Meeting Date: 03/13/07

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☒ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Michael More _____ Agenda Item No. I-5

Reviewed By: City Manager _____ City Attorney _____ Finance _____ Other *(Specify)*

DATE: February 14, 2007

TO: City Council
City of Oxnard Financing Authority

FROM: Michael More, Financial Services Manager
Finance Department

SUBJECT: **Revisions to Standby Bond Purchase Agreements**

RECOMMENDATION

That City Council:

1. Adopt a resolution authorizing the provision of a substitute liquidity facility for the City of Oxnard Financing Authority's outstanding Variable Rate Demand Lease Revenue Bonds, 2003 Series B, the remarketing of such bonds in connection therewith, and the amendment of certain documents in connection therewith, and approving certain documents and authorizing certain actions in connection therewith.

2. Adopt a resolution authorizing the amendment of, extension of term of, and reduction of fees under the standby bond purchase agreement pertaining to the City of Oxnard Financing Authority's outstanding Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B, and authorizing certain actions in connection therewith.

That the City of Oxnard Financing Authority:

1. Adopt a resolution authorizing the provision of a substitute liquidity facility for its outstanding Variable Rate Demand Lease Revenue Bonds, 2003 Series B, the remarketing of such bonds in connection therewith, and the amendment of certain documents in connection therewith, and approving certain documents and authorizing certain actions in connection therewith.

2. Adopt a resolution authorizing the amendment of, extension of term of, and reduction of fees under the standby bond purchase agreement pertaining to the City of Oxnard Financing

Authority's outstanding Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B, and authorizing certain actions in connection therewith.

DISCUSSION

On December 4, 2003, the City of Oxnard Financing Authority (COFA) issued $14,750,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "2003 Bonds"). Proceeds from the 2003 Bonds were used to finance the construction of the downtown parking structure and the South Oxnard Branch Library. The 2003 Bonds were issued as variable rate debt, and as a result, required the backing of a liquidity facility (in the form of a standby bond purchase agreement, or "SBPA") from a commercial bank. Wachovia Bank, N.A., provided the liquidity facility at a rate of 37 basis points, and the agreement expires on December 1, 2007.

On November 18, 2004, COFA issued $23,975,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds, 2004 Series B (the "2004 Bonds"). Proceeds from the 2004 Bonds were used to finance the construction of the Headworks Project and the Septic System Conversion Project. The 2004 Bonds were also issued as variable rate debt, and also required an SBPA from a commercial bank. Dexia Credit Local ("Dexia") provided the SBPA at a rate of 32 basis points, and the agreement expires on November 18, 2011.

In conjunction with the issuance of COFA's Variable Rate Demand Lease Revenue Bonds, Series 2006 ("2006 Bonds"), Dexia provided a liquidity facility at the a rate of 13.5 basis points. Dexia further agreed to provide liquidity facilities on the 2003 Bonds and the 2004 Bonds at a rate of 13.5 basis points for each through December 13, 2018.

With respect to the 2004 Bonds, all that is required is that the City Council and COFA board adopt resolutions approving Amendment No. 1 (Attachment No. 5), which extends the existing SBPA, which currently expires on November 18, 2011, through December 13, 2018 at the reduced rate of 13.5 basis points.

For the 2003 Bonds, since the liquidity provider is changing from Wachovia Bank to Dexia, the backup credit of the bonds changes and the 2003 Bonds must be reissued. Staff recommends that City Council and COFA adopt the attached resolutions (Attachments No. 1 and 2) to approve the form of the following documents:

- Standby Bond Purchase Agreement (Attachment No. 6)
- First Supplement to Trust Agreement (Attachment No. 7)
- Reoffering Memorandum (Attachment No. 8)

FINANCIAL IMPACT

There is no additional financial impact in the current year relative to the approval of the attached resolutions. The approval of the attached documents will reduce liquidity costs by nearly two-thirds through 2018. For Fiscal Year 2007-08, estimated savings for the 2003 Bonds (budgeted in the General

Fund) and 2004 Bonds (budgeted in the Wastewater Fund) are $30,000 and $45,000, respectively.

