



Meeting Date: 07 22 08

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

Prepared By: Michael J. More *[Signature]* Agenda Item No. 0-1

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

DATE: July 15, 2008

TO: City Council
City of Oxnard Financing Authority

FROM: Michael More, Financial Services Manager
Finance Department *[Signature]*

SUBJECT: Substitution of Liquidity Providers and Remarketing of Variable Rate Bonds

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 provision of a substitute liquidity facility for the City of Oxnard Financing Authority's outstanding Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006, 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.
3. Adopt a resolution authorizing the provision of a substitute liquidity facility for the City of Oxnard Financing Authority's outstanding Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 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.

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 provision of a substitute liquidity facility for its outstanding Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006, 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.
3. Adopt a resolution authorizing the provision of a substitute liquidity facility for its outstanding Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 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.

DISCUSSION

In 2003, 2004, and 2006, the City of Oxnard Financing Authority ("COFA") issued its Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "2003 Bonds"), Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B (the "2004 Bonds"), and Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 (the "2006 Bonds"), respectively (collectively, the "Bonds"). The 2003 Bonds were issued to finance the construction of the Downtown Parking Garage and the South Oxnard Library. The 2004 Bonds were issued to finance the construction of the Headworks Project and the Septic System Conversion Project. The 2006 Bonds were issued to finance the construction of the City Service Center at 214 S. C Street. The 2003 and 2006 Bonds were secured by payments from the General Fund, while the 2004 Bonds were secured by revenues in the Wastewater Enterprise Fund.

The Bonds were issued as variable rate debt. The interest rate on the Bonds is reset each week depending on then-current market conditions. In order to achieve the lowest possible interest rates, the City purchased bond insurance and liquidity facilities for the Bonds. The Bonds are insured by Ambac Assurance Corporation and all have liquidity support provided by Dexia Bank. Through the financing structure that the City has selected, it has saved over \$800,000 versus traditional fixed-rate debt since the Bonds were issued.

Unfortunately, as a result of the global credit problems and the fallout from the sub-prime mortgage crisis, all but two of the seven primary bond insurers have lost their coveted Triple-A credit ratings. Ambac Assurance Corporation is among the bond insurers that have been downgraded, currently rated "AA" (negative outlook) by Standard & Poor's, due to its exposure to the sub-prime mortgage market. Investors who typically purchase variable rate debt backed by Ambac, such as the Bonds, now demand a higher rate of return for incurring the additional credit risk, which has driven the interest rate on the Bonds higher, currently in the range of 7 percent. With a higher-rated institution securing the Bonds, interest rates would be in the 2 percent range.

City staff has secured a commitment from Union Bank of California (UBOC) for the issuance of direct-pay letters of credit ("LC") for the Bonds. The LCs would replace the existing liquidity facilities from Dexia Bank. Because the LCs provide that UBOC makes debt payments directly to bondholders, the

City's variable rate payments will be reduced significantly from current levels. Ambac will continue as insurer of the Bonds, so that in the event that its Triple-A rating is restored, the City will still benefit from its initial investment in the bond insurance policy.

In order to substitute the UBOC LCs for the existing Dexia liquidity facilities, the Bonds need to be remarketed to investors. All current Bonds will be called for redemption and new bonds will effectively be issued. The Reoffering Memorandums (Attachments No. 13, 14, and 15) will be circulated to investors of the new bonds backed by UBOC.

The attached City resolutions (Attachments No. 1, 2, and 3) accomplish the following with respect to the Bonds:

- Approve the form of the Reimbursement Agreements (Attachments No. 7, 8, and 9)
- Approve the form of the Trust Agreements (Attachments No. 10, 11, and 12)
- Approve the form of the Reoffering Memorandums (Attachments No. 13, 14, and 15)
- Authorize the Mayor, Mayor Pro Tem, City Clerk, and Chief Financial Officer to execute the Reimbursement Agreements, Trust Agreements, Reoffering Memorandums, and any other miscellaneous certificate and/or document necessary to complete the transaction

The attached COFA resolutions (Attachments No. 4, 5, and 6) accomplish the following with respect to the Bonds:

- Approve the form of the Reimbursement Agreements (Attachments No. 7, 8, and 9)
- Approve the form of the Trust Agreements (Attachments No. 10, 11, and 12)
- Approve the form of the Reoffering Memorandums (Attachments No. 13, 14, and 15)
- Authorizes the remarketing of the Bonds by the Remarketing Agent (E.J. De La Rosa & Co., Inc.)
- Appoints Wells Fargo Bank, National Association as Trustee and Tender Agent
- Authorize the Chairman, Vice Chairman, Secretary, and the Controller to execute the Reimbursement Agreements, Trust Agreements, Reoffering Memorandums, and any other miscellaneous certificate and/or document necessary to complete the transaction

FINANCIAL IMPACT

The total upfront cost of remarketing the Bonds is estimated at approximately \$800,000. Staff is proposing to finance the cost of the remarketing through replacement of the cash-funded reserve with a surety bond associated with the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2003. Staff will return to City Council at a later date to request the needed appropriations.

MJM

- Attachment #1 - City Resolution (2003 Bonds)
#2 - City Resolution (2004 Bonds)
#3 - City Resolution (2006 Bonds)
#4 - COFA Resolution (2003 Bonds)
#5 - COFA Resolution (2004 Bonds)

Substitution of Liquidity Providers and Remarketing of Variable Rate Bonds

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- #6 - COFA Resolution (2006 Bonds)
- #7 - Reimbursement Agreement (2003 Bonds)
- #8 - Reimbursement Agreement (2004 Bonds)
- #9 - Reimbursement Agreement (2006 Bonds)
- #10 - Trust Agreement (2003 Bonds)
- #11- Trust Agreement (2004 Bonds)
- #12- Trust Agreement (2006 Bonds)
- #13 - Reoffering Memorandum (2003 Bonds)
- #14 - Reoffering Memorandum (2004 Bonds)
- #15 - Reoffering Memorandum (2006 Bonds)

Note: Attachments No. 7, 8, 9, 10, 11, 12, 13, 14 and 15 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.

000140

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, pursuant to and in accordance with that certain Trust Agreement, dated as of December 1, 2003, as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007 (as amended, the "Original Trust Agreement"), each by and among the City of Oxnard Financing Authority (the "Authority"), the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Authority issued \$13,750,000 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 a new branch of the Oxnard Public Library to be located at 4300 Saviers Road and a new four-level parking structure to be located at the southwest corner of 3rd Street and B Street; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 (the "Initial Bank"), acted as the initial provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2003 (the "Original Standby Bond Purchase Agreement"), by and among the Initial Bank, the Trustee, and the Authority; and

WHEREAS, in connection with the remarketing of the Bonds, on or about May 3, 2007, the Original Standby Bond Purchase Agreement was replaced by that certain Standby Bond Purchase Agreement, dated as of May 1, 2007 (the "Standby Bond Purchase Agreement"), by and between Dexia Credit Local, New York Branch (the "Prior Bank"), as the liquidity provider, and the City; 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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Trust Agreement); and

WHEREAS, the City proposes to enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to time and liquidity support for the benefit of the Owners from time to time who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(a) of the Original Trust Agreement provides that the Original Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Prior Bank (to the extent that any such amendment could in any way materially adversely affect the Prior Bank), and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the City proposes, with the consent of the Owners, the Bond Insurer, and the Prior Bank, to amend and restate the Original Trust Agreement by entering into an Amended and Restated Trust Agreement (as amended and restated, the "Trust Agreement"), by and among the City, the Authority, and the Trustee, amending and restating the Original Trust Agreement; and

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

WHEREAS, \$13,060,000 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 (the "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 the City Council, and the Chief Financial Officer of the City, acting as such on behalf of the City (the "Chief Financial Officer") and

acting as the 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 the City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (1) the Reimbursement Agreement;
- (2) the Trust Agreement; 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 Reimbursement Agreement is approved in substantially the form on file with the City Clerk. The Chief Financial Officer is authorized and directed, for and in the name of the City, to execute and deliver the Reimbursement Agreement with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Chief Financial Officer is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the City Council.

SECTION 3. The Trust Agreement 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 Trust Agreement with such changes, insertions, and omissions as the Chief Financial Officer 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 Chief Financial Officer, 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 Chief Financial Officer, 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 Chief Financial Officer, 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 Reimbursement Agreement, the Trust Agreement, 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 Chief Financial Officer is authorized by this Resolution shall, in the absence or inability to act of the Chief Financial Officer, 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 Chief Financial Officer or by any other proper officer of the City acting on behalf of the Chief Financial Officer.

