



Meeting Date: 11/21/06

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input checked="" type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michael More *mm* Agenda Item No. L-2  
 Reviewed By: City Manager *mmh* City Attorney *J.* Finance *M* Other (Specify) \_\_\_\_\_

**DATE:** November 9, 2006

**TO:** City Council  
City of Oxnard Financing Authority  
Community Development Commission  
Oxnard Parking Authority

**FROM:** Michael More, Financial Services Manager *Michael More*  
Finance Department

**SUBJECT:** Issuance of Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006

**RECOMMENDATION**

That the City Council:

1. Adopt a City of Oxnard Master Swap Policy establishing a financial policy concerning the utilization, execution, and management of interest rate swaps.
2. Adopt a resolution authorizing the sale, issuance, and delivery of not more than \$29 million in principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006, and approving certain documents and authorizing certain actions in connection therewith.
3. Approve a Special Budget Appropriation in the amount of \$562,500 from the Residential Growth Capital Fee Fund and \$187,500 from the Commercial Growth Capital Fee Fund for the payment of debt service in Fiscal Year 2006-07.
4. Accept the quitclaim deeds from the Community Development Commission and Oxnard Parking Authority for property located at 324 South B Street.

That the City of Oxnard Financing Authority adopt a resolution authorizing the sale, issuance, and delivery of not more than \$29 million in principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006, and approving certain documents and authorizing certain actions in connection therewith.

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That the Community Development Commission (CDC) approve and authorize the Chairman to execute a quitclaim deed for CDC property located at 324 South B Street to the City.

That the City Council, acting as the legislative body of the Oxnard Parking Authority, approve and authorize the Mayor to execute a quitclaim deed for Parking Authority property located at 324 South B Street to the City.

## **DISCUSSION**

On January 24, 2006, City Council approved the financing concept for the Civic Center Phase 2 Project (the "Project"), which included the sale of bonds to pay for the Project. On June 20, 2006, City Council adopted Resolution No. 13,130 authorizing the reimbursement from bond proceeds for capital expenditures related to the Project.

The construction contract for the Project was awarded on April 5, 2006. Construction associated with the Project commenced in April 2006, and is expected to be completed in August 2007. The Project consists of the renovation of an existing 18,350 square foot building located at 214 S. C Street, with a new 13,391 square foot addition on the first floor and a second floor addition of 5,342 square feet, combined for a total of 37,083 square feet. The Project will house the Development Services Department, the City Treasurer's Department, the Community Development Department, Fire Administration, and the Utility Billing/Licensing Division of the Finance Department. The Project will also contain the primary Emergency Operations Center (EOC).

### **Financing Plan**

Staff is proposing the issuance of synthetic fixed rate debt for the financing of the Project. This is accomplished through the issuance of variable rate bonds and the simultaneous execution of an interest rate swap with a swap provider. The benefit of this structure is that it produces savings of approximately \$95,000 annually versus a traditional fixed rate bond structure. Over the life of the bond issue, the net present value savings is approximately \$1.5 million. The use of interest rate swaps is a prudent financial tool that is used by public agencies throughout the State and nation to achieve interest rate savings.

### **Financing Structure**

Staff is proposing the issuance of variable rate bonds (the "Bonds") to finance the Project. Simultaneous with the issuance of the Bonds, the City will enter into an agreement with a third party, the Royal Bank of Canada (the "Swap Provider"), whereby the City agrees to pay the Swap Provider a predetermined fixed interest rate. The Swap Provider agrees to pay to the City a variable interest rate payment, thereby offsetting the variable rate payment the City makes on the Bonds. The net result for the City is one fixed rate payment to the Swap Provider.

As mentioned previously, interest rate swaps are utilized by many public agencies as a tool for providing interest savings versus traditional fixed rate bonds. In order to prudently manage interest rate swaps, staff is recommending that the City Council adopt a Swap Policy (Attachment No. 3) governing the use of interest rate swaps. The proposed swap associated with the Bonds complies with the guidelines under the Swap Policy.

The Bonds are proposed to be secured by lease payments on the City's property located at 324 South B Street (Downtown Parking Garage) and 3001 Sturgis Road (Police Department Annex)(collectively, the "Property"). As determined by an independent real estate appraiser, the fair market rental value of the Property is equal to the estimated debt service payment on the bonds. The Downtown Parking Garage is situated on land partially owned by the City, CDC, and Parking Authority, and the attached quitclaim deeds (Attachments No. 13 and 14) consolidate the ownership under the City's name, creating the appropriate ownership interest.

Standard and Poor's has confirmed the City's Issuer Credit Rating of "A+" relative to its review of the issuance of the Bonds. In addition, the Bonds have been assigned an "A" rating. Typically, as in the case with the Bonds, the issuance of non-general obligation debt is rated one notch lower than the Issuer Credit Rating.

City staff has received bond insurance bids on the Bonds, and has selected AMBAC based upon its favorable bid of 47.5 basis points, inclusive of a reserve fund surety. The purchase of a reserve fund surety, as opposed to a cash-funded reserve, lowers the total amount of bonds required to be issued and results in lower debt service and costs of issuance. The purchase of bond insurance lowers debt service costs and results in net present value savings to the City. For liquidity bank, City staff has selected Dexia Credit Local, at a net bid of 13.5 basis points annually. A liquidity bank is needed for variable rate bonds so that investors can be assured a market for their bonds.

### **Tonight's Actions**

The attached resolutions accomplish the following:

- Approves the form of the following documents:
  - Purchase Contract (Attachment No. 4)
  - Official Statement (Attachment No. 5)
  - Property Lease (Attachment No. 6)
  - Master Lease and Option to Purchase (Attachment No. 7)
  - Trust Agreement (Attachment No. 8)
  - Remarketing Agreement (Attachment No. 9)
  - Standby Bond Purchase Agreement (Attachment No. 10)
  - Swap Agreement (Attachment No. 11)
  
- Authorizes the Mayor, Mayor Pro Tem, City Clerk, Finance Director and any other proper official of the City to execute and deliver all of the above documents and any other certificate that may reasonably be required to cause the issuance of the Bonds.
  
- Authorizes the Chairman, Vice Chairman, Secretary, Controller, and any other proper official of the City of Oxnard Financing Authority ("COFA") to execute and deliver all of the above documents and any other certificate that may reasonably be required to cause the issuance of the Bonds.
  
- Approves the sale of the bonds to E.J. De La Rosa & Co., Inc. at an underwriter's discount of

not more than 1 percent.

## **FINANCIAL IMPACT**

The bond proceeds have already been appropriated through previous actions. Debt service on the Bonds is to be repaid from Residential Growth Capital Fees and Nonresidential Growth Capital Fees. For Fiscal Year 2006-07, debt service is estimated at \$750,000, of which \$562,500 will be budgeted in City Account No. 355-9401-808-8734 (Residential Growth Capital Fees) and \$187,500 will be budgeted in City Account No. 356-9401-808-8734 (Nonresidential Growth Capital Fees) to transfer funds to the COFA Debt Service Fund, City Account No. 801-9401-711-7928). Thereafter, debt service is estimated to be \$1.4 million annually.

MJM

### Attachments

- #1 – City Resolution authorizing the sale, issuance, and delivery of not more than \$29 million in principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006
- #2 – COFA Resolution authorizing the sale, issuance, and delivery of not more than \$29 million in principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006
- #3 – Master Swap Policy
- #4 – Purchase Contract
- #5 – Official Statement
- #6 – Property Lease
- #7 – Master Lease and Option to Purchase
- #8 – Trust Agreement
- #9 – Remarketing Agreement
- #10 – Standby Bond Purchase Agreement
- #11 – Swap Agreement
- #12 – Special Budget Appropriation
- #13 – Quitclaim deed (Parking Authority)
- #14 – Quitclaim deed (CDC)

Note: Attachments No. 4, 5, 6, 7, 8, 9, 10 and 11 have been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Monday.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
OXNARD AUTHORIZING THE SALE, ISSUANCE, AND  
DELIVERY OF NOT MORE THAN \$29,000,000 IN PRINCIPAL  
AMOUNT OF CITY OF OXNARD FINANCING AUTHORITY  
VARIABLE RATE DEMAND LEASE REVENUE BONDS  
(CIVIC CENTER PHASE 2 PROJECT), SERIES 2006, AND  
APPROVING CERTAIN DOCUMENTS AND AUTHORIZING  
CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers entity organized and existing under the laws of the State of California (the "Authority"), has the authority, among other things, to assist the City of Oxnard, a municipal corporation organized and existing under and by virtue of the constitution and laws of the State of California (the "City"), in financing and refinancing certain lease obligations; and

WHEREAS, the City desires to finance the acquisition, construction, and improvement of an existing building located at 214 South "C" Street that currently comprises approximately 17,000 square feet of floor space and that, upon the completion of the City's planned improvements, will comprise approximately 37,000 square feet of floor space and will house a development permit center and the Fire Department Administration (the "Project"); and

WHEREAS, the City proposes to enter into a Trust Agreement (the "Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Trustee"), to provide for the issuance of not more than \$29,000,000 in aggregate principal amount of its Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 (the "Bonds"), the proceeds of which Bonds will be used to finance the costs to (1) acquire, construct, and improve the Project, (2) provide for the reserve fund with respect to the Bonds, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act"); and

WHEREAS, this City Council of the City (this "City Council") has determined that the issuance of the Bonds pursuant to the Act does not require approval of the qualified electors of the City; and

WHEREAS, the City proposes to enter into a Property Lease (the "Property Lease") by and between the City, as lessor, and the Authority, as lessee, pursuant to which Property Lease the City will lease to the Authority certain property described therein (the "Property"); and

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WHEREAS, the City proposes to enter into a Master Lease and Option to Purchase (the "Lease") by and between the Authority, as lessor, and the City, as lessee, pursuant to which Lease the City will lease the Property from the Authority; and

WHEREAS, the Bonds will be secured by certain rental payments (the "Base Rental") for the lease of the Property to be made by the City pursuant to the Lease, which Base Rental payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

WHEREAS, the City proposes that the Authority and E. J. De La Rosa & Co., Inc., as remarketing agent (the "Remarketing Agent"), enter into a Remarketing Agreement (the "Remarketing Agreement"), to be acknowledged by the Trustee, which Remarketing Agreement, among other matters, shall set forth the terms with respect to the remarketing of the Bonds upon the mandatory or optional tender thereof and the duties of the Remarketing Agent; and

WHEREAS, the City proposes to enter into a Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement"), by and between the City and Dexia Credit Local, New York Branch, as liquidity provider, which Standby Bond Purchase Agreement, among other matters, shall provide liquidity support for the benefit of the owners from time to time of the Bonds who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the City proposes that the City and the Royal Bank of Canada, as swap provider (the "Swap Provider"), enter into an interest rate exchange agreement, consisting of an ISDA (International Swap Dealers Association, Inc.) Master Agreement, including the related Schedule, Credit Support Annex, and Confirmation pertaining thereto (collectively, the "Swap Agreement"), which Swap Agreement, among other matters, shall provide that the City shall pay the Swap Provider a fixed rate of interest to be specified in the Confirmation on a notional amount to be specified in the Confirmation and that that the Swap Provider shall pay the City a variable rate of interest based upon indices to be specified in the Confirmation on such notional amount; and

WHEREAS, the City proposes to select an insurer to insure the City's payments to the Swap Provider under the Swap Agreement and to undertake all acts necessary to obtain such insurance; and

WHEREAS, the City proposes that the Authority select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds to provide additional credit support for the Bonds and to undertake all acts necessary to obtain such insurance; and

WHEREAS, this City Council has determined that it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter"), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the "Purchase Contract") by and among the Authority, the City, and the Underwriter; and

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WHEREAS, this City Council has appointed Goodwin Procter LLP as bond counsel (“Bond Counsel”) and disclosure counsel (“Disclosure Counsel”) to prepare proceedings for the issuance, sale, and delivery of the Bonds and to prepare and review the form and content of initial disclosure materials, including, without limitation, an official statement (the “Official Statement”), in connection with the issuance of the Bonds; and

WHEREAS, the forms of the following documents are on file with the City Clerk of the City (the “City Clerk”) and have been submitted to this City Council, and the Finance Director of the City, acting as such on behalf of the City (the “Finance Director”) and acting as the Controller of the Authority on behalf of the Authority (the “Controller”), in consultation with the Underwriter, Bond Counsel, and Disclosure Counsel, has examined and approved each document and has recommended that this City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (1) the Purchase Contract;
- (2) the Official Statement;
- (3) the Property Lease;
- (4) the Lease;
- (5) the Trust Agreement;
- (6) the Remarketing Agreement;
- (7) the Standby Bond Purchase Agreement; and
- (8) the Swap Agreement; and

WHEREAS, the sole members of the Authority are the City and other local agencies (i.e., the Redevelopment Agency of the City of Oxnard and the Housing Authority of the City of Oxnard) located entirely within the City, and the Project is located within the geographic boundaries of the City; and

WHEREAS, on this date, the City held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which public hearing was held at the City Council Chambers, 305 West Third Street, Oxnard, California 93030; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such public hearing was published once at least five days prior to the public hearing in the “Ventura County Star,” a newspaper of general circulation in the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals, and each of them, are true and correct.

SECTION 2. The Authority’s issuance of the Bonds pursuant to the Act to finance the City’s acquisition of the Project will provide “significant public benefits” (as such term is defined in Government Code section 6586) to the residents of the City because the City Council expects that such use will provide demonstrable savings in effective interest rate costs, employment benefits from undertaking the Project in a timely manner, or more efficient delivery of City services to residential and commercial development.

SECTION 3. The Property Lease is approved in substantially the form on file with the City Clerk. The Mayor of the City (the "Mayor") and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Property Lease with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The Lease is approved in substantially the form on file with the City Clerk. The Mayor and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Lease with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The Trust Agreement is approved in substantially the form on file with the City Clerk. The Mayor and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Trust Agreement with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Standby Bond Purchase Agreement is approved in substantially the form on file with the City Clerk. The Finance Director is authorized and directed, for and in the name of the City, to execute and deliver the Standby Bond Purchase Agreement with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Finance Director is further authorized to extend the term of the Standby Bond Purchase Agreement from time to time in accordance with the provisions thereof without further action or approval by this City Council.

SECTION 7. The Swap Agreement is approved in substantially the form on file with the City Clerk. The Finance Director is authorized and directed, for and in the name of the City, to execute and deliver the Swap Agreement with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Pursuant to and in accordance with California Government Code Section 5922, this City Council determines that the Swap Agreement is designed to result in a lower cost of borrowing when used in combination with the issuance of the Bonds and the execution and delivery of the Lease.

SECTION 8. The Purchase Contract is approved in substantially the form on file with the City Clerk. The Finance Director is authorized and directed, for and in the name of the City, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Finance Director shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed \$29,000,000 and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed one percent (1.0%), excluding any original issue discount or premium.

SECTION 9. The Official Statement is approved in substantially the form on file with the City Clerk, with such changes, insertions, and omissions as may be approved by Disclosure

Counsel and the Finance Director, acting as the Controller, such approval to be conclusively evidenced by the execution and delivery of the Official Statement. The Underwriter is authorized to distribute copies of the Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of the Official Statement to all actual initial purchasers of the Bonds, and the Finance Director, acting as the Controller, in coordination with the Underwriter and Disclosure Counsel, shall cause sufficient copies of the Official Statement to be printed and made available to the Underwriter for said purpose.

SECTION 10. The Bonds, in an aggregate principal amount not to exceed \$29,000,000 (which aggregate amount shall be finally determined by the Finance Director, acting as the Controller), designated "City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006," are authorized to be issued, sold, and delivered by the Authority in accordance with the terms and provisions of the Trust Agreement and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Trust Agreement.

SECTION 11. The City understands, acknowledges, and agrees that the Remarketing Agreement, in the form on file with the City Clerk, is subject to such changes, insertions, and omissions as the Controller shall require or approve.

SECTION 12. The City understands, acknowledges, and agrees that the Controller has been or will be authorized by the Governing Board of the Authority (a) to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance, and (b) if the Controller determines that it is in the best interest of the Authority to obtain a surety bond or similar instrument, as permitted under the Trust Agreement, for all or a portion of the Reserve Requirement (as defined in the Trust Agreement), to enter into an agreement with a surety provider selected by the Controller.

SECTION 13. The Finance Director is authorized to select a municipal bond insurer to insure the City's payments to the Swap Provider under the Swap Agreement and to undertake all acts necessary to obtain such insurance, if the Finance Director determines that it is in the best interest of the City to obtain such insurance.

SECTION 14. The Mayor, the Mayor Pro-Tem of the City (the "Mayor Pro-Tem"), the City Clerk, the Finance Director, and any other proper officer of the City are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Property Lease, the Lease, the Remarketing Agreement, the Trust Agreement, the Purchase Contract, the Standby Bond Purchase Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, tax certificates, and certificates concerning the Official Statement describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 15. Any document the execution of which by the Mayor is authorized by this Resolution shall, in the absence or inability to act of the Mayor, be executed by the Mayor Pro-

Tem or by any authorized designee of the Mayor or the Mayor Pro-Tem. Any document the execution of which by the City Clerk is authorized by this Resolution shall, in the absence or inability to act of the City Clerk, be executed by any person so designated in writing by the City Clerk or by any other proper officer of the City acting on behalf of the City Clerk. Any document the execution of which by the Finance Director is authorized by this Resolution shall, in the absence or inability to act of the Finance Director, be executed by the Financial Services Manager of the City or, in the absence or inability to act of such Financial Services Manager, by any other person so designated in writing by the Finance Director or by any other proper officer of the City acting on behalf of the Finance Director.

SECTION 16. All actions previously taken by this City Council and by the officers and staff of the City with respect to the matters addressed by this Resolution are approved, ratified, and confirmed.