MJM

Attachments

#1 – City Resolution (2003 Bonds)
#2 – COFA Resolution (2003 Bonds)
#3 – City Resolution (2004 Bonds)
#4 – COFA Resolution (2004 Bonds)
#5 – Amendment No. 1 to SBPA (2004 Bonds)
#6 – Standby Bond Purchase Agreement (2003 Bonds)
#7 – First Supplement to Trust Agreement (2003 Bonds)
#8 – Reoffering Memorandum (2003 Bonds)

Attachments No. 6, 7, and 8 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 Friday.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE PROVISION OF A SUBSTITUTE LIQUIDITY FACILITY FOR THE CITY OF OXNARD FINANCING AUTHORITY'S OUTSTANDING VARIABLE RATE DEMAND LEASE REVENUE BONDS, 2003 SERIES B, THE REMARKETING OF SUCH BONDS IN CONNECTION THEREWITH, AND THE AMENDMENT OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, on or about December 4, 2003, the City of Oxnard Financing Authority (the "Authority") issued $14,750,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of the Project, as such term is defined in that certain Trust Agreement, dated as of December 1, 2003 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation provided a financial guaranty insurance policy insuring the payment when due of the principal of and interest on the Bonds as provided therein; and

WHEREAS, in connection with the issuance of the Bonds, Wachovia Bank, National Association, acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2003, by and among Wachovia Bank, National Association, the Authority, and the Trustee; and

WHEREAS, E. J. De La Rosa & Co., Inc. (the "Remarketing Agent"), is the remarketing agent for the Bonds; and

WHEREAS, the City has determined that it would be more economical to have Dexia Credit Local, New York Branch (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Trust Agreement); and

WHEREAS, the City proposes to enter into a Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement"), by and between the City and 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 Bond Insurer has required that certain provisions be included in the Standby Bond Purchase Agreement that require that certain corresponding amendments be made to the Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(b) of the Trust Agreement provides that the rights and obligations provided thereby may be modified or amended at any time without the consent of any owners of the Bonds upon the written agreement of the City, the Authority, and the Trustee, with the consent of the Bond Insurer and the Bank, provided that such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; and

WHEREAS, the City has determined that such modifications or amendments do not adversely affect the interests of the owners of the Bonds Outstanding; and

WHEREAS, the City proposes, with the consent of the Bond Insurer and the Bank, to supplement and amend the Trust Agreement by entering into a First Supplement to Trust Agreement (the "First Supplement"), by and among the City, the Authority, and the Trustee; and

WHEREAS, Section 2.19(e) of the Trust Agreement provides that, in connection with the provision of a Substitute Credit Facility, all of the outstanding Bonds shall be subject to mandatory tender for purchase and Section 2.20 of the Trust Agreement provides that such tendered Bonds shall be purchased and remarketed; and

WHEREAS, $13,750,000 in aggregate principal amount of the Bonds are currently outstanding; and

WHEREAS, it is necessary that the Bonds be remarketed pursuant to a Reoffering Memorandum (the "Reoffering Memorandum"); and

WHEREAS, this City Council has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to prepare proceedings with respect to the foregoing; 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 Interim Finance Director of the City, acting as such on behalf of the City (the "Finance Director") and acting as the Acting Controller of the Authority on behalf of the Authority (the "Controller"), in consultation with the Remarketing Agent, 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 Standby Bond Purchase Agreement;
(2) the First Supplement; and
(3) the Reoffering Memorandum;

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 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 3. The First Supplement 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 Reoffering Memorandum 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 Reoffering Memorandum. The Remarketing Agent is authorized to distribute copies of the Reoffering Memorandum to persons who may be interested in purchasing the Bonds and is directed to deliver copies of the Reoffering Memorandum to all actual purchasers of the Bonds, and the Finance Director, acting as the Controller, in coordination with the Remarketing Agent and Disclosure Counsel, shall cause sufficient copies of the Reoffering Memorandum to be printed and made available to the Remarketing Agent for said purpose.

SECTION 5. 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 Standby Bond Purchase Agreement, the First Supplement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, and certificates concerning the Reoffering Memorandum describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 6. 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 7. 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.

