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Attention: Bruce J. Graham, Esq.

This Master Lease and Option to Purchase is recorded at the request of the City of Oxnard and is exempt from filing fees pursuant to Section 6103 of the California Government Code.

MASTER LEASE AND OPTION TO PURCHASE

Dated as of June 1, 2011

by and between

CITY OF OXNARD FINANCING AUTHORITY,
as Lessor

and

CITY OF OXNARD,
as Lessee

Relating to

[\$[PRINCIPAL AMOUNT]]
City of Oxnard Financing Authority
Lease Revenue Refunding Bonds
Series 2011

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MASTER LEASE AND OPTION TO PURCHASE

THIS MASTER LEASE AND OPTION TO PURCHASE, dated as of June 1, 2011 (this "Lease"), is by and between the CITY OF OXNARD FINANCING AUTHORITY (the "Authority"); a joint exercise of powers authority organized and existing under the laws of the State of California (the "State"), as lessor, and the CITY OF OXNARD (the "City"), a municipal corporation organized and existing under the Constitution and laws of the State, as lessee;

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority organized and existing pursuant to Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California to provide financial assistance to the City and has the authority to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (i.e., Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) (the "Act"); and

WHEREAS, the Authority issued, pursuant to a Trust Agreement, dated as of August 1, 2009 (the "2009 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, National Association, as trustee, \$20,005,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 (the "2009 Notes"), to finance the purchase by the City of approximately 14 acres of land at the northwest corner of Ventura Road and Vineyard Avenue adjacent to the City's River Ridge Golf Club to be used by the City for public recreational area purposes, as more particularly described in the 2009 Trust Agreement (the "2009 Project"); and

WHEREAS, the Authority issued, pursuant to a Trust Agreement, dated as of June 1, 2010 (the "2010 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, National Association, as trustee, \$20,520,000 in aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2010 (the "2010 Notes"), all of which are currently outstanding, to provide the Take-Out Moneys (as defined in the 2009 Trust Agreement) to pay the principal of and interest on the 2009 Notes at maturity in accordance with the terms of the 2009 Trust Agreement; and

WHEREAS, the Authority has determined to provide under that certain Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the Act for the issuance of its City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 (the "Bonds"), the proceeds of which will be used to finance the costs to (i) to provide the Take-Out Moneys (as defined in the 2010 Trust Agreement) to pay the principal of and interest on the 2010 Notes at maturity in accordance with the terms of the 2010 Trust Agreement, (ii) provide for the reserve fund with respect to the Bonds, and (iii) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the City will lease to the Authority, pursuant to that certain Property Lease, dated as of June 1, 2011 (the "Property Lease"), by and between the City, as lessor, and the Authority, as lessee, all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

WHEREAS, the Bonds will be secured by the payments to be made by the City pursuant to this Lease, pursuant to which the City will lease from the Authority all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A hereto; and

WHEREAS, the City and the Authority desire to enter into this Lease, pursuant to which the Authority will lease to the City, effective on the Closing Date, all Components of the Property; and

WHEREAS, the Base Rental to be paid by the City for the lease of the Property will be sufficient to provide the amount necessary to pay the principal of and the interest on the Bonds of the Authority; and

WHEREAS, each of the City and the Authority is authorized to enter into this Lease pursuant to the laws of the State; and

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and entering into of this Lease do exist, have happened, and have been performed in due time, form, and manner as required by law, and the parties hereto are duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Trust Agreement.

“Additional Rental” means the amounts specified as such in Section 3.1(b) hereof.

“Base Rental” means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, exclusive of Additional Rental.

“Component” means each Component of the Property as set forth in Exhibit A hereto, or any property substituted therefor pursuant to Section 7 hereof.

“Fiscal Year” means the fiscal year of the City, which at the date of this Lease is the period from July 1 to and including the following June 30.

“Lease” means this Master Lease and Option to Purchase, including any amendments or supplements hereto made or entered into in accordance with the terms hereof and of the Trust Agreement.

“Lease Term” means the term of this Lease, as provided in Section 2 hereof.

“Lease Year” means the period from the Closing Date through June 1, 2011, and thereafter the period from each June 2 to and including the following June 1, during the Lease Term.

“Permitted Encumbrances” means as of any particular time: (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the City may, pursuant to this Lease, permit to remain unpaid; (2) this Lease, as it may be amended from time to time; (3) the Property Lease, as it may be amended from time to time; (4) any right or claim of any mechanic, laborer, materialman, supplier, or vendor not filed or perfected in the manner prescribed by law; (5) easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions that exist of record as of the Closing Date and that the City certifies in writing on the Closing Date will not materially impair the use of the Sites; (6) easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions established following the Closing Date or existing on any real property substituted for the Sites, to which the Authority [and] the City [CONFIRM/REVISE GLOBALLY:] [and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] consent in writing and that the City certifies will not materially impair the use of the Sites or real property substituted for the Sites, as the case may be.

“Property” means, collectively, all Components, including all buildings and improvements thereon; the legal descriptions of which Components are described in Exhibit A hereto, or any property substituted therefor pursuant to Section 7 hereof, but excluding such Component of the Property for which a new Component has been substituted in accordance with Section 7 hereof.

“Property Lease” means that certain Property Lease, dated as of the date hereof, by and between the Authority and the City, including any amendments or supplements thereto made or entered into in accordance with the terms of the Trust Agreement and of the Property Lease.

“Site” means the real property underlying each of the Components.