SECTION 7. All actions previously taken by the 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 8. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 22nd day of July, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Mayor

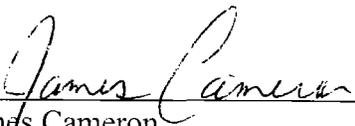
ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Gary L. Gillig, City Attorney

APPROVED AS TO CONTENT:


James Cameron,
Chief Financial Officer

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 WASTEWATER REVENUE BONDS (HEADWORKS AND SEPTIC SYSTEM CONVERSION PROJECTS), 2004 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 November 18, 2004, pursuant to and in accordance with that certain Indenture, dated as of November 1, 2004 (the "Original Indenture"), by and between the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), 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 headworks and septic conversion projects described in the Original Indenture; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 "Prior Bank"), acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of November 1, 2004, as amended by that certain Amendment No. 1 to the Standby Bond Purchase Agreement, dated May 3, 2007 (as amended, the "Standby Bond Purchase Agreement"), each by and among the Prior Bank, the City of Oxnard (the "City"), and the Authority; 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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Indenture); and

WHEREAS, the City proposes to enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to

time and liquidity support for the benefit of the Owners from time to time who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Indenture and to the Bonds; and

WHEREAS, Section 8.01 of the Original Indenture provides that the Original Indenture may be amended at any time by a Supplemental Indenture (as defined in the Original Indenture), which shall become binding with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Owners of at least a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the Authority proposes, with the consent of the Owners and the Bond Insurer, to amend and restate the Original Indenture by entering into an Amended and Restated Indenture (as amended and restated, the "Indenture"), by and between the Authority and the Trustee, amending and restating the Original Indenture; and

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

WHEREAS, \$23,975,000 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 (the "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 the City Council, and the Chief Financial Officer of the City, acting as such on behalf of the City (the "Chief Financial Officer") and acting as the 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 the City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (1) the Reimbursement Agreement;
- (2) the Indenture; 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 Reimbursement Agreement is approved in substantially the form on file with the City Clerk. The Chief Financial Officer is authorized and directed, for and in the name of the City, to execute and deliver the Reimbursement Agreement with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Chief Financial Officer is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the City Council.

SECTION 3. 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 Chief Financial Officer, 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 Chief Financial Officer, 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 4. The City understands, acknowledges, and agrees that the Indenture, 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 5. The Mayor of the City (the "Mayor"), the Mayor Pro-Tem of the City (the "Mayor Pro-Tem"), the City Clerk, the Chief Financial Officer, 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 Reimbursement Agreement, the Indenture, 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 Chief Financial Officer is authorized by this Resolution shall, in the absence or inability to act of the Chief Financial Officer, 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 Chief Financial Officer or by any other proper officer of the City acting on behalf of the Chief Financial Officer.

SECTION 7. All actions previously taken by the 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 8. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 22nd day of July, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Gary L. Gillig, City Attorney

APPROVED AS TO CONTENT:


James Cameron,
Chief Financial Officer

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
(CIVIC CENTER PHASE 2 PROJECT), SERIES 2006, 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 14, 2006, pursuant to and in accordance with that certain Trust Agreement, dated as of December 1, 2006 (the "Original Trust Agreement"), by and among the City of Oxnard Financing Authority (the "Authority"), the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Authority issued \$24,205,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of a building located at 214 South "C" Street; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 "Prior Bank"), acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2006 (the "Standby Bond Purchase Agreement"), by and between the Prior Bank and the City; 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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Trust Agreement); and

WHEREAS, the City proposes to enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to time and liquidity support for the benefit of the Owners from time to time who tender their

Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent:
and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(a) of the Original Trust Agreement provides that the Original Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, the Prior Bank (so long as the Prior Bank is not in default under the Standby Bond Purchase Agreement), and Royal Bank of Canada (the "Swap Provider") (to the extent that any such amendment could in any way materially adversely affect the Swap Provider), and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the City proposes, with the consent of the Owners, the Bond Insurer, the Prior Bank, and the Swap Provider, to amend and restate the Original Trust Agreement by entering into an Amended and Restated Trust Agreement (as amended and restated, the "Trust Agreement"), by and among the City, the Authority, and the Trustee, amending and restating the Original Trust Agreement; and

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

WHEREAS, \$23,515,000 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 (the "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 the City Council, and the Chief Financial Officer of the City, acting as such on behalf of the City (the "Chief Financial Officer") and acting as the 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 the City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (1) the Reimbursement Agreement;
- (2) the Trust Agreement; 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 Reimbursement Agreement is approved in substantially the form on file with the City Clerk. The Chief Financial Officer is authorized and directed, for and in the name of the City, to execute and deliver the Reimbursement Agreement with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Chief Financial Officer is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the City Council.

SECTION 3. The Trust Agreement 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 Trust Agreement with such changes, insertions, and omissions as the Chief Financial Officer 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 Chief Financial Officer, 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 Chief Financial Officer, 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 Chief Financial Officer, 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 Reimbursement Agreement, the Trust Agreement, 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 Chief Financial Officer is authorized by this Resolution shall, in the absence or inability to act of the Chief Financial Officer, 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 Chief Financial Officer or by any other proper officer of the City acting on behalf of the Chief Financial Officer.

SECTION 7. All actions previously taken by the 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 8. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 22nd day of July, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Mayor

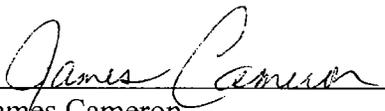
ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Gary L. Gillig, City Attorney

APPROVED AS TO CONTENT:


James Cameron,
Chief Financial Officer

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, pursuant to and in accordance with that certain Trust Agreement, dated as of December 1, 2003, as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007 (as amended, the "Original Trust Agreement"), each by and among the City of Oxnard Financing Authority (the "Authority"), the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Authority issued \$13,750,000 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 a new branch of the Oxnard Public Library to be located at 4300 Saviers Road and a new four-level parking structure to be located at the southwest corner of 3rd Street and B Street; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 (the "Initial Bank"), acted as the initial provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2003 (the "Original Standby Bond Purchase Agreement"), by and among the Initial Bank, the Trustee, and the Authority; and

WHEREAS, in connection with the remarketing of the Bonds, on or about May 3, 2007, the Original Standby Bond Purchase Agreement was replaced by that certain Standby Bond Purchase Agreement, dated as of May 1, 2007 (the "Standby Bond Purchase Agreement"), by and between Dexia Credit Local, New York Branch (the "Prior Bank"), as the liquidity provider, and the City; 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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Trust Agreement); and

WHEREAS, the Authority proposes that the City enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to time and liquidity support for the benefit of the Owners from time to time who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(a) of the Original Trust Agreement provides that the Original Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Prior Bank (to the extent that any such amendment could in any way materially adversely affect the Prior Bank), and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the Authority proposes, with the consent of the Owners, the Bond Insurer, and the Prior Bank, to amend and revise the Original Trust Agreement by entering into an Amended and Restated Trust Agreement (as amended and restated, the "Trust Agreement"), by and among the City, the Authority, and the Trustee, amending and restating the Original Trust Agreement; and

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

WHEREAS, \$13,060,000 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 Chief Financial Officer of the City (the "Chief Financial Officer"), acting as the 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 Reimbursement Agreement;
- (2) the Indenture; 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 Trust Agreement 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 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 3. The Reimbursement 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 Reimbursement 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. The Controller is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the Board.

SECTION 4. The Bonds, in an aggregate principal amount not to exceed \$13,060,000, designated "City of Oxnard Financing Authority 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. 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 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 5. 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 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 Trust Agreement, the Reimbursement 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 22nd day of July, 2008, 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:



James Cameron,
Controller

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 WASTEWATER REVENUE BONDS (HEADWORKS AND SEPTIC SYSTEM CONVERSION PROJECTS), 2004 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 November 18, 2004, pursuant to and in accordance with that certain Indenture, dated as of November 1, 2004 (the "Original Indenture"), by and between the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), 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 headworks and septic conversion projects described in the Original Indenture; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 "Prior Bank"), acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of November 1, 2004, as amended by that certain Amendment No. 1 to the Standby Bond Purchase Agreement, dated May 3, 2007 (as amended, the "Standby Bond Purchase Agreement"), each by and among the Prior Bank, the City of Oxnard (the "City"), and the Authority

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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Indenture); and

WHEREAS, the Authority proposes that the City enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to time and liquidity support for the benefit of the Owners from time to time who

tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Indenture and to the Bonds; and

WHEREAS, Section 8.01 of the Original Indenture provides that the Original Indenture may be amended at any time by a Supplemental Indenture (as defined in the Original Indenture), which shall become binding with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Owners of at least a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the Authority proposes, with the consent of the Owners and the Bond Insurer, to amend and revise the Original Indenture by entering into an Amended and Restated Indenture (as amended and restated, the "Indenture"), by and between the Authority and the Trustee, amending and restating the Original Indenture; and

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

WHEREAS, \$23,975,000 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 Chief Financial Officer of the City (the "Chief Financial Officer"), acting as the 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 Reimbursement Agreement;
- (2) the Indenture; 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 Indenture 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 Indenture 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 Reimbursement 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 Reimbursement 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. The Controller is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the Board.

SECTION 4. The Bonds, in an aggregate principal amount not to exceed \$23,975,000, designated "City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B," are authorized to be remarketed by the Remarketing Agent in accordance with the terms and provisions of the Indenture. 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 Indenture, 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 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 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 Indenture.

the Reimbursement 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 22nd day of July, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dr. Thomas E. Holden, Chairman

ATTEST:

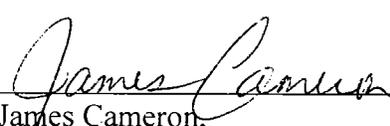
Daniel Martinez, Secretary

APPROVED AS TO FORM:



Gary L. Gillig, General Counsel

APPROVED AS TO CONTENT:



James Cameron,
Controller

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 (CIVIC CENTER PHASE 2 PROJECT), SERIES 2006, 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 14, 2006, pursuant to and in accordance with that certain Trust Agreement, dated as of December 1, 2006 (the "Original Trust Agreement"), by and among the City of Oxnard Financing Authority (the "Authority"), the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Authority issued \$24,205,000 in aggregate principal amount of City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 (the "Bonds"), a portion of the proceeds of which were used to finance the acquisition, construction, and improvement of a building located at 214 South "C" Street; and

WHEREAS, in connection with the issuance of the Bonds, Ambac Assurance Corporation (the "Bond Insurer") provided a financial guaranty insurance policy (the "Bond 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 "Prior Bank"), acted as the provider of a liquidity facility pursuant to that certain Standby Bond Purchase Agreement, dated as of December 1, 2006 (the "Standby Bond Purchase Agreement"), by and between the Prior Bank and the City; 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 Union Bank of California, N.A. (the "Bank"), provide a Substitute Liquidity Facility (as such term is defined in the Original Trust Agreement); and

WHEREAS, the Authority proposes that the City enter into a Letter of Credit and Reimbursement Agreement (the "Reimbursement Agreement"), by and among the City, the Authority, and the Bank, as credit enhancement and liquidity provider, which Reimbursement Agreement, among other matters, shall provide credit enhancement support for the payment of principal of and interest on the Bonds for the benefit of the owners of the Bonds (the "Owners") from time to time and liquidity support for the benefit of the Owners from time to time who tender their Bonds for purchase and which Bonds are unable to be remarketed by the Remarketing Agent; and

WHEREAS, the Bond Insurer and the Bank have required that certain provisions be included in the Reimbursement Agreement that require that certain corresponding amendments be made to the Original Trust Agreement and to the Bonds; and

WHEREAS, Section 6.01(a) of the Original Trust Agreement provides that the Original Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, the Prior Bank (so long as the Prior Bank is not in default under the Standby Bond Purchase Agreement), and Royal Bank of Canada (the "Swap Provider") (to the extent that any such amendment could in any way materially adversely affect the Swap Provider), and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then outstanding; and

WHEREAS, the Authority proposes, with the consent of the Owners, the Bond Insurer, the Prior Bank, and the Swap Provider to amend and revise the Original Trust Agreement by entering into an Amended and Restated Trust Agreement (as amended and restated, the "Trust Agreement"), by and among the City, the Authority, and the Trustee, amending and restating the Original Trust Agreement; and

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

WHEREAS, \$23,515,000 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 Chief Financial Officer of the City (the "Chief Financial Officer"), acting as the 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 Reimbursement Agreement;
- (2) the Indenture; 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 Trust Agreement 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 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 3. The Reimbursement 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 Reimbursement 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. The Controller is further authorized to extend the term of the Reimbursement Agreement from time to time in accordance with the provisions thereof without further action or approval by the Board.

SECTION 4. The Bonds, in an aggregate principal amount not to exceed \$23,515,000, designated "City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006," are authorized to be remarketed by the Remarketing Agent in accordance with the terms and provisions of 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 revised Bonds substantially in the form set forth in 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 5. 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 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 Trust Agreement, the Reimbursement 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 22nd day of July, 2008, 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:



James Cameron,
Controller