SECTION 8. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 13th day of March, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

03-01-07

Gary L. Gillig, City Attorney

APPROVED AS TO CONTENT:

for: Susan M. Winder, Interim Finance Director

LIB201/16199.1

ATTACHMENT NO. 1

PAGE 4 OF 4

RESOLUTION NO. ___

RESOLUTION OF THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY AUTHORIZING THE PROVISION OF A SUBSTITUTE LIQUIDITY FACILITY FOR ITS OUTSTANDING VARIABLE RATE DEMAND LEASE REVENUE BONDS, 2003 SERIES B, THE REMARKETING OF SUCH BONDS IN CONNECTION THEREWITH, AND THE AMENDMENT OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, on or about December 4, 2003, the City of Oxnard Financing Authority (the "Authority") issued $14,750,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of the Project, as such term is defined in that certain Trust Agreement, dated as of December 1, 2003 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation provided a financial guaranty insurance policy insuring the payment when due of the principal of and interest on the Bonds as provided therein; and

WHEREAS, in connection with the issuance of the Bonds, Wachovia Bank, National Association, acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2003, by and among Wachovia Bank, National Association, the Authority, and the Trustee; and

WHEREAS, E. J. De La Rosa & Co., Inc. (the "Remarketing Agent"), is the remarketing agent for the Bonds; and

WHEREAS, the Authority has determined that it would be more economical to have Dexia Credit Local, New York Branch (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Trust Agreement); and

WHEREAS, the Authority proposes that the City enter into a Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement"), by and between the City and 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 Bond Insurer has required that certain provisions be included in the Standby Bond Purchase Agreement that require that certain corresponding amendments be made to the Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(b) of the Trust Agreement provides that the rights and obligations provided thereby may be modified or amended at any time without the consent of

any owners of the Bonds upon the written agreement of the City, the Authority, and the Trustee, with the consent of the Bond Insurer and the Bank, provided that such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; and

WHEREAS, the Authority has determined that such modifications or amendments do not adversely affect the interests of the owners of the Bonds Outstanding; and

WHEREAS, the Authority proposes, with the consent of the Bond Insurer and the Bank, to supplement and amend the Trust Agreement by entering into a First Supplement to Trust Agreement (the "First Supplement"), by and among the City, the Authority, and the Trustee; and

WHEREAS, Section 2.19(e) of the Trust Agreement provides that, in connection with the provision of a Substitute Credit Facility, all of the outstanding Bonds shall be subject to mandatory tender for purchase and Section 2.20 of the Trust Agreement provides that such tendered Bonds shall be purchased and remarketed; and

WHEREAS, $13,750,000 in aggregate principal amount of the Bonds are currently outstanding; and

WHEREAS, it is necessary that the Bonds be remarketed pursuant to a Reoffering Memorandum (the "Reoffering Memorandum"); and

WHEREAS, the City Council of the City has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to prepare proceedings with respect to the foregoing; and

WHEREAS, the forms of the following documents are on file with the Secretary (the "Secretary") of this Governing Board (this "Board") and have been submitted to this Board, and the Interim Finance Director of the City (the "Finance Director"), acting as the Acting Controller of the Authority (the "Controller"), in consultation with the Remarketing Agent, 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 Standby Bond Purchase Agreement;
(2) the First Supplement; and
(3) the Reoffering Memorandum;

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.

SECTION 2. The First Supplement 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 First Supplement 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 3. The Bonds, in an aggregate principal amount not to exceed $13,750,000, designated "City of Oxnard Financing Authority Wastewater Variable Rate Demand Lease Revenue Bonds, 2003 Series B," are authorized to be remarketed by the Remarketing Agent in accordance with the terms and provisions of the Trust Agreement, as supplemented and amended by the First Supplement. 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 revised Bonds substantially in the form set forth in the First Supplement, 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 Reoffering Memorandum 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 Reoffering Memorandum 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 Remarketing Agent is authorized to distribute copies of the Reoffering Memorandum to persons who may be interested in purchasing the Bonds and is directed to deliver copies of the Reoffering Memorandum to all actual purchasers of the Bonds, and the Controller, in coordination with the Remarketing Agent and Disclosure Counsel, shall cause sufficient copies of the Reoffering Memorandum to be printed and made available to the Remarketing Agent for said purpose.

