000	06/01/2012	5.2845	200,000
1999 Bonds	11/01/99	4,010,000	11/01/2019	5.3190	2,540,000
2000 Bonds	11/01/00	2,990,000	11/01/2012	5.0244	1,370,000
2006 Bonds	06/01/06	6,600,000	06/01/2021	4.0262	6,600,000
<u>2007 Bonds</u>	06/01/07	<u>7,000,000</u>	06/01/2022	3.8613	<u>7,000,000</u>
Totals		\$23,590,000			\$18,265,000

City Indebtedness

The Constitution of Oklahoma provides that, without approval of the voters, the City is prohibited from becoming indebted in any fiscal year in an amount exceeding the income and revenue to be received for such fiscal year. The combined general obligation bond indebtedness of the City for the existing issues and the 2008 Bonds is as follows:

<u>ORIGINAL ISSUE</u>		<u>MATURITIES</u>		
<u>Date</u>	<u>Amount</u>	<u>Payment Dates</u>	<u>Amount</u>	<u>Outstanding Balance</u>
11/01/93	600,000	11/01/2008	80,000	80,000
06/01/95	1,850,000	06/01/2008-2009	125,000	
		06/01/2010	225,000	475,000
06/01/97	540,000	06/01/2008-2012	40,000	200,000
11/01/99	4,010,000	11/01/2008-2018	210,000	
		11/01/2019	230,000	2,540,000
11/01/00	2,990,000	11/01/2008-2011	270,000	
		11/01/2012	290,000	1,370,000
06/01/06	6,600,000	06/01/2008	425,000	
		06/01/2009-2021	475,000	6,600,000
06/01/07	7,000,000	06/01/2009-2022	500,000	7,000,000
06/01/08 (Authorized)	<u>6,400,000</u>	06/01/2010-2022	455,000	
		06/01/2023	485,000	<u>6,400,000</u>
TOTAL	\$29,990,000			\$24,665,000

Under State law, judgments against a city are payable from ad valorem taxes over three years at a maximum interest rate of ten percent (10%). As of the date of the Official Statement, the City has no outstanding judgments.

The combined estimated principal and interest levy requirements for existing and authorized bonds are shown in Table 7 for the next five fiscal years.

Table 7
Principal and Interest Levy Requirements for Existing and Authorized Indebtedness

<u>Fiscal Year</u>	<u>Principal Levy</u>	<u>Interest Levy</u> *	<u>Total Levy</u>
2008/09	1,975,537	988,439	2,963,976
2009/10	1,975,537	888,677	2,864,214
2010/11	1,852,204	789,979	2,642,183
2011/12	1,852,204	705,243	2,557,447
2012/13	1,544,386	622,309	2,166,695

* Assumes an average interest rate on 2008 Bonds of 3.74% and does not reflect transfer of any sales tax revenues to the sinking fund.

STATEMENT OF INDEBTEDNESS
(As of April 28, 2008)

Estimated Actual Market Value (2007-2008)		\$1,385,176,602
Assessed Valuation (Gross) Including Homestead Exemption		\$155,829,946
Real Property (Excluding \$4,050,979 in Homestead Exemptions)	\$137,898,639	
Personal Property	6,073,659	
Public Service Property	<u>7,806,669</u>	
Assessed Valuation (Net) Excluding Homestead Exemption		\$151,778,967
General Obligation Debt Outstanding		
Existing Bonded Indebtedness	\$18,265,000	
2008 Bonds	<u>6,400,000</u>	
Total General Obligation Debt Outstanding		\$24,665,000
Less Sinking Fund Balance (As of April 28, 2008)		(\$ <u>2,106,777</u>)
Net General Obligation Indebtedness		\$ <u><u>22,558,223</u></u>
Ratio of Net General Obligation Bonds Outstanding to Net Assessed Valuation		14.86%
Net Indebtedness Per Capita (Based on Estimated 2004 Population of 17,729)		\$ 1,272.39

Net Direct, Underlying and Overlapping General Obligation Bonded Indebtedness

Direct, underlying and overlapping indebtedness within the City of Bixby includes debt of the City, Bixby School District, Tulsa Community College, Tulsa Vo-Tech #18, Tulsa County, Wagoner County and Jenks School District as shown. Haskell, Liberty and Leonard School Districts also overlap the City but less than 1% of the City's total Net Assessed Valuation. The aggregate net indebtedness directly, underlying and overlapping the School District is \$32,789,057, which includes the 2008 Bonds.