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SECTION 17. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 21st day of November, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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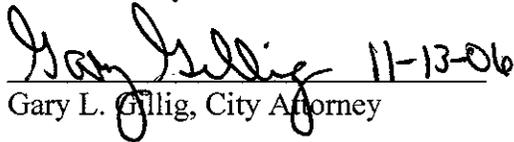
Dr. Thomas E. Holden, Mayor

ATTEST:

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Daniel Martinez, City Clerk

APPROVED AS TO FORM:

 11-13-06  
Gary L. Gilling, City Attorney

APPROVED AS TO CONTENT:

  
Marcie Medina, Finance Director

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STATE OF CALIFORNIA )  
 )  
COUNTY OF VENTURA )      ss.

I, DANIEL MARTINEZ, City Clerk of the City of Oxnard, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. \_\_\_\_\_ of the City Council of the City of Oxnard, that the same was duly and validly adopted on November 21, 2006, and that the same has not been amended or repealed.

DATED: December \_\_, 2006 [CLOSING DATE]

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Daniel Martinez,  
City Clerk of the City of Oxnard

**000076**

RESOLUTION NO. \_\_\_\_

RESOLUTION OF THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE THAN \$29,000,000 IN PRINCIPAL AMOUNT OF ITS VARIABLE RATE DEMAND LEASE REVENUE BONDS (CIVIC CENTER PHASE 2 PROJECT), SERIES 2006, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers entity organized and existing under the laws of the State of California (the "Authority"), has the authority, among other things, to assist the City of Oxnard, a municipal corporation organized and existing under and by virtue of the constitution and laws of the State of California (the "City"), in financing and refinancing certain lease obligations; and

WHEREAS, the City desires to finance the acquisition, construction, and improvement of an existing building located at 214 South "C" Street that currently comprises approximately 17,000 square feet of floor space and that, upon the completion of the City's planned improvements, will comprise approximately 37,000 square feet of floor space and will house a development permit center and the Fire Department Administration (the "Project"); and

WHEREAS, the Authority proposes to enter into a Trust Agreement (the "Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Trustee"), to provide for the issuance of not more than \$29,000,000 in aggregate principal amount of its Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 (the "Bonds"), the proceeds of which Bonds will be used to finance the costs to (1) acquire, construct, and improve the Project, (2) provide for the reserve fund with respect to the Bonds, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act"); and

WHEREAS, this Governing Board of the Authority (this "Board") has determined that the issuance of the Bonds pursuant to the Act does not require approval of the qualified electors of the City; and

WHEREAS, the Authority proposes to enter into a Property Lease (the "Property Lease") by and between the City, as lessor, and the Authority, as lessee, pursuant to which Property Lease the City will lease to the Authority certain property described therein (the "Property"); and

WHEREAS, the Authority proposes to enter into a Master Lease and Option to Purchase (the "Lease") by and between the Authority, as lessor, and the City, as lessee, pursuant to which Lease the City will lease the Property from the Authority; and

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WHEREAS, the Bonds will be secured by certain rental payments (the "Base Rental") for the lease of the Property to be made by the City pursuant to the Lease, which Base Rental payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

WHEREAS, the Authority proposes to enter into a Remarketing Agreement (the "Remarketing Agreement") with E. J. De La Rosa & Co., Inc., as remarketing agent (the "Remarketing Agent"), to be acknowledged by the Trustee, which Remarketing Agreement, among other matters, shall set forth the terms with respect to the remarketing of the Bonds upon the mandatory or optional tender thereof and the duties of the Remarketing Agent; and

WHEREAS, the Authority proposes that the City enter into a Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement") with Dexia Credit Local, New York Branch (the "Bank"), as liquidity provider, which Standby Bond Purchase Agreement, among other matters, shall provide liquidity support for the benefit of the owners from time to time of the Bonds who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Authority proposes that the City and the Royal Bank of Canada, as swap provider (the "Swap Provider"), enter into an interest rate exchange agreement, consisting of an ISDA (International Swap Dealers Association, Inc.) Master Agreement, including the related Schedule, Credit Support Annex, and Confirmation pertaining thereto (collectively, the "Swap Agreement"), which Swap Agreement, among other matters, shall provide that the City shall pay the Swap Provider a fixed rate of interest to be specified in the Confirmation on a notional amount to be specified in the Confirmation and that that the Swap Provider shall pay the City a variable rate of interest based upon indices to be specified in the Confirmation on such notional amount; and

WHEREAS, the Authority proposes that the City select an insurer to insure the City's payments to the Swap Provider under the Swap Agreement and to undertake all acts necessary to obtain such insurance; and

WHEREAS, the Authority proposes to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds to provide additional credit support for the Bonds and to undertake all acts necessary to obtain such insurance; and

WHEREAS, this Board has determined that it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter"), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the "Purchase Contract") by and among the Authority, the City, and the Underwriter; and

WHEREAS, the City Council of the City (the "City Council") has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to prepare proceedings for the issuance, sale, and delivery of the Bonds and to prepare and review

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Attachment No. 2  
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the form and content of initial disclosure materials, including, without limitation, an official statement (the "Official Statement"), in connection with the issuance of the Bonds; and

WHEREAS, the forms of the following documents are on file with the Secretary of this Board (the "Secretary") and have been submitted to this Board, and the Finance Director of the City (the "Finance Director"), acting as the Controller of the Authority (the "Controller"), in consultation with the Underwriter, Bond Counsel, and Disclosure Counsel, has examined and approved each document and has recommended that this Board direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (1) the Purchase Contract;
- (2) the Official Statement;
- (3) the Property Lease;
- (4) the Lease;
- (5) the Trust Agreement;
- (6) the Remarketing Agreement;
- (7) the Standby Bond Purchase Agreement; and
- (8) the Swap Agreement; and

WHEREAS, the sole members of the Authority are the City and other local agencies (i.e., the Oxnard Community Development Commission and the Housing Authority of the City of Oxnard) located entirely within the City, and the Project is located within the geographic boundaries of the City; and

WHEREAS, on this date, the City will hold a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which public hearing will be held at the City Council Chambers, 305 West Third Street, Oxnard, California 93030; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such public hearing was published once at least five days prior to the public hearing in the "Ventura County Star," a newspaper of general circulation in the City; and

WHEREAS, the Authority reasonably expects that the City will find and determine that the Authority's issuance of the Bonds pursuant to the Act to finance the City's construction and improvement of the Project will provide "significant public benefits" (as such term is defined in Government Code section 6586) to the residents of the City because the City Council expects that such use will provide demonstrable savings in effective interest rate costs, employment benefits from undertaking the Project in a timely manner, or more efficient delivery of City services to residential and commercial development;

NOW, THEREFORE, THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals, and each of them, are true and correct.

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SECTION 2. The Authority's issuance of the Bonds pursuant to the Act to finance the City's acquisition of the Project will provide "significant public benefits" (as such term is defined in Government Code section 6586) to the residents of the City because the City Council expects that such use will provide demonstrable savings in effective interest rate costs, employment benefits from undertaking the Project in a timely manner, or more efficient delivery of City services to residential and commercial development.

SECTION 3. The Property Lease is approved in substantially the form on file with the Secretary. The Chairman of this Board (the "Chairman") and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Property Lease with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The Lease is approved in substantially the form on file with the Secretary. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Lease with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The Remarketing Agreement is approved in substantially the form on file with the Secretary. The Controller is authorized and directed, for and in the name of the Authority, to execute and deliver the Remarketing Agreement with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Trust Agreement is approved in substantially the form on file with the Secretary. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Trust Agreement with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. The Purchase Contract is approved in substantially the form on file with the Secretary. The Controller is authorized and directed, for and in the name of the Authority, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed \$29,000,000 and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed one percent (1.0%), excluding any original issue discount or premium.

SECTION 8. The Official Statement is approved and authorized in substantially the form on file with the Secretary. The Controller is authorized and directed to approve, execute, and deliver the Official Statement with respect to the Bonds, with such changes, insertions, and omissions as may be approved by the Controller, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is authorized to distribute copies of the Official Statement to persons who may be interested in the initial purchase of Bonds and is directed to deliver copies of the Official Statement to all actual initial purchasers of the Bonds,

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and the Controller, in coordination with the Underwriter and Disclosure Counsel, shall cause sufficient copies of the Official Statement to be printed and made available to the Underwriter for said purpose.

SECTION 9. The Bonds, in an aggregate principal amount not to exceed \$29,000,000 (which aggregate amount shall be finally determined by the Controller), designated "City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006," are authorized to be issued, sold, and delivered in accordance with the terms and provisions of the Trust Agreement and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Trust Agreement. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute (manually or by facsimile) and deliver the Bonds with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 10. The Authority understands, acknowledges, and agrees that each of the Swap Agreement and the Standby Bond Purchase Agreement, in the form on file with the Secretary, is subject to such changes, insertions, and omissions as the Finance Director shall require or approve.

SECTION 11. Wells Fargo Bank, National Association, is appointed as Trustee and tender agent under and pursuant to the Trust Agreement, the Remarketing Agreement, and any tender agreement between the Trustee and the Bank, with the respective powers and duties of each of said office as set forth therein. The Trustee is requested and directed to execute and deliver the Bonds to the Underwriter in accordance with written instructions to be executed on behalf of the Authority by the Controller.

SECTION 12. The Controller is authorized to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance. If the Controller determines that it is in the best interest of the Authority to obtain a surety bond or similar instrument, as permitted under the Trust Agreement, for all or a portion of the Reserve Requirement (as defined in the Trust Agreement), the Controller may enter into an agreement with a surety provider selected by the Controller.

SECTION 13. The Chairman, the Vice Chairman of this Board (the "Vice Chairman"), the Secretary, the Controller, and any other proper officer of the Authority are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Property Lease, the Lease, the Remarketing Agreement, the Trust Agreement, the Purchase Contract, the Standby Bond Purchase Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, tax certificates, and certificates concerning the Official Statement describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

**000081**

SECTION 14. Any document the execution of which by the Chairman is authorized by this Resolution shall, in the absence or inability to act of the Chairman, be executed by the Vice Chairman or by any authorized designee of the Chairman or the Vice Chairman. Any document the execution of which by the Secretary is authorized by this Resolution shall, in the absence or inability to act of the Secretary, be executed by any person so designated in writing by the Secretary or by any other proper officer of the Authority acting on behalf of the Secretary. Any document the execution of which by the Controller is authorized by this Resolution shall, in the absence or inability to act of the Controller, be executed by the Assistant Controller of the Authority or, in the absence or inability to act of such Assistant Controller, by any other person so designated in writing by the Controller or by any other proper officer of the Authority acting on behalf of the Controller.

SECTION 15. All actions previously taken by this Board and by the officers and staff of the Authority with respect to the matters addressed by this Resolution are approved, ratified, and confirmed.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

**000082**

Attachment No. 2  
Page 6 of 8

SECTION 16. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 21st day of November, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

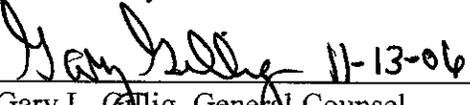
Dr. Thomas E. Holden, Chairman

ATTEST:

---

Daniel Martinez, Secretary

APPROVED AS TO FORM:

---

Gary L. Gillig, General Counsel

APPROVED AS TO CONTENT:

---

Marcie Medina, Controller

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STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF VENTURA )

I, Daniel Martinez, Secretary of the Governing Board of the City of Oxnard Financing Authority, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. \_\_\_\_\_ of said Board, that the same was duly and validly adopted on November 21, 2006, and that the same has not been amended or repealed.

DATED: December \_\_, 2006 [CLOSING DATE]

\_\_\_\_\_  
Daniel Martinez, Secretary of the Governing Board  
of the City of Oxnard Financing Authority

**000084**

# CITY OF OXNARD

---

## MASTER SWAP POLICY

*Adopted* \_\_\_\_\_

**000085**

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## MASTER SWAP POLICY

### I. INTRODUCTION

This Master Swap Policy is designed to provide procedural direction to the City of Oxnard (the "City") regarding the utilization, execution, and management of interest rate swaps and related instruments (collectively, "interest rate swaps").

Interest rate swaps can be effective interest rate management tools in helping the City to achieve its financial and policy objectives. However, the City recognizes that a swap policy is important to minimize risks and maximize the benefits of an interest rate swap program. While adherence to these guidelines is required generally, developments in the financial markets, City circumstances and/or objectives, or other unforeseen events may produce situations not adequately anticipated by this Policy. In these cases, the City will have the flexibility to deviate from these guidelines provided City Council authorization is obtained prior to taking any action that is, or could be reasonably considered, inconsistent with these guidelines. Periodically, but at least annually, the City, together with its advisors and counsel, will review the Policy and shall make modifications as appropriate due to changes in City circumstances and/or the business environment.

These guidelines are not intended to govern other instruments or transactions that the City or its departments may consider, including but not limited to, currency, fuel, power, or other energy-related derivatives. Failure to comply in any manner with this policy shall not result in any liability on the part of the City to any party.

### II. AUTHORITY AND OVERSIGHT

The City's Finance Director together with other City staff as designated (the "City's Staff") shall be responsible for interest rate swap activities. In addition, appropriate personnel from any related City departments or enterprises, shall be consulted in the evaluation of and as appropriate, the on-going management of any interest rate swaps. The City may utilize the services of its swap advisor or legal counsel for the evaluation, execution, and on-going risk management and reporting requirements.

Before entering into an interest rate swap, the City will confirm with its legal counsel, including the City Attorney, that it has the legal authority to enter into such interest rate swap. In addition, if the interest rate swap will be related to existing or anticipated obligations of the City, the City will determine whether an interest rate swap is permitted under the legal documents pertaining to such obligations.

### III. INTEREST RATE SWAP UTILIZATION

The City may utilize interest rate swaps to better manage its interest rate based assets and liabilities and, to the extent utilized, interest rate swaps should be considered in the context of the City's overall asset and liability management efforts. **The City shall not utilize interest rate swaps for speculative purposes.**

**A. Rationales for Utilization**

1. Reduce exposure to changes in interest rates on a particular transaction or portfolio of financial transactions.
2. Achieve lower net cost of borrowing with respect to the City's debt obligations.
3. Achieve a benefit not otherwise available to the City.
4. Optimization of capital structure including modification of the timing and amounts of scheduled debt service payments.
5. Improve asset and liability matching.
6. Achieve optimal fixed rate versus variable rate debt allocations.
7. Better position the City to respond to changing market or other circumstances.
8. Manage the relationship between risk and reward with respect to the City's debt obligations.
9. Manage exposure to changing markets in advance of anticipated bond issuances by locking in borrowing costs (through the use of forward hedging instruments).

**B. Permitted Instruments**

The City may utilize the following financial products on a current, or forward basis, after identifying the objectives to be realized and assessing the attendant risks.

1. Interest rate swaps, including (i) pay fixed/receive floating swaps (fixed rate swaps), (ii) receive floating/pay fixed swaps (floating rate swaps) and (iii) pay floating/receive floating swaps (basis swaps). Swaps may include option features, such as for the extension, cancellation, or index conversion of the swap.
2. Interest rate caps, floors, and collars.
3. Stand-alone options to enter into swaps (swaptions) on a particular date, series of dates, or during a particular period of time in the future.

**IV. EVALUATION OF PROPOSED TRANSACTIONS**

The City's Staff shall undertake an evaluation of any proposed transaction. This will include, but not be limited to, consideration of the following:

1. Assessment of all inherent risks of the transaction including, but not limited to those outlined below (see **INTEREST RATE SWAP RISKS**)
2. Alternative financing options and a comprehensive evaluation of the potential risks and expected benefits of the interest rate swap relative to such other options.
3. Security and source of payments, both scheduled and termination, and the integration of the swap into the City's debt program.
4. Procurement process and the suitability of the contemplated counterparties to the swap, taking into account any existing exposure to such counterparties.
5. Impact on City's credit and liquidity profile and how other financial arrangements, existing or expected, may be impacted by the swap.
6. Analysis of impact on the City's net variable rate interest exposure from the contemplated transaction and any potential budgetary impact.

7. Cost and availability of on-going resources for the effective operations and risk management of the swap.
8. Tax, accounting, or other compliance requirements relative to other options.
9. If the transaction includes option components, analysis of circumstances under which the option will likely, or not likely, be exercised and the consequences of each outcome.
10. A reasonably expected maximum incremental credit exposure that the proposed swap transaction would create in making a determination as to whether or not the proposed transaction should be executed.

## V. INTEREST RATE SWAP RISKS

Interest rate swaps may involve several risks of varying degrees, including the following:

1. **Counterparty Risk** – The risk of nonperformance resulting in non-payment or other default on a swap by the City's counterparty. If the swap is terminated prior to its scheduled final cash flow date and the City's swap position has increased in value, the City will be owed a termination amount and therefore will have credit exposure to its Counterparty for collection of any such amount.
2. **Termination/Replacement Risk** - The risk that an interest rate swap agreement must be terminated prior to its stated final cash flow date and that the City cannot obtain a replacement transaction with substantially similar terms, including because of deterioration in the City's own credit. In such a circumstance, the City could owe, or be owed, a termination payment and may not be able to affect an assignment of the transaction or enter into a new transaction with substantially similar terms that would preserve the City's economic position.
3. **Collateral Posting Risk** – The risk that the City will be required to secure its payment obligations under the swap. Posted collateral would not be available for the City's expenditure or reserve balance needs, potentially adversely impacting credit ratings and overall liquidity and budgetary efforts.
4. **Basis Risk** – The risk that the payments received (from a floating rate swap or asset) do not match, and in particular are insufficient to pay, the amounts due (on a floating rate swap or liability). For example, in the context of floating rate bonds combined with a fixed rate swap, the risk is to prolonged periods of the rate paid by the City to the holders of its underlying bonds being higher than the rate received on the swap over the same period of time (e.g., a tax-exempt variable rate issue paying bondholders an average of 68% of LIBOR while the City receives only 65% of LIBOR pursuant to the associated swap.)
5. **Tax-Exemption Risk** – Related to basis risk, tax-exemption risk is generally the risk of a reduction or elimination in the benefits of tax exemption for municipal bonds (e.g., a reduction in the highest marginal federal and/or California income tax rates) which event would increase the City's tax-exempt floating rate borrowing cost without an offsetting increase in LIBOR-based swap receipts.
6. **Liquidity / Remarketing Risk** – In connection with a swap strategy which includes issuance of floating rate bonds that, absent the swap strategy would have been issued as fixed rate bonds, the risk that the City cannot secure a cost-effective renewal of a letter or line of credit or suffers a failed auction or remarketing with respect to the floating-rate bonds.

Before proceeding with a swap transaction, the City must reasonably conclude that the expected benefits of the transaction outweigh the expected risks, that the risks are within acceptable levels, and that the contemplated transaction does not impose risks that threaten the City's ability to perform its core functions. The transaction must be reasonable in relation to the City's overall financial condition and capitalization.

The City shall, with its advisors and legal counsel, structure swap transactions with terms and provisions that will help mitigate such risks to the extent practicable and cost-effective. The City shall have a plan for the on-going monitoring and risk management of swap transactions.

## VI. INTEREST RATE SWAP STRUCTURING AND EXECUTION

Swaps may be procured via a competitive process or through negotiation with one or more prospective counterparties. The City's Staff will determine on a case-by-case basis which approach best addresses the City's long-term financial objectives. Regardless of the method of procurement, the City shall obtain a finding from a qualified and independent firm that the terms and conditions of any transaction entered into reflect a fair market value of such transaction as of the date of its execution.

### A. Eligible Counterparties

The City will do business only with qualified swap counterparties. Qualified counterparties are institutions whose long term credit rating or whose obligations are guaranteed by a financial institution whose long term credit rating, are at the time the swap is entered into at least as high as "A" or equivalent and that have a demonstrated record of successfully executing swap transactions. The City will structure interest rate swap agreements to protect itself from credit deterioration of counterparties, including the use of ratings-based termination events, credit support annexes or other forms of credit enhancement. Such protection shall include any terms and conditions which the City deems necessary or appropriate to protect its interests.

### B. Term and Notional Amount of Swap Agreement

The City shall determine the appropriate term and size for an interest rate swap agreement on a case-by-case basis. In connection with the issuance or carrying of bonds, the outstanding notional amount of a swap agreement should relate to the amortization of the related existing or anticipated debt of the City. While entering into a swap with a term less than the associated bonds may be appropriate, in such case the City might be subject to the uncertainties of then prevailing market conditions.

### C. Swap Documentation

In connection with each interest rate swap, the City must receive a legal opinion acceptable to the market to the effect that the interest rate swap is a legal, valid and binding obligation of the City. Such opinion must set forth the statutory and/or other provisions that grant the City the capacity and authority to enter into the interest rate swap agreement.

Unless otherwise recommended by the City's Staff and approved by the City Council, the City will use swap documentation based on published ISDA standards, including the Master Agreement, Schedule to the Master Agreement, Credit Support Annex, and Confirmation. The City may modify these standard forms and use additional documentation as, on the advice of counsel and/or its other advisors, it deems necessary and appropriate.

Subject to the provisions contained herein, the City's swap documentation and terms should include the following:

1. Appropriately limited definitions of Specified Entity, Specified Transactions, and Specified Indebtedness.
2. Downgrade provisions triggering termination that in no event shall be worse than those relating to the counterparty and that, for the counterparty, shall be no lower than "below investment grade" by either S&P or Moody's.
3. Governing law for swaps will be New York State, but should reflect California authorization provisions.
4. The right for the City to optionally terminate the swap at any time (at the then market value), but shall **not** provide this right to the City's counterparty, unless specifically structured to provide the counterparty with cancellation rights.
5. A Credit Support Annex which requires, at a minimum, the counterparty to post collateral if rated below the "A" category by either S&P or Moody's. Counterparties rated below the "A" category shall be required to post and maintain collateral in an amount equal to at least one-hundred percent of the market value of the swap(s). If deemed prudent by the City, collateral posting may be required by a counterparty rated at or above the "A" category, the terms of which shall be determined on a case-by-case basis. If a counterparty has more than one rating, the lowest rating will govern for purposes of determining the applicable collateral requirements.

In order to reduce or minimize the probability that the City would have to post collateral, the City may explore the availability and cost-effectiveness of asymmetrical threshold provisions and/or forms of credit enhancement to secure its swap payment obligations.

6. Acceptable security types for collateral purposes shall be limited to those rated 'AAA' and otherwise consistent with the City's investment program. Valuation levels will take into account the term and liquidity of the investment as well as the valuation frequency. The market value of the collateral shall be determined no less frequently than weekly.

## VII. ONGOING MANAGEMENT

The City will seek to maximize the benefits and minimize the risks it carries by actively monitoring its interest rate swap program. This will entail, at a minimum, periodic review of the mark to market value of each of the City's swap agreements, adequacy of posted collateral, compliance with accounting requirements, and a review of the then current long-term credit ratings and the ratings outlook for each counterparty. In the unlikely event that credit exposure to a counterparty is determined to be excessive, the City will identify and evaluate actions available to reduce or otherwise mitigate its exposure.. The City will also, to the extent practicable, monitor interest rate market conditions for emergent opportunities and risks.

**CITY OF OXNARD**  
**REQUEST FOR SPECIAL BUDGET APPROPRIATION**

To the City Manager:

November 21, 2006

Request is hereby made for an appropriation of total . . . . .

\$ 750,000

Reason for appropriation: Budget debt service costs for FY 06-07.

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
Growth Capital Fees Residential (355)	355-9401-808-8734 Transfer to Debt Service Fund	<u>562,500</u>
	<b>Net Estimated Change to Growth Capital Fee Fund (Residential)</b>	<b><u>(562,500)</u></b>
Growth Capital Fees Nonresidential (356)	356-9401-808-8734 Transfer to Debt Service Fund	<u>187,500</u>
	<b>Net Estimated Change to Growth Capital Fee Fund (Nonresidential)</b>	<b><u>(187,500)</u></b>
Debt Service Fund (801)	801-9401-711-7928 Transfer from Development Fee Funds	(750,000)
	801-xxx-895-8503 L/P Principal Payments	225,000
	801-xxx-896-8504 L/P Interest Payments	<u>525,000</u>
	<b>Net Estimated Change to Debt Service Fund</b>	<b><u>0</u></b>

  
Program Leader

REQUIRES CITY COUNCIL APPROVAL

DIRECTOR OF FINANCE



Disposition

Transfer by Journal Voucher

Approved \_\_\_\_\_  
Rejected \_\_\_\_\_

City Manager

000092

ATTACHMENT NO. 12  
PAGE 1 OF 1

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of Oxnard  
Attention: City Clerk  
305 West Third Street  
Oxnard, CA 93030

[SPACE ABOVE THIS LINE FOR RECORDER'S USE.]

**QUITCLAIM DEED**

The undersigned Grantor(s) declare(s) under penalty of perjury that the following is true and correct:

Documentary transfer tax is \$0

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the PARKING AUTHORITY OF THE CITY OF OXNARD ("Grantor") does hereby REMISE, RELEASE, AND FOREVER QUITCLAIM to the CITY OF OXNARD, a Municipal Corporation ("Grantee"), the real property located in the County of Ventura, State of California, more particularly described in **Exhibit A** attached hereto, SUBJECT TO all liens, encumbrances, and other matters of record.

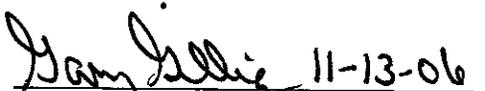
Dated: \_\_\_\_\_, 2006

PARKING AUTHORITY OF THE  
CITY OF OXNARD

By: \_\_\_\_\_

Dr. Thomas E. Holden,  
Mayor of the City of Oxnard

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Gary L. Gillig, City Attorney

*[All signatures must be notarized.]*

**ACKNOWLEDGMENTS**

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

## **Exhibit A**

### **Property Description**

All that certain real property situated in the County of Ventura, State of California, described as follows:

Parcel A:

Lots 9, 10, 11 and 12 in Block "B", as shown on Map No. 4 of the Town of Oxnard and North Addition to the Town of Oxnard, recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said Ventury County.

EXCEPTING THEREFROM the Easterly 12 feet of said land.

EXCEPT from Lots 9 and 10 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry, as reserved by Security Pacific National Bank, a National Banking Association formerly Bank, a National Banking Association formerly Security First National Bank of Los Angeles, a National Banking Association, Trustee under the Will of Joseph Schreiner, deceased, recorded October 31, 1968, in book 3391, page 482 Official Records.

EXCEPT from Lots 11 and 12 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry as reserved by Maria Davin in the Deed recorded October 25, 1968, in book 3389, page 7 Official Records.

Parcel B:

Lots 14, 15 and 16 in Block "B" of the Town of Oxnard, and North Addition to the Town of Oxnard, as shown on a Map recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said Ventura County.

EXCEPTING THEREFROM the Easterly 12 feet of said land.

EXCEPT from Lot 14 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry, as reserved by Margaret Borrowman, who acquired title as Margaret Norris, and Hilda E. Bequelin in the Deed recorded February 19, 1969, in book 3445, page 502 of Official Records.

EXCEPT from Lots 15 and 16 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry as reserved by Iva Rue Guyer, in Deed recorded February 6, 1970, in book 3619, page 87 of Official Records.

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

City of Oxnard  
Attention: City Clerk  
305 West Third Street  
Oxnard, CA 93030

[SPACE ABOVE THIS LINE FOR RECORDER'S USE.]

**QUITCLAIM DEED**

The undersigned Grantor(s) declare(s) under penalty of perjury that the following is true and correct:

Documentary transfer tax is \$0

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF OXNARD, which acquired title as the REDEVELOPMENT AGENCY OF THE CITY OF OXNARD ("Grantor"), does hereby REMISE, RELEASE, AND FOREVER QUITCLAIM to the CITY OF OXNARD, a Municipal Corporation ("Grantee"), the real property located in the County of Ventura, State of California, more particularly described in **Exhibit A** attached hereto, SUBJECT TO all liens, encumbrances, and other matters of record.

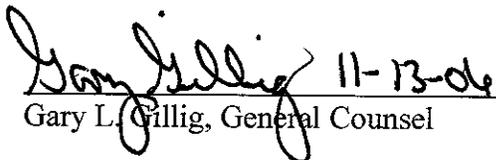
Dated: \_\_\_\_\_, 2006

COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF OXNARD

By: \_\_\_\_\_

Dr. Thomas E. Holden,  
Chairman

APPROVED AS TO FORM:

 11-13-06  
Gary L. Gillig, General Counsel

*[All signatures must be notarized.]*

**ACKNOWLEDGMENTS**

State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

State of California  
County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(here insert name and title of the officer)

personally appeared \_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

## Exhibit A

### Property Description

All that certain real property situated in the County of Ventura, State of California, described as follows:

Parcel C:

The Easterly 12 feet of Lots 9 thru 16, Block B, Map No. 4, of Town of Oxnard and North Addition to the Town of Oxnard, in the County of Ventura, State of California, as per map thereof recorded in the office of the County Recorder of said County in book 5, page 9 of Maps.

EXCEPT from Lots 9 and 10 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry, as reserved by Security Pacific National Bank, a National Banking Association formerly Bank, a National Banking Association formerly Security First National Bank of Los Angeles, a National Banking Association trustee under the Will of Joseph Schreiner, deceased recorded October 31, 1968, in book 3391, page 482, Official Records.

EXCEPT from Lots 11 and 12 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry as reserved by Maria Davin in the deed recorded October 25, 1968, in book 3389, page 7, Official Records.

EXCEPT from Lot 14 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without the right of surface entry, as reserved by Margaret Borrowman, who acquired title as Margaret Norris, and Hilda E. Bequelin in the deed recorded February 19, 1969, in book 3445, page 502, Official Records.

EXCEPT from Lots 15 and 16 all oil, gas, minerals and other hydrocarbon substances lying in and under said land below a depth of 500 feet from the surface thereof, without right of surface entry as reserved by Iva Rue Guyer in the deed recorded February 6, 1970, in book 3619, page 87, Official Records.

Except from Lot 13, all oil, gas, minerals and other hydrocarbon substances lying in and under said land without the right of surface entry within 500 feet from the surface by James M. Pitts and Mildred G. Pitts, in deed recorded 12-14-71, in Book 3896 Page 366, Official Records.