SECTION 5. The Authority understands, acknowledges, and agrees that 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 6. Wells Fargo Bank, National Association, is appointed as trustee and tender agent under and pursuant to any tender agreement between the Trustee and the Bank, with the respective powers and duties of each of said offices as set forth therein. The Trustee is requested and directed to execute and deliver the Bonds in accordance with written instructions to be executed on behalf of the Authority by the Controller.

SECTION 7. 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 First Supplement, 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 Reoffering Memorandum describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 8. 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 9. 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.

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SECTION 10. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 13th day of March, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

03-01-07

Gary L. Gillig, General Counsel

APPROVED AS TO CONTENT:

for Susan M. Winder, Acting Controller

LIB201/16200.1

ATTACHMENT NO. 2

PAGE 5 OF 5

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE AMENDMENT OF, EXTENSION OF TERM OF, AND REDUCTION OF FEES UNDER THE STANDBY BOND PURCHASE AGREEMENT PERTAINING TO THE CITY OF OXNARD FINANCING AUTHORITY'S OUTSTANDING VARIABLE RATE DEMAND WASTEWATER REVENUE BONDS (HEADWORKS AND SEPTIC SYSTEM CONVERSION PROJECTS), 2004 SERIES B, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, on or about November 18, 2004, the City of Oxnard Financing Authority (the "Authority") issued $23,975,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of the Project, as such term is defined in that certain Indenture, dated as of November 1, 2004, by and between the Authority and Wells Fargo Bank, National Association, as trustee, and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy insuring the payment when due of the principal of and interest on the Bonds as provided therein; and

WHEREAS, in connection with the issuance of the Bonds, Dexia Credit Local, New York Branch (the "Bank"), provided a liquidity facility for the Bonds pursuant to that certain Standby Bond Purchase Agreement, dated as of November 1, 2004 (the "Standby Bond Purchase Agreement"), by and among the Bank, the Authority, and the City of Oxnard (the "City"); and

WHEREAS, the City and the Authority have requested, and the Bank has consented and agreed, that the Standby Bond Purchase Agreement be amended to delete an Event of Default (as such term is defined in the Standby Bond Purchase Agreement) under the Standby Bond Purchase Agreement based upon the long- and short-term ratings of the City and that the Scheduled Expiration Date (as such term is defined in the Standby Bond Purchase Agreement) of the Standby Bond Purchase Agreement be extended from November 18, 2011, to December 13, 2018, and that the annual fees payable by the City under the Standby Bond Purchase Agreement be reduced; and

WHEREAS, to effectuate such amendment to the Standby Bond Purchase Agreement, the Bank has prepared, and the City proposes to enter into, an Amendment No. 1 to the Standby Bond Purchase Agreement ("Amendment No. 1"), by and among the City, the Authority, and the Bank; and

WHEREAS, this City Council has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") to prepare proceedings with respect to the foregoing; and

WHEREAS, the form of Amendment No. 1 is on file with the City Clerk of the City (the "City Clerk") and has been submitted to this City Council, and the Interim Finance Director of the City, acting as such on behalf of the City (the "Finance Director"), in consultation with Bond Counsel, has examined and approved such document and has recommended that this City Council direct the completion, where appropriate, and the execution and delivery of such document;

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. Amendment No. 1 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 Amendment No. 1 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 and directed to extend the term of, and reduce the fees payable by the City under, the Standby Bond Purchase Agreement as described in the foregoing recitals and thereafter from time to time in accordance with the provisions the Standby Bond Purchase Agreement without further action or approval by this City Council. The Finance Director is further authorized and directed, for and in the name of the City, in accordance with Section 9.7 of the Standby Bond Purchase Agreement, to obtain the consent of the Bond Insurer to Amendment No. 1 and to notify the Bond Insurer and Standard & Poor's Ratings Services of the modification and amendment of the Standby Bond Purchase Agreement pursuant to Amendment No. 1.

SECTION 3. The Mayor of the City, the Finance Director, the City Clerk, 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 Amendment No. 1 and this Resolution and to execute and deliver any and all certificates and representations necessary and desirable to accomplish the transactions described in Amendment No. 1 or as set forth above.

SECTION 4. 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 5. 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.