<u>Governmental Entity</u>	<u>Net Indebtedness</u>	<u>Estimated % Applicable to the City¹</u>	<u>Overlapping Debt Applicable to the City</u>	<u>Per Capita Debt</u>
City of Bixby ²	\$22,558,223	100.00%	\$22,558,223	\$1,272.39
Bixby School District (I-4) ³	16,640,340	54.71	9,103,930	679.88
Tulsa Community College	-	3.47	-	-
Tulsa Vo-Tech #18	-	3.17	-	-
Tulsa County ³	39,669	3.47	1,377	0.13
Wagoner County	-	0.25	-	-
Haskell (I-2) ⁴	-	-	-	-
Jenks (I-5) ³	48,514,109	2.32	1,125,527	191.30
Liberty (I-14) ⁴	-	-	-	-
Leonard (C-18) ⁴	-	-	-	-
Totals	\$87,752,341		\$32,789,057	\$2,143.70

¹ Determined by ratio of net assessed valuation of property subject to taxation in underlying and overlapping unit to valuation of property subject to taxation in the City of Bixby. Based on 2007-08 valuations.

² As of April 28, 2008 (Including the 2008 Bonds).

³ As of June 30, 2007.

⁴ Less than 1% applicable to the City of Bixby

City Related Indebtedness

The Bixby Public Works Authority (BPWA) is a public trust created by a Trust Indenture dated as of December 1, 1964 with the City of Bixby as beneficiary. Pursuant to an Amended Lease Agreement and Operation and Maintenance Contract dated as of June 13, 1988, the City has leased the water and sewer management systems to BPWA. BPWA currently has three-term debt obligations outstanding as follows:

<u>Type of Obligation</u>	<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
OWRB CWSRF Note	11/18/98	Wastewater	\$4,938,787	09/15/2021	\$3,640,894
Utility Sys. Rev. Bonds	11/01/01	Water / Wastewater	4,000,000	11/01/2019	2,935,000
Utility Sys. Rev. Bonds	08/01/02	Wastewater	<u>6,080,000</u>	11/01/2019	<u>4,625,000</u>
	TOTALS		\$15,018,787		\$11,200,894

Authorized But Unissued Bonds

With the issuance of the 2008 Bonds, the City will have no remaining authorized bonds from the 2006 Election.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

As previously mentioned, the Bixby region has experienced dramatic population growth. Table 8 presents historical and estimated population for the City of Bixby, Tulsa County and Wagoner County.

Table 8
Population

<u>Year</u>	<u>City of Bixby</u>	<u>Tulsa County</u>	<u>Wagoner County</u>
1960 (census)	1,171	346,038	15,673
1970 (census)	3,973	401,663	22,163
1980 (census)	7,194	470,593	41,801
1990 (census)	9,502	503,341	47,883
2000 (census)	13,347	563,299	57,491
2001 (estimated)	14,283	563,826	58,909
2002 (estimated)	15,561	566,399	60,533
2003 (estimated)	16,630	570,181	61,756
2004 (estimated)	17,729	569,148	63,054

Source: Oklahoma Department of Commerce and Population Division, US Census Bureau

Population by Age

Table 9 presents the distribution of population by age for Tulsa County and the State of Oklahoma for selected years.