“Trust Agreement” means that certain Trust Agreement, dated as of the date hereof, by and among the City, the Authority, and the Trustee, including any amendments or supplements thereto made or entered into in accordance with its terms.

“Trustee” means Wells Fargo Bank, National Association, a national banking association existing under the laws of the United States of America, and its successors or assigns, acting in its capacity as such under the Trust Agreement, or any successor appointed as therein provided.

Section 2. Lease Term; Transfer of Title to City. The Authority hereby subleases all Components of the Property to the City, and the City hereby subleases all Components of the Property from the Authority, and the City hereby agrees to pay the Base Rental and the Additional Rental as provided herein for the right to the use and possession of the Property, all on the terms and conditions set forth herein.

The term of this Lease shall begin on the Closing Date and end on the earliest of (a) June 1, 2036 (which is the final maturity date of the Bonds); provided that in the event the

principal of and interest on the Bonds and all other amounts payable hereunder and under the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due hereunder shall have been abated at any time as permitted by the terms of this Lease, then the term of this Lease shall be extended, except that the term shall in no event be extended beyond June 1, 2046, or (b) at such date as the Trust Agreement shall have been discharged in accordance with Section 10.01 of the Trust Agreement, or (c) the date of termination of this Lease due to condemnation in accordance with the terms of Section 6 hereof, or (d) the date on which (i) the City has exercised its right to purchase all the Components of the Property pursuant to Section 15 hereof and (ii) the Trust Agreement shall have been discharged in accordance with its terms, or (e) the date of termination of this Lease due to a redemption of all Outstanding Bonds pursuant to Section 4.01(c) of the Trust Agreement from moneys provided by the City in accordance with Section 7 hereof.

Pursuant to the exercise of the option to purchase the Property or any Component thereof pursuant to Section 15 hereof, and upon defeasance of the allocable portion of the Bonds related to such Component or Components of the Property in accordance with Section 10.01 of the Trust Agreement; title to the Component or Components of the Property that is purchased, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City, in accordance with the provisions of this Lease, free and clear of any interest of the Authority.

The City covenants that, on the Closing Date, the City shall be in possession of the Property.

Section 3. Rent.

3.1 Rental Payments. The City hereby agrees, subject to the terms hereof, to pay to the Authority, on a parity basis, the Base Rental and Additional Rental in an amount no greater than the aggregate fair rental value of all the Components of the Property in each Lease Year. For purposes of this Lease, the term "fair rental value" shall refer to the maximum amount of rental payments payable with respect to each Component that may be supported by the fair market value of such Component, as estimated by the City, initially, and thereafter as provided in this Lease. On the Closing Date, the City shall deliver a certificate to the Authority [the Bond Insurer,] and the Trustee that shall set forth the fair rental value of each Component of the Property. In satisfaction of its obligations hereunder, the City shall pay the Base Rental and Additional Rental in the amounts, at the times, and in the manner hereinafter set forth, such amounts constituting in the aggregate the rent payable under this Lease.

(a) **Base Rental.** The City agrees to pay, from legally available funds, aggregate Base Rental in the amounts set forth in Exhibit B hereto, a portion of which Base Rental constitutes principal payable with respect to the Bonds and a portion of which constitutes interest payable with respect to the Bonds, as determined in accordance with the terms of Exhibit B hereto. The Base Rental payable by the City shall be due five (5) Business Days prior to each Interest Payment Date during the Lease Term. Each Base Rental payment shall be with respect to the immediately preceding six month period.

To secure the performance of its obligation to pay Base Rental, the City shall deposit the Base Rental with the Trustee on or before the date on which such Base Rental is due, for

application by the Trustee in accordance with the terms of the Trust Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next succeeding Business Day. In no event shall the amount of Base Rental payable on any date exceed the aggregate amount of principal and interest required to be paid or prepaid on such date with respect to the Outstanding Bonds, according to their tenor.

The obligation of the City to pay Base Rental shall commence on the Closing Date, subject to any reductions or credits described in Section 3.4 hereof.

(b) Additional Rental. In addition to the Base Rental set forth herein, the City agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments, and gross receipts taxes, if any, levied upon the Property or upon any interest of the Authority, the Trustee, or the Owners therein or in this Lease;

(ii) On or before each Interest Payment Date, the City shall deposit or cause to be deposited, from its legally available funds, such amounts as are necessary to increase the amount on deposit in the Reserve Fund to an amount equal to the Reserve Requirement. Furthermore, in the event that the Trustee notifies the Authority or the City that the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall deposit or cause to be deposited, from its legally available funds, in the Reserve Fund such amounts as are necessary to increase the amount on deposit therein to the Reserve Requirement.

(iii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.3 hereof;

(iv) Any rebate amounts required to be paid to the United States Treasury;

(v) All fees, costs, and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Bonds) of the Trustee and any paying agent in connection with the Trust Agreement;

(vi) [All fees, costs, expenses, and other amounts due to the Bond Insurer hereunder and under the Trust Agreement;]

(vii) All amounts required to be paid by the Authority, other than from Pledged Assets, under the Trust Agreement; and

(viii) Any other fees, costs, or expenses incurred by the Authority [, the Bond Insurer,] or the Trustee in connection with the execution, performance, or enforcement of this Lease or any assignment hereof or of the Trust Agreement or any of the transactions contemplated hereby or thereby or related to the Property.

Amounts constituting Additional Rental payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or, in any other case, within thirty (30) days after notice in writing from the Trustee or the Authority to the City stating the amount of Additional Rental then due and payable and the purpose thereof.

3.2 Consideration. The payments of Base Rental and Additional Rental under this Lease for each Fiscal Year or portion thereof during the Lease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the City for and in consideration of the right to the use and possession of the Property by the City for and during such Fiscal Year or portion thereof; provided that, the Base Rental and Additional Rental payments shall be subject to abatement as provided in Section 3.5 hereof during any period in which by reason of damage, destruction, or taking by eminent domain or condemnation of, or defects in the title with respect to, the Property or any portion thereof, there is substantial interference with the use and possession by the City of all or a portion of the Components comprising the Property. The parties hereto have agreed and determined that such total rental is not in excess of the total fair rental value of the Property. In making such determination, consideration has been given to the uses and purposes served by the Property and the benefits therefrom that will accrue to the parties by reason of this Lease and to the general public by reason of the City's right to the use of the Property.

3.3 Budget. The City hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder as a separate line item in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject to Section 3.5 hereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in this Lease. The obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental or Additional Rental payments constitutes an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

3.4 Payment; Credit. Amounts necessary to pay Base Rental shall be deposited by the City on the dates set forth in Section 3.1(a) hereof in lawful money of the United States of America, at the Principal Office of the Trustee, or at such other place or places as may be established in accordance with the Trust Agreement. Any amount necessary to pay any Base Rental or portion thereof that is not so deposited shall remain due and payable until received by the Trustee and shall continue to bear interest at the rate or rates applicable thereto from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the City and the Authority hereunder, the City shall make all Base Rental and Additional Rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. The City's obligation to make Base Rental and Additional Rental payments in the

amount and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of Section 3.5 hereof. Amounts required to be deposited with the Trustee pursuant to this Section 3.4 on any date shall be reduced to the extent of amounts on deposit on such date in the Debt Service Fund held by the Trustee under the Trust Agreement and that are available to pay Base Rental on the applicable Interest Payment Date, except for amounts being held therein for the payment of Bonds that have matured or been called but have not been surrendered for payment.

3.5 Rental Abatement. Except to the extent of amounts available to the City for payments hereunder (including amounts on deposit in the Reserve Fund and the proceeds of condemnation awards, casualty, title, or rental interruption insurance), during any period in which, by reason of material damage or destruction, there is substantial interference with the right to the use and occupancy by the City of any Component of the Property, or in accordance with the provisions of the last paragraph of Section 7 hereof, Base Rental and Additional Rental payments due hereunder shall be abated proportionately, and the City waives the benefits of California Civil Code Sections 1932(1), 1932(2), and 1933(4) and any and all other rights to terminate this Lease by virtue of any such interference and this Lease shall continue in full force and effect. The amount of such abatement shall be agreed upon by the City and the Trustee, subject to Section 3.2 hereof. The City and the Authority shall calculate such abatement and shall provide the Trustee [and the Bond Insurer] with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period commencing with the date of such damage or destruction and ending with the substantial completion of the work of repair or replacement of the Component of the Property so damaged or destroyed; and the term of this Lease shall be extended as provided in Section 2 hereof, except that the term shall in no event be extended beyond the maximum term provided in this Lease. Notwithstanding the immediately preceding sentence, any abatement in connection with a redemption of Bonds in part as described in Section 7 hereof shall be permanent throughout the remaining term of this Lease.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental or Additional Rental in any of the funds and accounts established under the Trust Agreement, such rental payments shall not be abated as provided above but, rather, shall be payable by the City as a special obligation payable solely from said funds and account.

If an event of abatement shall occur during the term of this Lease, upon cessation of the event of abatement, the Property, or any portion thereof, subject to abatement shall be appraised to determine its current fair rental value. If such value has increased since the Closing Date, Base Rental and Additional Rental payments shall be increased for the remaining term to reflect such increase so that the abated Base Rental and Additional Rental payments are fully paid.

3.6 Triple Net Lease. This Lease is intended to be a triple net lease. The City agrees that the Base Rental and Additional Rental provided for herein shall be an absolute net return to the Authority free and clear of any expenses, charges, or setoffs whatsoever, except as provided in Sections 3.2 and 3.5 of this Lease.

Section 4. Affirmative Covenants of the Authority and the City. The Authority and the City are entering into this Lease in consideration of, among other things, the following covenants:

4.1 Maintenance and Ordinary Repairs. The City shall, at its own expense, during the Lease Term, maintain the Property, or cause the same to be maintained, in good order, condition, and repair and shall repair or replace any portion of the Property resulting from ordinary wear and tear and want of care on the part of the City or any sublessee thereof. The City shall provide or cause to be provided all security service, custodial service, janitorial service, and other services necessary for the proper upkeep and maintenance of the Property. It is understood and agreed that in consideration of the payment by the City of the rental payments herein provided for, the City is entitled to the right of possession of the Property and the Authority shall have no obligation to incur any expense of any kind or character in connection with the management, operation, or maintenance of the Property during the Lease Term. The Authority shall not be required at any time to make any improvements, alterations, changes, additions, repairs, or replacements of any nature whatsoever in or to the Property. The City hereby expressly waives the right to make repairs or to perform maintenance of the Property at the expense of the Authority and (to the extent permitted by law) waives the benefit of Sections 1932, 1941, and 1942 of the California Civil Code relating thereto. The City shall keep the Property free and clear of all liens, charges, and encumbrances other than Permitted Encumbrances and those encumbrances existing on or prior to the Closing Date or on or prior to the date any property is substituted for any of the Property pursuant to Section 7 hereof and covered by the exceptions and exclusions set forth in the title policies delivered pursuant to Section 4.3 hereof, and any liens of mechanics, materialmen, suppliers, vendors, or other persons or entities for work or services performed or materials furnished in connection with the Property that are not due and payable or the amount, validity, or application of which is being contested in accordance with Section 4.4 hereof as expressly approved by the City [, the Bond Insurer,] and the Authority prior to the Closing Date, subject only to the provisions of Section 4.2 hereof.

4.2 Taxes, Other Governmental Charges, and Utility Charges. The Authority and the City contemplate that the Property will be used for a governmental or proprietary purpose of the City and, therefore, that the Property will be exempt from all taxes presently assessed and levied with respect to the Property. Nevertheless, the City hereby agrees to pay during the Lease Term, as the same respectively become due, all taxes (except for income or franchise taxes of the Authority), utility charges, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Property; provided, however, that, with respect to any governmental charges that may lawfully be made in installments over a period of years, the City shall be obliged to pay only such installments as are accrued during such time as this Lease is in effect; and, provided further, that the City may contest in good faith the validity or application of any tax, utility charge, or governmental charge in any reasonable manner that does not adversely affect the right, title, and interest of the Authority in and to any portion of the Property or its rights or interests under this Lease or subject any portion of the Property to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under Section 3.1(b) hereof and shall be payable directly to the entity assessing such taxes or charges.

4.3 Insurance. The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance (which shall be deemed for purposes hereof to include risk sharing pools) to the extent specifically permitted in this Section 4.3, all insurance coverage on the Property required by this Section 4.3. Such insurance or self insurance shall consist of:

(1) A policy or policies of insurance (excluding earthquake and flood insurance) against loss or damage to the Property known as "all risk." Such insurance shall be provided by an insurer rated no less than "A" by A. M. Best [or as otherwise approved by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] and shall be maintained at all times in an amount not less than the greater of the full replacement value of the Property or the aggregate principal amount of Bonds at such time Outstanding;

(2) General liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Property. Such insurance shall afford protection with a combined single limit of not less than \$2,000,000 per occurrence with respect to bodily injury, death, or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose; provided, however, that the City's obligations under this clause (2) may be satisfied by self-insurance;

(3) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover liability for compensation under any such act; provided, however, that the City's obligations under this clause (3) may be satisfied by self insurance;

(4) Rental interruption insurance to cover loss, total or partial, of the use of any Component of the Property as a result of any of the hazards covered by the insurance required pursuant to clause (1) above, covering a period of twenty-four (24) months, in an amount equal to the product obtained by multiplying the maximum annual Base Rental payments coming due and payable by 2.0.

(5) A CLTA policy or policies of title insurance for the Property in an amount not less than the initial aggregate principal amount of the Bonds. Such policy or policies of title insurance shall show fee simple title to the Property in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances as will not, in the opinion of the Authority [and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy], materially adversely affect the use and possession of the Property and will not result in the abatement of Base Rental payable by the City hereunder.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to the Trustee. The City shall deliver to the Trustee [and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] on the Closing Date and on or prior to July 1 of each year thereafter a certificate signed by a duly authorized City Representative stating whether the City is in compliance with the requirements of this Section and, in the event it is not in compliance, specifying the nature of the

noncompliance, and what action the City is taking to remedy such noncompliance. [The City shall further provide the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, with copies of such insurance policies upon request.]

All policies or certificates of insurance held by the City provided for herein shall name the City as a named insured, and the policies and certificates described in clauses (1) and (4) above shall name (in addition to the City) the Authority and the Trustee as additional insureds. All proceeds of insurance maintained under clauses (1), (4), and (5) above shall be deposited with the Trustee for application pursuant to the Trust Agreement. All proceeds of insurance maintained under clauses (2) and (3) shall be deposited with the City. [None of the City, the Authority, or the Trustee shall settle claims under any of the insurance policies required under this Section 4.3 without the consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.]

Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers on the open market.

All permitted self-insurance shall be biannually reviewed by the Chief Financial Officer, who shall provide the Trustee a report as to the sufficiency thereof.

4.4 Liens. The City shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies, or equipment alleged to have been furnished or to be furnished to, for, in, upon, or about the Property and that may be secured by any mechanic's, materialman's, or other lien against the Property, or the interest of the Authority therein, and shall cause each such lien to be fully discharged and released; provided, however, that the City or the Authority, in good faith, (i) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the City shall forthwith pay and discharge such judgment or lien, or (ii) may delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture.

4.5 Laws and Ordinances. The City shall observe and comply with all rules, regulations, and laws applicable to the City with respect to the Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the City, and the Authority shall not be liable therefor. The City shall place, keep, use, maintain, and operate the Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees, and the public.

4.6 Flood Plain. The City covenants that no Component of the Property is located in a 100 year flood plain.

Section 5. Application of Insurance Proceeds.

(a) **General.** Proceeds of insurance received in respect of destruction of or damage to any portion of the Property by fire or other casualty or event (excluding earthquake or flood) shall be paid to the Trustee for application in accordance with the provisions of Section 3.09 of the Trust Agreement. If there is an abatement of rental payments pursuant to Section 3.5 hereof as a result of such casualty or event, and the City [, with the consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] elects pursuant to Section 3.09 of the Trust Agreement to apply such insurance to the redemption of Bonds rather than to the replacement or repair of the destroyed or damaged portion of the Property, then the Base Rental, with respect to the applicable Component or Components, shall be adjusted in accordance with such redemption of Bonds. If the City [, with the consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] elects pursuant to Section 3.09 of the Trust Agreement to apply such proceeds to the repair or replacement of the portion of the Property that has been damaged or destroyed, in the event there has been an abatement of rental payments pursuant to Section 3.5 hereof, then rental payments shall again begin to accrue with respect thereto upon restoration of the City to its right to the use and possession of such portion of the Property.

(b) **Title Insurance.** Proceeds of title insurance received with respect to the Property shall be paid to the Trustee for application in accordance with the provisions of Section 3.10 of the Trust Agreement.

Section 6. Eminent Domain.

6.1 Total Condemnation. If the Property, or so much thereof as to render the remainder of the Property unusable for the City's purposes under this Lease, shall be taken under the power of eminent domain, then this Lease shall terminate as of the day possession shall be so taken.

6.2 Partial Condemnation. If less than a substantial portion of the Property shall be taken under the power of eminent domain, and the remainder is useable for the City's purposes, then this Lease shall continue in full force and effect as to the remaining portions of the Property, subject only to such rental abatement as is required by Section 3.5 hereof. The City and the Authority hereby waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of Section 3.09 of the Trust Agreement. If the City [, with the consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] elects pursuant to Section 3.09 of the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of the Property (in the event there has been an abatement of rental payments pursuant to Section 3.5 hereof), then rental payments shall again begin to accrue with respect the replacement portion of the Property upon restoration of the City to its right to use and possess such replacement portion of the Property.

Section 7. Assignment and Lease. The City shall not sell, mortgage, pledge, assign, or transfer any interest of the City in this Lease by voluntary act or by operation of law, or otherwise; provided, however, that the City may [, with the prior written consent or at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment

obligations under the Bond Insurance Policy,] sublease all or any portion of the Property and may grant concessions to others involving the use of any portion of the Property, whether such concessions purport to convey a subleasehold interest or a license to use a portion of the Property; provided, however, that such sublease or grant shall be subject to the terms hereof. The City shall at all times remain primarily liable for the performance of the covenants and conditions on its part to be performed under this Lease, notwithstanding any subletting or granting of concessions that may be made. Nothing herein contained shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental as provided in this Lease or to relieve the City from any other obligations contained herein. In no event shall the City sublease to or permit the use of all or any part of the Property by any person so as to adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The Authority shall, concurrently with the execution hereof, assign all of its right, title, and interest in and to this Lease (except for its right to payment of its expenses under Section 3.1(b) hereof, its right to indemnification pursuant to Section 11 hereof, and its right to receive certain notices under Section 16 hereof), including without limitation its right to receive Base Rental payable hereunder, to the Trustee pursuant to the Trust Agreement, and the City hereby consents to and approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

Notwithstanding the foregoing, if no default or event of default has occurred and is continuing hereunder, the City may [, 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,] acquire from the Authority, free and clear of the Authority's rights under this Lease, any Component upon substituting therefor, and subjecting to the terms of this Lease, another Component that has an annual fair rental value at least equal to one hundred percent (100%) of the maximum amount of Base Rental payments with respect to the Component being replaced becoming due in the then current Lease Year or in any subsequent Lease Year and a remaining useful life that is at least equal to the remaining term of this Lease. As soon as practicable after the Authority has received from the City (i) a written notice of the City's intention to substitute for any Component and subject to the terms of this Lease a new Component, (ii) a certificate of a City Representative that the total annual fair rental value of the new Component is at least equal to one hundred percent (100%) of the maximum amount of Base Rental payments with respect to the Component being replaced becoming due in the then current Lease Year or in any subsequent Lease Year, (iii) evidence that an amendment to this Lease reflecting a new Component description has been recorded in the Office of the Recorder of the County of Ventura, (iv) a CLTA policy or policies of title insurance for the new Component in an amount not less than the aggregate principal amount of Outstanding Bonds to be secured by Base Rental payments made with respect to the new Component (such policy or policies of title insurance shall show fee simple title to the new Component in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances that will not, in the opinion of the Authority, materially adversely affect the use and possession of the new Component and will not result in the abatement of Base Rental payable by the City hereunder), [and] (v) an opinion of Independent Counsel to the effect that such substitution will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, [and] (vi) 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, to such substitution,] the Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority's right, title, and interest in the Component for which substitution was sought. In no event shall the Authority transfer title to the Component to the City if any amounts are then due to the Authority [, the Bond Insurer,] or the Trustee pursuant to the terms of this Lease or the Trust Agreement.

Nothing herein shall prohibit the City at any time during the term of this Lease from selling, leasing, or otherwise transferring all or any portion of the 2009 Project that does not constitute a Component of the Property to any nongovernmental persons or permitting any use of all or any portion of the 2009 Project that does not constitute a Component of the Property in the trade or business of any nongovernmental persons. Notwithstanding anything in this Lease to the contrary, nothing herein shall prohibit the City at any time during the term of this Lease from selling, leasing, or otherwise transferring all or any portion of the portion of the 2009 Project constituting a Component of the Property to any nongovernmental persons or permitting any use of all or any portion of the portion of the 2009 Project constituting a Component of the Property in the trade or business of any nongovernmental persons. In connection with any such sale, lease, or transfer or nongovernmental use of any portion of the 2009 Project (including, without limitation, the portion of the 2009 Project constituting a Component of the Property), however, all or a portion of the Bonds, in an amount determined as necessary by the City after consultation with Bond Counsel in order to maintain the exclusion from gross income of interest on the Bonds, shall be redeemed pursuant to Section 4.01(c) of the Trust Agreement. In connection with any redemption of Bonds in part pursuant to Section 4.01(c) of the Trust Agreement, Base Rental and Additional Rental payments due hereunder shall be permanently abated in accordance with Section 3.5 hereof and the City shall acquire from the Authority, free and clear of the Authority's rights under this Lease, the Component of the Property comprising a portion of the 2009 Project. If necessary, a new Component shall be substituted, in accordance with the immediately preceding paragraph of this Section 7, for the portion of the 2009 Project constituting a Component of the Property so acquired by the City; provided, however, that the required amount of the fair rental value of any such new Component shall take into account the fair rental value of all other remaining Components of the Property and be based upon the amount of Base Rental and Additional Rental payments, as abated after the redemption of Bonds in part pursuant to Section 4.01(c) of the Trust Agreement. In connection with any redemption of Bonds in whole pursuant to Section 4.01(c) of the Trust Agreement, this Lease shall terminate as described in Section 2 hereof and the City shall acquire from the Authority, free and clear of the Authority's rights under this Lease, the Component of the Property comprising a portion of the 2009 Project. The City shall transfer to the Trustee for deposit into the Debt Service Fund held by the Trustee under the Trust Agreement all legally available funds necessary to effectuate any redemption of Bonds in whole or in part pursuant to Section 4.01(c) of the Trust Agreement.

Section 8. Additions and Improvements; Removal. The City shall have the right during the Lease Term to make any additions or improvements to any Component, to attach fixtures, structures, or signs, and to affix any personal property to any Component, so long as the fair rental value of the Component is not thereby reduced. Title to all equipment or personal property placed by the City on any Component shall remain in the City; provided, however title to additions, improvements, and fixtures shall be subject to the provisions of this Lease and the Property Lease. Title to any personal property or equipment placed on any Component by any

sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City, which sublease or license agreement shall not be inconsistent with this Lease. The City shall not remove or cause to be removed any equipment or personal property that may cause damage to the applicable Component or Components.

Section 9. Right of Entry. Representatives of the Authority shall, subject to reasonable security precautions, have the right to enter upon any Component during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Authority under this Lease or the Trust Agreement, or (iii) for all other lawful purposes.

Section 10. Quiet Enjoyment. The Authority covenants and agrees that the City, so long as no event of default has occurred or is continuing hereunder, shall, at all times during the Lease Term, peaceably and quietly have, hold, and enjoy the Property.

Section 11. Indemnification and Hold Harmless Agreement. To the extent permitted by law, the City hereby agrees to indemnify and hold the Authority and its officers and directors harmless against any and all liabilities that might arise out of or are related to the Property or any portion thereof and the Bonds, and the City further agrees to defend the Authority and its officers and directors in any action arising out of or related to the Property or any portion thereof and the Bonds.

Section 12. Default by City.

(a) **Events of Default.** If (i) the City shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 3.1(a) hereof by the close of business on the day such deposit is due and payable; (ii) the City shall fail to pay any item of Additional Rental as and when the same shall become due and payable pursuant to Section 3.1(b) hereof; (iii) the City shall breach any other terms, covenants, or conditions contained herein or in the Trust Agreement, and shall fail to remedy any such breach with all reasonable dispatch within a period of thirty (30) days after written notice thereof shall have been given to the City from the Authority [, the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] or the Trustee, or, if such breach cannot be remedied within such 30-day period, the City shall fail to institute corrective action within such 30-day period and diligently pursue the same to completion (provided that in the event such breach as provided in clause (iii) hereof is not cured within sixty (60) days, the City shall [obtain 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, to, and thereafter the City shall] pursue the same to completion beyond the grace period provided in this paragraph (a)); or (iv) the City shall file a case in bankruptcy, or any right or interest of the City under this Lease shall be subjected to any execution, garnishment, or attachment, or the City shall be adjudicated as bankrupt, or any assignment shall be made by the City for the benefit of creditors, or the City shall enter into an agreement of composition with creditors, or a court of competent jurisdiction shall approve of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act that may hereafter be enacted, then and in any such event the City shall be deemed to be in default hereunder.

(b) Remedies on Default. Upon any such default, the Authority, and the Trustee, as its assignee, in addition to all other rights and remedies either may have at law, may [, 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 shall, at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy]:

(i) terminate this Lease in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (ii) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place located within the geographical boundaries of the City, for the account of and at the expense of the City. In the event of such termination, the City shall surrender immediately possession of the Property, without let or hindrance, and shall pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions hereof. Neither notice to pay rent or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Lease shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease. The City covenants and agrees that no surrender of the Property or of the remainder of the Lease Term or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(ii) Without terminating this Lease, (A) collect each installment of Base Rental and Additional Rental as it becomes due and enforce any other terms or provisions hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Property or (B) exercise any and all rights of entry and re-entry upon the Property. In the event the Authority does not elect to terminate this Lease in the manner provided for in subparagraph (i) above, the City shall remain liable and shall keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Property is not re-let, to pay the full amount of the rent to the end of the Lease Term or, in the event that the Property is re-let, to pay any deficiency in rent that results therefrom; and the City shall pay said rent or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder, notwithstanding that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or

otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Property, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place located within the geographical boundaries of the City, for the account of and at the expense of the City, and the City hereby indemnifies and agrees to save harmless the Authority from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions hereof. The City agrees that the terms of this Lease constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Lease, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City, the right to terminate this Lease shall vest in the Authority, to be effected in the sole and exclusive manner provided for in subparagraph (i) above. The City further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Property. The City further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City hereby waives any and all claims for damages caused or that may be caused by the Authority in reentering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Property.

(c) In addition to the other remedies set forth in this Section 12, upon the occurrence of an event of default as described in this Section 12, the Authority and the Trustee, as its assignee, shall be entitled [, 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,] to proceed to protect and enforce the rights vested in the Authority and its assignee by this Lease or by law. The provisions of this Lease and the duties of the City and of its council members, officers, or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority and its assignee may [, 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 shall, at the direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy,] bring the following actions:

(1) Accounting. By action or suit in equity to require the City and its council members, officers, and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the rights of the Authority or its assignee.

(3) Mandamus. By mandamus or other suit, action, or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City (and its council members, officers, and employees) and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the Authority as provided herein.

[Notwithstanding anything to the contrary contained in this Lease, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, no remedy shall be exercised hereunder without the prior written consent of the Bond Insurer and the Bond Insurer shall have the right to direct the exercise of any remedy hereunder.]

(d) The termination of this Lease by the Authority and its assignees on account of a default by the City under this Section 12 shall not affect or result in a termination of the lease of the Property by the City to the Authority pursuant to the Property Lease.

Each and every remedy of the Authority or any assignee of the rights of the Authority hereunder is cumulative and the exercise of one remedy shall not impair the right of the Authority or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Authority or any assignee of the rights of the Authority hereunder, the Authority or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Authority pursuant to this Section 12 shall be applied in the manner set forth in Section 8.08 of the Trust Agreement.

Notwithstanding anything to the contrary contained in this Lease, in no event shall the Authority re-let the Property or any Component thereof to any lessee that is not itself a governmental entity without first obtaining an opinion of Independent Counsel to the effect that such re-letting will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 13. Waiver. The waiver by the Authority of any breach by the City, and the waiver by the City of any breach by the Authority, of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

Section 14. Disclaimer of Warranties. NEITHER THE AUTHORITY NOR ANY PERSON ACTING ON ITS BEHALF HAS MADE OR MAKES ANY WARRANTY OR REPRESENTATION AS TO THE PAST, PRESENT, OR FUTURE CONDITION OF THE PROPERTY NOT HEREIN EXPRESSED, AND THE CITY HAS ENTERED INTO THIS

LEASE WITHOUT REPRESENTATIONS OR WARRANTIES WITH RESPECT THERETO ON THE PART OF THE AUTHORITY, ITS AGENTS, REPRESENTATIVES, OR EMPLOYEES.

Section 15. Option to Purchase. The City shall have the exclusive right and option, which shall be irrevocable during the Lease Term, to purchase all of the Authority's right, title, and interest in the Property or any Component thereof on any Business Day, upon payment of the respective option price for the Property or such Component thereof, as further described below, but only if the City is not in default under this Lease or the Trust Agreement and only in the manner provided in this Section 15.

The option price for each Component in any Lease Year shall be an amount equal to the redemption price of Outstanding Bonds, including redemption premium, if any, as set forth in Section 4.01(a) of the Trust Agreement, in the principal amount equal to the principal components of the Base Rental payments remaining, as of the date such option will be exercised, with respect to such Component, plus the applicable prepayment premium, if any, as set forth in Section 4.01(a) of the Trust Agreement, plus accrued interest to the date of redemption of the Bonds to be redeemed. Such option price is intended to represent the then fair value of such Component.

If the Business Day on which the City intends to exercise its option hereunder is, in accordance with the terms of Section 4.01(a) of the Trust Agreement, a date on which the Bonds are subject to optional redemption, then the City shall exercise its option to purchase by giving notice to the Trustee of its intention to exercise its option hereunder not less than forty-five (45) days prior to the Business Day on which it intends to exercise its option hereunder and shall arrange for the deposit with the Trustee by the date on which it intends to exercise its option to purchase hereunder an amount equal to the option price.

If the Business Day on which the City intends to exercise its option hereunder is not a date on which the Bonds are subject to optional redemption pursuant to the terms of Section 4.01(a) of the Trust Agreement, the City shall exercise its option to purchase by giving notice thereof to the Trustee not later than ten (10) days prior to the Business Day on which it desires to purchase the Authority's right, title, and interest in a Component and the option price shall be payable in installments. Each such installment (a) shall be payable at each time at which a payment of Base Rental would have been payable had such option not been exercised until the due date of the final installment referred to in the proviso set forth below in this paragraph, and (b) shall equal the principal component and the interest component of each Base Rental payment referred to in clause (a) above; provided, however, that the final installment shall be payable on the first date on which Bonds are subject to optional redemption pursuant to the terms of Section 4.01(a) of the Trust Agreement and shall be in an amount equal to the option price on such date for that Component. Each such installment shall bear interest until paid at a rate equal to the rate that would have been payable with respect to the payments of Base Rental referred to in clause (a) above. In order to secure its obligations to pay the installments referred to above, and to cause the defeasance of the allocable portion of the Bonds relating to such Component, the City, concurrently with the exercise of its option hereunder, shall satisfy the provisions in Section 10.01 of the Trust Agreement, including the deposit of amounts that will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay the installments (including all principal and interest) and the option price referred to above at the

times at which such installments and the option price are required to be paid. Such deposit shall be in addition to the Base Rental due on such date.

On any Business Day as to which the City shall properly have exercised the option granted it pursuant hereto with respect to a Component and shall have paid or made provision (as set forth in the preceding paragraphs) for the payment of the required option price and provided for the defeasance of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of Section 10.01 of the Trust Agreement or shall have caused the redemption of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of Section 4.01(a) of the Trust Agreement, as applicable, the Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority's right, title, and interest in that Component. If (A) the City shall (i) properly exercise the option provided in this Section 15 prior to the expiration of the Lease Term and (ii) provide for the defeasance of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of Section 10.01 of the Trust Agreement or shall have caused the redemption of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of Section 4.01(a) of the Trust Agreement, as applicable, and (B) the Authority shall execute and deliver the quitclaim deed to the Component as aforesaid, then this Lease shall terminate with respect to that Component, but such termination shall not affect the City's obligation to pay the option price on the terms herein set forth and shall not affect the City's obligation to pay Base Rental and Additional Rental with respect to any other Component.

Section 16. Notices. All notices, requests, demands, and other communications under this Lease by any person shall be in writing (unless otherwise specified herein) and shall be given, at the times, in the forms, via the delivery methods, to the parties, and at the addresses, and otherwise as set forth in and in accordance with, Section 10.03 of the Trust Agreement.

Section 17. Validity. If any one or more of the terms, provisions, promises, covenants, or conditions of this Lease shall to any extent be adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants, and conditions of this Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants and agreements of the City hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full term of the Lease Term, then and in such event for and in consideration of the right of the City to possess, occupy, and use the Property, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the City.

Section 18. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same agreement.

Section 19. Law Governing. This Lease is made in the State under the Constitution and laws of the State and is to be construed in accordance with the laws of the State.

Section 20. Amendment. This Lease may be amended only in accordance with and as permitted by the terms of Section 6.02 of the Trust Agreement.

Section 21. Excess Payments. Notwithstanding anything contained herein or in the Trust Agreement to the contrary, if for any reason, including but not limited to damage, destruction, condemnation, transfer, sale, or disposition, the City or the Trustee receives payments, proceeds, or awards with respect to the Property in excess of the amounts necessary to pay or prepay or provide in accordance with the Trust Agreement for the payment or redemption of all of the Outstanding Bonds and all other amounts due under this Lease and under the Trust Agreement, such excess shall represent the City's equity interest in the Property and shall all be paid to the City.

Section 22. No Merger. If both the Authority's and the City's estate under this Lease or any other lease relating to the Property or any Component thereof shall at any time by any reason become vested in one owner, this Lease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the City [, 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,] so elects as evidenced by recording a written declaration so stating; and, unless and until the City [, 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,] so elects, the City shall continue to have and enjoy all of its rights and privileges as to the separate estates.

Section 23. Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property leased hereby or intended to be so leased or for otherwise carrying out the express intention of the Lease.

Section 24. Third-Party Beneficiary. [To the extent that this Lease confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Lease, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given, or granted hereunder.]

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

IN WITNESS WHEREOF, the parties hereto have executed and attested this Lease by their officers thereunto duly authorized as of the day and year first above written.

CITY OF OXNARD

By: _____
Dr. Thomas E. Holden, Mayor

Attest:

Daniel Martinez, City Clerk

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Dr. Thomas E. Holden, Chairman

Attest:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

Alan Holmberg, City Attorney and
Authority General Counsel

APPROVED AS TO CONTENT:

James Cameron, City Chief Financial Officer and
Authority Controller

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Master Lease and Option to Purchase is hereby accepted by order of the City Council of the City of Oxnard adopted on May 17, 2011, and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: June __, 2011

CITY OF OXNARD

By: _____

Dr. Thomas E. Holden, Mayor

ACKNOWLEDGMENT

State of California

County of _____

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

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California

County of _____

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

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

State of California

County of _____

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

personally appeared _____

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California

County of _____

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

personally appeared _____

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

State of California

County of _____

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

personally appeared _____,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

Legal Descriptions of Three Original Components of the Property

EXHIBIT B-1

Base Rental With Respect to Component 1

[DESCRIBE COMPONENT 1]

Five Business Days Prior To:	Principal	Interest	Total
December 1, 2011		\$ _____	\$ _____
June 1, 2012	\$ _____		
December 1, 2012			
June 1, 2013			
December 1, 2013			
June 1, 2014			
December 1, 2014			
June 1, 2015			
December 1, 2015			
June 1, 2016			
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June 1, 2030			
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June 1, 2031			
December 1, 2031			
June 1, 2032			
December 1, 2032			
June 1, 2033			
December 1, 2033			
June 1, 2034			
December 1, 2034			
June 1, 2035			
December 1, 2035			
June 1, 2036			
Total			

EXHIBIT B-2

Base Rental With Respect to Component 2

[DESCRIBE COMPONENT 2]

Five Business Days Prior To:	Principal	Interest	Total
December 1, 2011		\$ _____	\$ _____
June 1, 2012	\$ _____		
December 1, 2012			
June 1, 2013			
December 1, 2013			
June 1, 2014			
December 1, 2014			
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June 1, 2032			
December 1, 2032			
June 1, 2033			
December 1, 2033			
June 1, 2034			
December 1, 2034			
June 1, 2035			
December 1, 2035			
June 1, 2036			
Total			

EXHIBIT B-3

Aggregate Base Rental for All Components of the Property

Five Business Days Prior To:	Principal	Interest	Total
December 1, 2011		\$ _____	\$ _____
June 1, 2012	\$ _____		
December 1, 2012			
June 1, 2013			
December 1, 2013			
June 1, 2014			
December 1, 2014			
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December 1, 2032			
June 1, 2033			
December 1, 2033			
June 1, 2034			
December 1, 2034			
June 1, 2035			
December 1, 2035			
June 1, 2036			
Total			