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

SECTION 6. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 13th day of March, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

03-01-07

Gary L. Gillig, City Attorney

APPROVED AS TO CONTENT:

for Susan M. Winder, Interim Finance Director

RESOLUTION NO. ___

RESOLUTION OF THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY AUTHORIZING THE AMENDMENT OF, EXTENSION OF TERM OF, AND REDUCTION OF FEES UNDER THE STANDBY BOND PURCHASE AGREEMENT PERTAINING TO THE AUTHORITY'S OUTSTANDING VARIABLE RATE DEMAND WASTEWATER REVENUE BONDS (HEADWORKS AND SEPTIC SYSTEM CONVERSION PROJECTS), 2004 SERIES B, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, on or about November 18, 2004, the City of Oxnard Financing Authority (the "Authority") issued $23,975,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of the Project, as such term is defined in that certain Indenture, dated as of November 1, 2004, by and between the Authority and Wells Fargo Bank, National Association, as trustee, and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy insuring the payment when due of the principal of and interest on the Bonds as provided therein; and

WHEREAS, in connection with the issuance of the Bonds, Dexia Credit Local, New York Branch (the "Bank"), provided a liquidity facility for the Bonds pursuant to that certain Standby Bond Purchase Agreement, dated as of November 1, 2004 (the "Standby Bond Purchase Agreement"), by and among the Bank, the Authority, and the City of Oxnard (the "City"); and

WHEREAS, the City and the Authority have requested, and the Bank has consented and agreed, that the Standby Bond Purchase Agreement be amended to delete an Event of Default (as such term is defined in the Standby Bond Purchase Agreement) under the Standby Bond Purchase Agreement based upon the long- and short-term ratings of the City and that the Scheduled Expiration Date (as such term is defined in the Standby Bond Purchase Agreement) of the Standby Bond Purchase Agreement be extended from November 18, 2011, to December 13, 2018, and that the annual fees payable by the City under the Standby Bond Purchase Agreement be reduced; and

WHEREAS, to effectuate such amendment to the Standby Bond Purchase Agreement, the Bank has prepared, and the Authority proposes to enter into, an Amendment No. 1 to the Standby Bond Purchase Agreement ("Amendment No. 1"), by and among the City, the Authority, and the Bank; and

WHEREAS, the City Council of the City has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") to prepare proceedings with respect to the foregoing; and

WHEREAS, the form of Amendment No. 1 is on file with the Secretary (the "Secretary") of this Governing Board (this "Board") and has been submitted to this Board, and the Interim

Finance Director of the City, acting as the Acting Controller of the Authority (the "Controller"), in consultation with Bond Counsel, has examined and approved such document and has recommended that this Board direct the completion, where appropriate, and the execution and delivery of such document;

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.

SECTION 2. Amendment No. 1 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 Amendment No. 1 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. The Controller is further authorized and directed to extend the term of, and reduce the fees payable by the City under, the Standby Bond Purchase Agreement as described in the foregoing recitals and thereafter from time to time in accordance with the provisions the Standby Bond Purchase Agreement without further action or approval by this Board. The Controller is further authorized and directed, for and in the name of the Authority, in accordance with Section 9.7 of the Standby Bond Purchase Agreement, to obtain the consent of the Bond Insurer to Amendment No. 1 and to notify the Bond Insurer and Standard & Poor's Ratings Services of the modification and amendment of the Standby Bond Purchase Agreement pursuant to Amendment No. 1.

SECTION 3. The Chairman of this Board, the Controller, the Secretary, 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 Amendment No. 1 and this Resolution and to execute and deliver any and all certificates and representations necessary and desirable to accomplish the transactions described in Amendment No. 1 or as set forth above.

SECTION 4. 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 5. 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.]

SECTION 6. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 13th day of March, 2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

03-01-07

Gary L. Gillig, General Counsel

APPROVED AS TO CONTENT:

for: Susan M. Winder, Acting Controller

LIB201/17382.1

ATTACHMENT NO. 4

PAGE 3 OF 3

AMENDMENT NO. 1 TO THE
STANDBY BOND PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO THE STANDBY BOND PURCHASE AGREEMENT, dated _____, 2007 (this "*Amendment No. 1*"), amends the Standby Bond Purchase Agreement, dated as of November 1, 2004 (the "*Original Agreement*"), among the CITY OF OXNARD (the "*City*"), the CITY OF OXNARD FINANCING AUTHORITY (the "Authority"), and DEXIA CREDIT LOCAL, New York Branch (the "*Bank*") relating to the Authority's Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects) 2004 Series B. The Original Agreement as amended by this Amendment No. 1 is referred to herein as the "*Agreement*".