Table 9
Percentage of Population by Age

<u>YEAR</u>	<u>0-4</u>	<u>5-14</u>	<u>15-44</u>	<u>45-64</u>	<u>65+</u>	<u>TOTAL</u>
1980						
Tulsa County	7.7%	14.8%	48.3%	19.2%	9.9%	100.0%
State of Oklahoma	7.7	15.2	45.5	19.2	12.4	100.0
1990						
Tulsa County	7.7%	14.5%	47.8%	18.4%	11.6%	100.0%
State of Oklahoma	7.2	15.1	45.1	19.1	13.5	100.0
2000						
Tulsa County	7.4%	14.6%	44.6%	21.6%	11.8%	100.0%
State of Oklahoma	6.8	14.4	43.2	22.3	13.2	100.0
2005						
Tulsa County	7.8%	13.5%	41.8%	24.8%	12.0%	100.0%
State of Oklahoma	6.9	13.0	42.1	24.8	13.2	100.0

Per Capita Income

Tulsa County's per capita income has consistently exceeded the state average. A comparison of Tulsa County and the State of Oklahoma is shown in Table 10 for the years 2000 through 2005. Median Household Income (MHI), according to the 2000 Census, for the City of Bixby was \$50,854 compared to the State MHI of \$32,432.

Table 10
Per Capita Income

	<u>Tulsa County</u>	<u>State of Oklahoma</u>
2005	\$40,079	\$29,948
2004	37,622	28,394
2003	37,823	26,424
2002	34,694	25,850
2001	36,231	26,008
2000	33,108	24,406

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Employment Data

The number of persons in the Tulsa County labor force and number employed for the years 1998 through 2007 are shown in Table 11. Also, shown is the county unemployment rate compared to state and national averages for the same period.

Table 11
Employment Statistics

<u>Year</u>	<u>Labor Force</u>	<u>Number Employed</u>	<u>Unemployment Rates</u>		
			<u>Tulsa County</u>	<u>State of OK</u>	<u>U.S.</u>
2007	299,976	288,032	4.0%	4.3%	4.6%
2006	298,911	287,788	3.7	4.0	4.6
2005	293,813	281,769	4.1	4.4	5.1
2004	291,660	277,340	4.9	5.0	5.5
2003	295,144	277,516	6.0	5.6	6.0
2002	298,885	284,051	5.0	4.8	5.8
2001	298,019	288,042	3.3	3.7	4.7
2000	296,841	288,422	2.8	3.1	4.0
1999	300,587	290,421	3.4	3.6	4.2
1998	298,793	289,163	3.2	4.4	4.5

Source: Oklahoma Employment Security Commission

Sales Tax Collections

The City currently levies a three and one-half percent (3.5%) local sales tax, which together with the State sales tax of four and one-half percent (4½%) places the total City and State sales tax rate at eight percent (8.0%). Tulsa County levies a 1.017%, bringing the total sales tax rate overlying Tulsa County to 9.017%. Historical sales tax collections for the City are shown in Table 12.

Table 12
Sales Tax Collections

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>1-Cent Generated</u>	<u>% Change</u>
2007	\$6,416,585	\$1,882,232	5.85%
2006	5,334,701	1,778,234	8.15
2005	4,932,786	1,644,262	12.19
2004	4,396,720	1,465,573	10.06
2003	3,994,947	1,331,649	14.08
2002	3,501,950	1,167,317	4.36
2001	3,355,595	1,118,532	7.29
2000	3,127,714	1,042,571	10.00
1999	2,833,160	944,387	29.66
1998	2,184,989	728,330	--

Source: Oklahoma Tax Commission

Building Permits

Construction activity in Bixby has experienced a significant increase, particularly in residential construction. Table 13 indicates the number of permits issued and estimated value for residential and commercial purposes for the last ten years.

Table 13
Building Permits

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total</u>	
	<u>Number</u>	<u>\$ Value</u>	<u>Number</u>	<u>\$ Value</u>	<u>Number</u>	<u>\$ Value</u>
2007	268	\$93,297,876	21	\$45,792,275	289	\$139,090,151
2006	337	70,370,105	21	32,937,500	358	103,307,605
2005	317	75,868,467	9	4,697,420	326	80,565,887
2004	409	100,390,087	13	6,871,602	422	107,261,689
2003	360	87,376,390	7	6,721,000	367	94,097,390
2002	360	90,745,647	0	0	360	90,745,647
2001	388	76,270,587	13	26,876,280	401	103,146,867
2000	332	60,551,885	19	11,368,500	351	71,920,385
1999	272	57,459,135	14	7,344,575	286	64,803,710
1998	155	32,954,555	13	10,473,375	168	43,427,930

Source: City Records

RATING

The Municipal Rating Committee of Oklahoma, Inc. has rated the general obligation indebtedness of the City of Bixby, Oklahoma as #1. For an explanation of the significance of this rating, an investor should communicate directly with the Committee. Neither the City nor the Financial Advisor has applied for a rating on the Bonds from a nationally recognized rating agency.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of the, Bond Counsel, to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others, in connection with the Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Bond Counsel has rendered its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update their opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

State of Oklahoma Tax Exemption

Pursuant to Title 68 of the Oklahoma Statutes 2001, Section 2358.5, interest on the bonds is exempt from Oklahoma income taxation.

Financial Institutions

The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations"). **The Bonds will be designated as "qualified tax-exempt obligations" for this purpose.**

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds. Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal

income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the front cover page of the Official Statement. For any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest paid after March 31, 2007 on tax-exempt obligations, including the 2008 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification", or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2008 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2008 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the 2008 Bonds under federal or state law and could affect the market price or marketability of the 2008 Bonds.

Prospective purchasers should be aware that the United States Supreme Court has agreed to review *Davis v. Dep't. of Revenue of the Finance and Admin. Cabinet*, 197 S.W. 3d 557 (Ky. App.2006), cert. granted 2007 U.S. LEXIS 5914 (May 21, 2007), a decision of a Kentucky appellate court, which held that provisions of Kentucky tax law that provided more favorable income tax treatment for holders of bonds issued by Kentucky municipal bond issuers than for holders of non-Kentucky municipal bonds violated the Commerce Clause of the United States Constitution. Oklahoma statutes provide more favorable Oklahoma income tax treatment for holders of bonds issued by the State of Oklahoma and its political subdivisions, including the 2008 Bonds, than for bonds issued by other states and their political subdivisions. If the United States Supreme Court were to affirm the holding of the Kentucky appellate court, subsequent Oklahoma judicial decisions or legislation designed to ensure the constitutionality of Oklahoma tax law could, among other alternatives, adversely affect the Oklahoma tax exemption of outstanding bonds, including the 2008 Bonds, to the extent constitutionally permissible, or result in the exemption from Oklahoma income tax of interest on certain bonds issued by other states and their political subdivisions, either of which actions could affect the market price or marketability of the 2008 Bonds.

Prospective purchasers of the 2008 Bonds should consult their own tax advisors regarding the foregoing matters.

UNDERWRITING

The Bonds are to be sold at a competitive sale on May 12, 2008. The Bonds were purchased by _____ (the "Purchaser"), at a net interest cost of _____%. The Purchase Contract provides that the Purchaser will not be obligated to purchase any Bonds if all such Bonds are not available for purchase. The Purchaser may offer to sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Purchaser.

FINANCIAL STATEMENTS

The audited financial statements of the City as of June 30, 2007, are available from the City or the Financial Advisor.

FINANCIAL ADVISOR

Municipal Finance Services, Inc. is acting as Financial Advisor to the City of Bixby in the issuance of the 2008 Bonds. The Financial Advisor is located at 3325 French Park Drive, Suite 8, Edmond, Oklahoma 73034-7265, (405) 340-1727, and is registered with the Oklahoma Department of Securities as an Investment Advisor.

CLOSING DOCUMENTS

Simultaneously with the delivery of and payment for the Bonds by the original purchasers thereof, the City will furnish to the original purchasers the customary documents in form satisfactory to Bond Counsel.

CERTIFICATIONS

The City will furnish a statement to the effect that this Official Statement, to the best of its knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made not misleading.

PRELIMINARY OFFERING STATEMENT DEEMED FINAL

The City hereby deems this Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12 as final as of its date except for the omission of information dependent on the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, delivery dates, and other terms of the securities dependent on the foregoing matters.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of Bondholders to provide annually certain financial information and operating data relating to the Issuer by not later than one hundred eighty days following the end of its fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the City with each Nationally Recognized Municipal Securities Information Repository. The notices of material events will be filed by the City with the Municipal Securities Rulemaking Board and each State Repository. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized below under the caption "Exhibit A - Summary of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). The City has not failed to meet its existing Continuing Disclosure requirements.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving certificate of the Attorney General of the State of Oklahoma and the legal opinion of Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma, Bond Counsel, as to validity and tax exemption. The opinion of Bond Counsel is expected to be in substantially the form of Exhibit B. Bond Counsel has not participated in the preparation of this Official Statement except for certain information under the headings "TAX MATTERS" and "CONTINUING DISCLOSURE".

EXHIBIT A

SUMMARY OF CONTINUING DISCLOSURE CERTIFICATE

The Continuing Disclosure Certificate (the "Certificate" or the "Disclosure Certificate") is being executed and delivered by the City of Bixby, Oklahoma (the "Issuer") as a material inducement to the purchasers (the "Underwriters") of the Issuer's \$6,400,000 General Obligation Bonds, Series 2008 dated June 1, 2008 (the "Bonds"), issued pursuant to a Resolution of the Issuer dated May 12, 2008 ("Bond Resolution"). Capitalized terms used in the Certificate which are not otherwise defined in the Bond Resolution, shall have the respective meanings specified in the Certificate. The Issuer hereby agrees as follows:

Purpose. The Certificate shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Underwriters in complying with the Rule, as defined herein.

Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of the Certificate.

"Audited Financial Statements" shall mean the Issuer's annual financial statements, prepared in conformity with generally accepted accounting principles ("GAAP") for local governmental units as promulgated by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State; provided however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to each NRMSIR and the SID, if any, and shall include a reference to the specific federal or state law or regulation describing such accounting basis.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of the Certificate.

"NRMSIR" means, at any time, a then-existing nationally recognized municipal securities information repository, as recognized from time to time by the SEC for the purposes referred to in the Rule. The NRMSIRs as of the date of this document are Bloomberg Municipal Repository, DPC Data Inc., Interactive Data and Standard & Poor's Securities Evaluations, Inc. (Filing information relating to such NRMSIRs is listed at the end of this Summary.)

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Oklahoma.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Certificate, there is no State Repository.

"Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Provision of Annual Reports. The Issuer shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of its fiscal year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of the Certificate. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual

Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in the Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

If the Issuer is unable to provide to the Repositories an Annual Report by the date required in the above paragraph, the Issuer shall send a notice to each Repository.

Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information or operating data with respect to the Issuer included in the Final Official Statement under the headings "**FINANCIAL INFORMATION**" and "**INDEBTEDNESS**". If Audited Financial Statements are not available by the time the Annual Report must be provided, unaudited financial statements will be provided as part of the Annual Report and Audited Financial Statements will be provided, when and if available, to each Repository.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities; and
11. Rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall take the actions specified in subsection (c) hereof.

(c) The Issuer shall in a timely manner file a notice of the occurrence of a Listed Event with the Municipal Securities Rulemaking Board and each State Repository, if material. Provided, that any event under subsections (a)(8), (9) or (11) will always be material. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Bond Resolution.

Termination of Reporting Obligation. The Issuer's obligations under the Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

Amendment. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend the Disclosure Certificate if such amendment meets the following conditions: (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted; (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or

interpretations of the Rule, as well as any change in circumstances; (c) the amendment does not materially impair the interests of the holders, as determined by parties affiliated with the Issuer (such as Paying Agent or Bond Counsel) and (d) the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. Furthermore, if an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. A notice of the change in the accounting principles shall be sent to each NRMSIRs and the SID, if any.

Additional Information. Nothing in the Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in the Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the Issuer to comply with any provision of the Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Certificate. A default under the Certificate shall not be deemed an event of default under the Bond Resolution, and the sole remedy under the Certificate in the event of any failure of the Issuer to comply with the Certificate shall be an action to compel performance.

Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in the Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties thereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Beneficiaries. The Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriters and owners from time to time of the Bonds, including beneficial owners, and shall create no rights in any other person or entity.

Previous Undertaking. The Issuer has not defaulted or failed to disclose any continuing disclosure obligations or events on any other undertaking under the S.E.C. Rule 15c2-12(b).

Filing information relating to the Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission (subject to change)

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558-2693
Telephone: (609) 279-3225
Fax: (609) 279-5962
Email: Munis@Bloomberg.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th floor
New York, New York 10041-0003
Telephone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

Interactive Data
Attn: NRMSIR
100 William Street
New York, New York 10038-4561
Telephone: (212) 771-6999; 800-689-8466
Fax: (212) 771-7390
Email: Nrmsir@interactivedata.com

DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024-3388
Telephone: (201) 346-0701
Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

EXHIBIT B

HILBORNE & WEIDMAN

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS
2405 EAST 57TH STREET
TULSA, OKLAHOMA 74105-7548

TELEPHONE:
(918) 749-0111
TELECOOPER:
(918) 749-0335

We have examined into the validity of "General Obligation Bonds, Series 2008" (the "Bonds") of the City of Bixby, State of Oklahoma (the "City"), in the principal amount of \$6,400,000.00, dated June 1, 2008. The Bonds are due serially \$455,000 on June 1 in each of the years 2010 through 2022, inclusive, and \$485,000 on June 1, 2023, bear interest from date until paid, payable on the 1st day of June and December of each year, beginning June 1, 2009, at the following annual rates: \$455,000 due June 1, 2010: ____%; \$455,000 due June 1, 2011: ____%; \$455,000 due June 1, 2012: ____%; \$455,000 due June 1, 2013: ____%; \$455,000 due June 1, 2014: ____%; \$455,000 due June 1, 2015: ____%; \$455,000 due June 1, 2016: ____%; \$455,000 due June 1, 2017: ____%; \$455,000 due June 1, 2018: ____%; \$455,000 due June 1, 2019: ____%; \$455,000 due June 1, 2020: ____%; \$455,000 due June 1, 2021: ____%; \$455,000 due June 1, 2022: ____%; and \$485,000 due June 1, 2023: ____%.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We have examined (a) originals or certified copies of the proceedings relating to the issuance of the Bonds as contained in a Transcript of Proceedings had in connection therewith, and (b) an executed Bond of said issue with the Certificate of the Attorney General as Bond Commissioner of the State of Oklahoma, required by Title 62, Oklahoma Statutes 2001, Sections 13 and 14, thereon. In addition, we have examined such other documents and instruments as we have deemed necessary to express the opinions hereinafter set forth. As to questions of fact material to our opinion we have relied upon the Transcript of Proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the City.
2. All taxable property in the City will be subject to annual levies of ad valorem taxes, without limitation as to rate or amount, to provide money sufficient to pay the interest on the Bonds as it falls due and to constitute a sinking fund for the payment of the principal thereof as it becomes due.
3. The 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 alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

4. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for a portion of such financial institutions' interest expense allocable to interest on the Bonds.

5. Interest on the Bonds is exempt from Oklahoma income taxation.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

HILBORNE & WEIDMAN
A Professional Corporation