W I T N E S S E T H:

WHEREAS, the City, the Authority and the Bank have agreed to make certain other amendments to the Original Agreement as are desirable; and

WHEREAS, pursuant to the terms of the Original Agreement no provision of the Original Agreement shall be waived, amended or supplemented except by a written instrument executed by the parties thereto;

NOW THEREFORE, in consideration of the foregoing the parties hereto agree as follows:

ARTICLE I
AMENDMENTS

SECTION 1.1 ***Amendment to Section 8.1(l).*** Section 8.1(l) of the Original Agreement is hereby amended to read in its entirety as follows:

"(l) [Reserved.]"

ARTICLE II
REPRESENTATIONS AND WARRANTIES

SECTION 2.1 The City hereby reaffirms and remakes each of the representations and warranties of the City set forth or incorporated by reference in Section 6.1 of the Agreement as of the date hereof; provided any such representations and warranties that speak only as of a date certain are reaffirmed and remade only as of such date. The Authority hereby reaffirms and remakes each of the representations and warranties of the Authority set forth or incorporated by reference in Section 6.2 of the Agreement as of the date hereof; provided any such representations and warranties that speak only as of a date certain are reaffirmed and remade only as of such date.

ARTICLE III
COSTS AND EXPENSES

SECTION 3.1 Each of the City and the Authority hereby agrees that all costs and expenses incurred by the Bank in connection with the transactions contemplated herein, including, without limitation, attorneys' fees and disbursements, are included as obligations under the Section 9.4 of the Agreement.

ARTICLE IV
MISCELLANEOUS

SECTION 4.1 ***Original Agreement as Amended.*** This Amendment No. 1 is entered into pursuant to Section 9.7 of the Original Agreement. Except as expressly amended hereby, the Original Agreement shall continue in full force and effect in accordance with the terms thereof and nothing herein shall be construed to discharge the parties' obligations thereunder. The parties expressly agree that this Amendment No. 1 shall constitute a modification of the Original Agreement and does not constitute a novation or substitution with respect to the Original Agreement.

SECTION 4.2 ***No Waiver.*** Each of the City and the Authority acknowledges and agrees that, if and to the extent that the Bank has not heretofore required strict compliance with the performance by the City and the Authority of the covenants, agreements and obligations of the City and the Authority under the Original Agreement, such action or inaction shall not constitute a waiver of, or otherwise affect in any manner, the Bank's rights and remedies under the Original Agreement, as amended hereby, including the right to require performance of such covenants, agreements and obligations strictly in accordance with the terms and provisions thereof.

SECTION 4.3 ***Definitions and Rules of Construction.*** Capitalized terms used in this Amendment No. 1 and not specifically defined herein shall have the same meanings assigned to them in the Original Agreement. Each reference to "hereof," "hereunder," "herein" and "hereby" and each other similar reference to "this Agreement" and each other similar reference contained in the Original Agreement shall from and after the effectiveness of this Amendment No. 1 refer to the Original Agreement as amended hereby.

SECTION 4.4 ***Severability.*** If any provision of this Amendment No. 1 shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed therefrom and the remaining parts shall remain in full force as though the invalid, illegal, or unenforceable portion had never been a part thereof.

SECTION 4.5 ***Effective Date.*** This Amendment No. 1 shall be effective from and after the day and year first written above.

SECTION 4.6 ***Counterparts.*** This Amendment No. 1 may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment No. 1 by signing any such counterpart.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be signed in their respective names by their duly authorized officers all as of the day and year first above written.

CITY OF OXNARD

By _____
Name:
Title:

CITY OF OXNARD FINANCING AUTHORITY

By _____
Name:
Title:

DEXIA CREDIT LOCAL,
New York Branch

By: _____
Name:
Title: