

In the opinion of Goodwin Procter LLP, Los Angeles, California, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, compliance with certain covenants and requirements described herein, interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes. In addition, pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Notes is not included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "TAX MATTERS."

\$21,000,000*

**CITY OF OXNARD FINANCING AUTHORITY
BOND ANTICIPATION NOTES
SERIES 2009**

Dated: Date of Delivery**Due: September 1, 2010**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 (the "Notes"), are being issued in the aggregate principal amount of \$21,000,000 by the City of Oxnard Financing Authority (the "Authority"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985, Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, and the provisions of a Trust Agreement, dated as of August 1, 2009 (the "Trust Agreement"), by and among the Authority, the City of Oxnard, California (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Notes are being issued in anticipation of, and are intended to be paid from, the Take-Out Moneys (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" and "RISK FACTORS."

The proceeds from the sale of the Notes will be used (i) to assist the City in the financing of the purchase of certain land to be used by the City for public recreational area purposes, as more particularly described herein, and (ii) to pay certain costs of issuing the Notes. See "THE NOTES - Estimated Sources and Uses of Note Proceeds" and "THE PROJECT."

The Notes will be delivered as fully registered notes without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes purchased. See "THE NOTES - Book-Entry Only System."

Payments of interest on the Notes will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent disbursement to beneficial owners of the Notes as described herein. Interest on the Notes is payable at maturity thereof. Principal of each Note will be paid upon surrender of such Note at the principal corporate office of the Trustee upon the maturity thereof.

Interest RateYieldCUSIP⁽¹⁾ No.

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The Notes are not subject to redemption prior to maturity. See "THE NOTES - No Early Redemption."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE NOTES. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TAKE-OUT MONEYS, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE NEITHER GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE AUTHORITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE EXCLUSIVELY FROM TAKE-OUT MONEYS. AS PROVIDED IN THE TRUST AGREEMENT AND AS MORE FULLY DESCRIBED HEREIN. THE AUTHORITY IS NOT REQUIRED TO ADVANCE ANY MONEYS DERIVED FROM ANY SOURCE OTHER THAN THE TAKE-OUT MONEYS FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES.

Investment in the Notes involves risks that may not be appropriate for some investors. See "RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Notes.

The Notes are offered when, as, and if delivered to and received by the Underwriter, subject to the approval of legality by Goodwin Procter LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney and by Disclosure Counsel, Goodwin Procter LLP, Los Angeles, California. It is anticipated that the Notes in book-entry form will be available for delivery to DTC in New York, New York on or about August __, 2009.

E. J. De La Rosa & Co., Inc.

Dated: _____, 2009.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to change without notice. The Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall it be relied upon as a basis for any investment decision. These securities may not be sold nor may offers to buy be accepted in any jurisdiction where the securities laws of that jurisdiction prohibit such sale or offer.

No dealer, broker, salesperson or other person has been authorized by the Authority, the City, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Notes. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from the Authority, the City, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Authority or the City. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE NOTES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY OF OXNARD, CALIFORNIA

MAYOR AND CITY COUNCIL

Dr. Thomas E. Holden, *Mayor*
Andres Herrera, *Mayor Pro Tem*
Dean Maulhardt, *Councilmember*
Dr. Irene G. Pinkard, *Councilwoman*
Bryan A. MacDonald, *Councilman*

GOVERNING BOARD OF THE AUTHORITY

Dr. Thomas E. Holden, *Chairman*
Andres Herrera, *Vice Chairman*
Dean Maulhardt, *Board Member*
Dr. Irene G. Pinkard, *Board Member*
Bryan A. MacDonald, *Board Member*

CITY OFFICIALS

Edmund F. Sotelo, *City Manager*
Karen R. Burnham, *Assistant City Manager*
Alan Holmberg, *City Attorney*
Daniel Martinez, *City Clerk*
Danielle Navas, *City Treasurer*
James Cameron, *Chief Financial Officer*
Michael J. More, *Financial Services Manager*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel
Goodwin Procter LLP
Los Angeles, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	6
General.....	6
Authorization.....	6
Purpose of Issuance.....	6
Registration, Date, and Maturity of Notes.....	6
No Early Redemption.....	7
Security and Sources of Payment for the Notes.....	7
Continuing Disclosure.....	7
Limited Obligations.....	7
Forward-Looking Statements.....	7
References Qualified.....	8
THE NOTES.....	8
Authorization and Payment of Notes.....	8
No Early Redemption.....	8
Book-Entry Only System.....	8
Estimated Sources and Uses of Note Proceeds.....	11
SECURITY AND SOURCES OF PAYMENT FOR THE NOTES.....	11
Take-Out Moneys.....	11
Limited Obligations.....	11
THE PROJECT.....	12
CITY FINANCIAL INFORMATION.....	12
General Information Regarding the City.....	12
The City's Financial Statements.....	12
The General Fund.....	12
Tax Revenues.....	15
The City's Investments.....	15
The City Budget.....	16
RISK FACTORS.....	19
Pledge of Take-Out Moneys.....	19
Notes are Limited Obligations.....	20
Limitations on Available Remedies; Bankruptcy.....	20
Absence of Market for the Notes.....	21
Constitutional Limitations Affecting Revenues.....	21
Declining State Economy.....	21
State Budget.....	21
Loss of Tax Exemption.....	23
Economic, Political, Social and Environmental Conditions.....	23
CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS.....	23
Article XIII B of the California Constitution – Limitations on Appropriations.....	23
Articles XIII C and XIII D of the California Constitution – The Right to Vote on Taxes.....	24
Proposition 1A.....	25
Future Initiatives.....	26
THE AUTHORITY.....	26
TAX MATTERS.....	27
Bond Counsel Opinion.....	27
Risk of Audit by Internal Revenue Service.....	28
Original Issue Discount/Premium.....	28
RATING.....	29
CONTINUING DISCLOSURE.....	29
UNDERWRITING.....	29
LITIGATION.....	30
CERTAIN LEGAL MATTERS.....	30
MISCELLANEOUS.....	30

APPENDIX A	Summary of Certain Provisions of the Trust Agreement	A-1
APPENDIX B	General Information Concerning the City of Oxnard.....	B-1
APPENDIX C	City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.....	C-1
APPENDIX D	Form of Bond Counsel Opinion	D-1
APPENDIX E	Form of Continuing Disclosure Agreement	E-1

\$21,000,000*
CITY OF OXNARD FINANCING AUTHORITY
BOND ANTICIPATION NOTES
SERIES 2009

INTRODUCTION

General

This Official Statement, which includes the cover page, Table of Contents, and Appendices (the "Official Statement"), provides certain information concerning the sale and delivery of the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009, in the aggregate principal amount of \$21,000,000* (the "Notes"). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Notes to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in "APPENDIX A – Summary of Certain Provisions of the Trust Agreement – Selected Definitions."

Authorization

The Notes are being issued by the City of Oxnard Financing Authority (the "Authority") pursuant to the Marks-Roos Local Bond Pooling Act of 1985, Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Act"), and the provisions of a Trust Agreement, dated as of August 1, 2009 (the "Trust Agreement"), by and among the Authority, the City of Oxnard, California (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Purpose of Issuance

The proceeds of the Notes will be used to assist the City in the financing of the purchase of certain land to be used by the City for public recreational area purposes, as more particularly described herein (the "Project"), and (ii) to pay certain costs of issuing the Notes. See "THE NOTES – Estimated Sources and Uses of Note Proceeds" and "THE PROJECT."

Registration, Date, and Maturity of Notes

The Notes will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Notes. The Notes will be dated the date of their initial delivery and will mature on September 1, 2010 (the "Maturity Date"), in the principal amount set forth on the cover page hereof. Interest on the Notes is payable on the Maturity Date, and will be paid by check, mailed by first class mail to the registered owners thereof (each, an "Owner") as of the fifteenth day of the calendar month preceding such Maturity Date, whether or not such day is a Business Day (the "Record Date"); provided, however, that any Owner of \$1,000,000 or more in aggregate principal amount of Notes may request in writing payment of such interest by wire transfer in immediately available funds to a designated account in the United States. Principal of each Note will be payable upon surrender of

* Preliminary; subject to change.

such Note at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity thereof. See "THE NOTES - Authorization and Payment of Notes."

No Early Redemption

The Notes are not subject to redemption prior to the Maturity Date. See "THE NOTES - No Early Redemption."

Security and Sources of Payment for the Notes

The Notes are being issued in anticipation of, and are intended to be paid from, the Take-Out Moneys (as defined herein). Each of the Authority and the City has covenanted under the Trust Agreement that, not less than 90 days prior to the Maturity Date, it will present to, and seek approval by, its respective governing body of a resolution approving and providing for the specific Take-Out Moneys that will be payable at the time and in an amount sufficient to pay all principal of and interest on the Notes on or before the Maturity Date. In addition, each of the Authority and the City has further covenanted that it will take all actions, do any and all things, and execute and deliver any and all documents necessary or proper to cause the Take-Out Moneys to become available for the payment of the principal of and interest on the Notes on or before the Maturity Date. **Notwithstanding such covenants, no assurance can be given that such Take-Out Moneys will be available or sufficient to pay the principal and interest with respect to the Notes when due.** See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" and "RISK FACTORS."

Continuing Disclosure

In connection with the issuance of the Notes, the Authority will covenant in the Continuing Disclosure Agreement, dated as of the date of delivery of the Notes (the "Continuing Disclosure Agreement"), by and between the Authority and the Trustee, as dissemination agent, to provide certain financial information and operating data relating to the Authority and the City and notices of certain events, if material. See "CONTINUING DISCLOSURE" and "APPENDIX E - Form of Continuing Disclosure Agreement."

Limited Obligations

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE NOTES. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TAKE-OUT MONEYS, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE NEITHER GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE AUTHORITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE EXCLUSIVELY FROM TAKE-OUT MONEYS, AS PROVIDED IN THE TRUST AGREEMENT AND AS MORE FULLY DESCRIBED HEREIN. THE AUTHORITY IS NOT REQUIRED TO ADVANCE ANY MONEYS DERIVED FROM ANY SOURCE OTHER THAN THE TAKE-OUT MONEYS FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Reoffering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are

generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Reoffering Memorandum are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

THE NOTES

Authorization and Payment of Notes

The Notes are being issued pursuant to the Act and the provisions of the Trust Agreement. The Notes will be dated the date of their initial delivery and will mature on the Maturity Date, in the principal amount set forth on the cover page hereof. The Notes will be issued as fully registered notes in the denomination of \$5,000 each or any integral multiple thereof. Principal of each Note will be payable upon surrender of such Note at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity thereof. Interest on the Notes will be payable on the Maturity Date by check, mailed to the Owners of the Notes as of the Record Date at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that interest payable to an owner of \$1,000,000 or more aggregate principal amount of Notes will be paid by wire transfer to such account within the United States as such owner shall have specified in writing prior to the Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Notes are in a book-entry only system. See “THE NOTES – Book-Entry Only System” below.

No Early Redemption

The Notes are not subject to redemption prior to the Maturity Date.

Book-Entry Only System

The following description of DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the City, and neither the Authority nor the City shall have any liability with respect thereto. Neither the Authority nor the City shall have any responsibility or liability for any aspects of the records maintained by DTC relating to or payments made on account of beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Notes.

DTC currently acts as securities depository for the Notes. The Notes were issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other

name as may be requested by an authorized representative of DTC. One fully-registered Note certificate was issued for the Notes, in the aggregate principal amount of such issue, and was deposited with DTC.

DTC, the world's largest depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate, and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Beneficial Owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

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

Principal and interest payments with respect to the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the Authority, the City, or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority or the City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE CITY TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE CITY GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE NOTES RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Estimated Sources and Uses of Note Proceeds

The following table details the estimated sources and uses of Note proceeds.

Estimated Sources:

Principal Amount of Notes	\$
[Less/Plus]: Original Issue [Discount/Premium]	
Less: Underwriter's Discount	
Total Sources	\$

Estimated Uses:

Deposit to Acquisition Fund ⁽¹⁾	\$
Deposit to Costs of Issuance Fund ⁽²⁾	
Total Uses	\$

⁽¹⁾ Moneys in the Acquisition Fund are expected to be used for the acquisition of the Project land.

⁽²⁾ Moneys in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Bond Counsel, Disclosure Counsel, and the Trustee, as well as printing and other miscellaneous costs.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

Take-Out Moneys

The Notes are being issued in anticipation of, and are intended to be paid from, the Take-Out Moneys. The term "Take-Out Moneys" is defined in the Trust Agreement as moneys obtained from any one or more of the following sources, to the extent such moneys have been deposited into the Payment Fund established under the Trust Agreement (i) the proceeds of a long-term obligation to be issued or incurred by the Authority or the City on or prior to the Maturity Date, (ii) the proceeds of renewal notes to be issued by the Authority on or prior to the Maturity Date, (iii) if the City so elects, available amounts, if any, in the City's General Fund allocable to fiscal year 2009-10, or (iv) if the City so elects, amounts obtained from any other legally available moneys of the City. Each of the Authority and the City has covenanted under the Trust Agreement that, not less than 90 days prior to the Maturity Date, it will present to, and seek approval by, its respective governing body of a resolution approving and providing for the specific Take-Out Moneys that will be payable at the time and in an amount sufficient to pay all principal of and interest on the Notes on or before the Maturity Date. In addition, each of the Authority and the City has further covenanted that it will take all actions, do any and all things, and execute and deliver any and all documents necessary or proper to cause the Take-Out Moneys to become available for the payment of the principal of and interest on the Notes on or before the Maturity Date. **Notwithstanding such covenants, no assurance can be given that such Take-Out Moneys will be available or sufficient to pay the principal and interest with respect to the Notes when due.**

Limited Obligations

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE NOTES. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TAKE-OUT MONEYS, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE NEITHER GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE AUTHORITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE EXCLUSIVELY FROM TAKE-OUT MONEYS, AS PROVIDED IN THE TRUST AGREEMENT AND AS MORE FULLY DESCRIBED HEREIN. THE AUTHORITY IS NOT REQUIRED TO ADVANCE ANY MONEYS DERIVED FROM ANY SOURCE OTHER THAN THE TAKE-OUT MONEYS FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES.

Investment in the Notes involves risks that may not be appropriate for some investors. See "RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Notes.

THE PROJECT

The Project consists of the acquisition of approximately 14 acres of land located at the northwest corner of Ventura Road and Vineyard Avenue (the "Property") adjacent to the City's River Ridge Golf Club. Approximately four acres of the Property is developed as a football field and locker facilities. The remaining approximate 10 acres of the Property is largely undeveloped. The City intends to use the entire 14 acres for public recreational purposes.

CITY FINANCIAL INFORMATION

General Information Regarding the City

The City is located in the western portion of the County on the shore of the Pacific Ocean, approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and six miles south of the county seat of the County. The City is the financial hub of the County and the largest city in the County, with a population estimated at nearly 194,905 in 2008, accounting for approximately 26% of the County's population. The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City has a diversified and expanding economic base composed of light and heavy manufacturing, retail, service and government sectors. The City has maintained a steady population growth rate of, on average, approximately 2.6% for the past decade. See "APPENDIX B – General Information Concerning the City of Oxnard."

The City's Financial Statements

A copy of the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 (the "City's Financial Statements"), audited by Mayer Hoffman McCann P.C. (the "Auditor"), is attached to this Official Statement as Appendix C. The Auditor's letter concludes that the City's Financial Statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. The City has not requested nor did the City obtain permission from the Auditor to include the City's Financial Statements as an appendix to this Official Statement. See "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008."

The General Fund

The City's General Fund is used to account for all financial resources traditionally associated with governmental activities that are not required legally to be accounted for in another fund. Principal sources of revenues are property taxes, sales tax, license and permit fees, State shared revenues, and billings for outside and interfund services. Primary expenditures in the General Fund are made for general administration, police and fire protection, park maintenance, streets and transportation services, and community development.

The following table details the City's General Fund balance sheet for the prior five fiscal years.

Table 1
City of Oxnard
General Fund Balance Sheet
Fiscal Years 2003-04 through 2007-08

	Fiscal Year Ending June 30				
	2004	2005	2006	2007	2008
ASSETS					
Cash and Cash Equivalents	\$41,041,991	\$40,453,152	\$32,844,188	\$26,971,607	\$24,160,573
Investments with Fiscal Agents	--	--	--	--	--
Accounts and Other Receivables	1,655,763	2,150,858	2,631,528	3,305,717	3,604,748
Due from Other Funds	3,475,598	2,600,000	2,000,000	2,356,735	3,924,521
Due from Other Governments	5,544,389	4,109,192	5,101,560	4,807,968	4,968,140
Advances to Other Funds	<u>123,035</u>	<u>98,035</u>	<u>73,035</u>	<u>48,035</u>	<u>23,035</u>
Total Assets	<u>\$51,840,776</u>	<u>\$49,411,237</u>	<u>\$42,650,311</u>	<u>\$37,490,062</u>	<u>\$36,681,017</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 846,846	\$ 901,163	\$ 1,174,237	\$ 2,234,961	\$ 2,997,445
Other Liabilities	18,909,537	21,262,179	13,733,106	9,747,110	12,330,876
Due to Other Funds	--	--	--	--	9,263
Deferred Revenues	<u>5,505,409</u>	<u>3,849,500</u>	<u>560,663</u>	<u>510,340</u>	<u>890,329</u>
Total Liabilities	<u>\$25,261,792</u>	<u>\$26,012,842</u>	<u>\$15,468,006</u>	<u>\$12,492,411</u>	<u>\$16,227,913</u>
Fund Balance:					
Reserved	1,180,342	4,201,060	3,658,849	3,573,245	344,987
Unreserved	<u>25,398,644</u>	<u>19,197,335</u>	<u>23,523,456</u>	<u>21,424,406</u>	<u>20,108,117</u>
Total Fund Balance	<u>26,578,986</u>	<u>23,398,395</u>	<u>27,182,305</u>	<u>24,997,651</u>	<u>20,453,104</u>
Total Liabilities and Fund Balance	<u>\$51,840,776</u>	<u>\$49,411,237</u>	<u>\$42,650,311</u>	<u>\$37,490,062</u>	<u>\$36,681,017</u>

Source: City of Oxnard Comprehensive Annual Financial Reports.

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The following table details the City's General Fund summary of revenues, expenditures, and changes in fund balance for the prior five fiscal years.

Table 2
City of Oxnard
General Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance
Fiscal Years 2003-04 through 2007-08

	Fiscal Year Ending June 30				
	2004	2005	2006	2007	2008
REVENUES					
Taxes	\$51,695,969	\$63,143,970	\$ 70,063,390	\$ 77,363,790	\$ 78,964,931
Licenses and permits	2,182,715	2,116,934	5,390,754	2,848,615	2,186,370
Intergovernmental	15,824,971	12,468,242	11,241,867	11,604,719	10,532,975
Charges for current services	10,910,939	14,994,785	14,435,872	11,371,419	12,830,700
Fines and forfeitures	643,934	658,454	736,692	729,547	678,327
Interest	2,457,348	1,759,629	1,924,443	2,166,964	2,029,700
Miscellaneous	<u>2,697,651</u>	<u>2,763,709</u>	<u>6,087,135</u>	<u>4,978,041</u>	<u>6,511,667</u>
Total revenues	<u>\$86,413,527</u>	<u>\$97,905,723</u>	<u>\$109,880,153</u>	<u>\$111,063,095</u>	<u>\$113,734,670</u>
EXPENDITURES					
Current:					
General government	11,172,020	11,541,781	11,746,494	11,356,372	11,939,662
Public safety	46,588,182	50,470,467	56,261,786	59,851,144	63,395,592
Transportation	3,652,470	4,187,456	4,686,554	4,645,899	4,774,839
Community development	5,162,918	7,932,500	9,431,327	9,708,648	11,256,637
Culture and leisure	9,943,515	10,248,086	12,472,575	12,669,266	13,665,624
Library services	3,818,769	3,731,437	4,214,038	4,396,845	4,856,332
Capital outlay	<u>1,118,408</u>	<u>1,090,198</u>	<u>1,598,348</u>	<u>983,869</u>	<u>1,379,294</u>
Total expenditures	<u>\$81,456,282</u>	<u>\$89,201,925</u>	<u>\$100,411,122</u>	<u>\$103,612,043</u>	<u>\$111,267,980</u>
Excess (deficiency) of revenues over expenditures	4,957,245	8,703,798	9,469,031	7,451,052	2,466,690
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	2,430,023	211,566	131,566
Transfers out	(6,187,252)	(11,884,389)	(8,115,144)	(9,847,272)	(7,142,803)
Total other financing sources (uses)	<u>(6,187,252)</u>	<u>(11,884,389)</u>	<u>(5,685,121)</u>	<u>(9,635,706)</u>	<u>(7,011,237)</u>
Net change in fund balances	(1,230,007)	(3,180,591)	3,783,910	(2,184,654)	(4,544,547)
Fund balances, July 1	<u>\$27,808,993</u>	<u>\$26,578,986</u>	<u>\$23,398,395</u>	<u>\$27,182,305</u>	<u>\$24,997,651</u>
Fund balances, June 30	<u>\$26,578,986</u>	<u>\$23,398,395</u>	<u>\$27,182,305</u>	<u>\$24,997,651</u>	<u>\$20,453,104</u>

Source: City of Oxnard Comprehensive Annual Financial Reports.

Tax Revenues

The following table details the City's tax revenues for the prior five fiscal years.

Table 3
City of Oxnard
Summary of Tax Revenues
Fiscal Years 2003-04 through 2007-08

Tax Revenue Breakdown:	Fiscal Year Ending June 30				
	2004	2005	2006	2007	2008
Property Tax	\$17,255,026	\$27,623,040	\$33,020,163	\$38,827,948	\$41,510,020
Sales Tax	22,772,358	23,212,641	23,985,182	25,783,808	24,205,622
Transient Occupancy Tax	2,222,553	2,445,468	3,309,716	3,550,903	3,618,611
Business License	4,386,245	3,967,972	4,470,841	4,504,455	4,662,658
Franchise Tax	3,718,917	4,572,206	3,914,317	3,686,627	3,986,567
Other Taxes	<u>1,340,870</u>	<u>1,322,643</u>	<u>1,363,171</u>	<u>1,010,049</u>	<u>981,453</u>
Total	\$51,695,969	\$63,143,970	\$70,063,390	\$77,363,790	\$78,964,931

Source: City of Oxnard Comprehensive Annual Financial Reports.

The City's Investments

The following table details the City's current investments as of June 30, 2008.

Table 4
City of Oxnard
Current Investments

	Investment Maturities (In Years)			Total
	Less Than 1	1 - 5	More Than 5	
Federal Agency Securities	\$132,537,866	\$ --	\$ --	\$132,537,866
Corporate Bonds	--	10,068,641	--	10,068,641
California Local Agency Investment Fund	71,239,788	--	--	71,239,788
Negotiable Certificate of Deposit	4,000,000	--	--	4,000,000
Held by Trustee:				
U.S. Treasury Notes	2,972,699	--	--	2,972,699
Investment Agreement	24,961,019	--	8,312,740	33,273,759
California Local Agency Investment Fund	--	--	72,166,557	72,166,557
Money Market Fund	<u>4,456,123</u>	<u>--</u>	<u>--</u>	<u>4,456,123</u>
Total Investments	\$240,167,495	\$10,068,641	\$80,479,297	\$330,715,433
Accrued discount				<u>(99,116)</u>
Total Investments (net of accrued discount)				330,616,317
Cash in Banks and on hand				<u>2,938,940</u>
Total Cash and Investments				\$333,555,257

Source: City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

The City Budget

The annual budget adopted by resolution of the City Council serves as the foundation for the City's financial planning and control. The City Council approves operating and capital appropriations at the fund and department levels. Budgetary control is maintained at the department level, and the department director with the concurrence of the Finance Department may transfer resources within a department. While the City Manager may approve the transfer of funds between departments, special approval by the City Council is required for adjustments to fund budgets. While the budget must be adopted annually, the City Council approves a balanced two-year budget and five-year capital improvement plan. As part of the annual budget resolution, the City Council reauthorizes appropriations for continuing projects and activities. Annual operating and capital improvement expenditures are adopted through the passage of a resolution, which resolution constitutes the authorized expenditures for the next fiscal year. The second fiscal year of the two-year budget is updated and adopted for that fiscal year. City budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year.

Like most other cities in California and across the nation, the City has experienced a significant impact from the economic downturn beginning in fiscal year 2008-09. The City Council accepted recommendations during the last fiscal year to close a budget gap of \$6.2 million; however, the revenue shortfall grew to \$10.2 million in fiscal year 2009-10, due to a continuing economic slowdown. While sales taxes were projected to decline at a slower rate in fiscal year 2009-10, property tax collections were projected to have a larger decline as assessed valuations began to catch up with reduced housing values.

The City Council adopted a recommended budget for fiscal year 2009-10 (the "Recommended Fiscal Year 2009-10 Budget") that included \$7.1 million in revenue reductions and \$3.1 million in additional revenues, including \$2.4 million in Community Development Commission property tax pass-through payments. The City's savings for fiscal year 2009-10 consists of direct departmental savings of \$3.7 million, a rolling vacancy position management plan resulting in savings of \$2.9 million, and reductions to capital equipment replacement and travel budgets totaling \$1.3 million. Several department budgets were increased to resolve systemic funding shortfalls. The Recommended Fiscal Year 2009-10 budget does not include funding for salary or benefit increases and, at the same time, the City was able to avoid layoffs or furloughs for fiscal year 2009-10. The City anticipates no negative impact to the General Fund unreserved, undesignated fund balance.

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The following table describes the projected General Fund revenues as detailed in (1) the adopted fiscal year 2008-09 budget (the "Original Fiscal Year 2008-09 Budget"), (2) the revised budget for fiscal year 2008-09, currently being completed by the City's finance personnel for consideration by the City Council (the "Revised Fiscal Year 2008-09 Budget"), (3) the Recommended Fiscal Year 2009-10 Budget, and (4) the proposed budget for fiscal year 2010-11 (the "Proposed Fiscal Year 2010-11 Budget"); which was part of the two-year recommended budget approved by the City Council on July 7, 2009.

Table 5
City of Oxnard
Budgeted General Fund Revenues and Sources

<u>Revenue Source</u>	<u>Original Fiscal Year 2008-09 Budget</u>	<u>Revised Fiscal Year 2008-09 Budget</u>	<u>Recommended Fiscal Year 2009-10 Budget</u>	<u>Proposed Fiscal Year 2010-11 Budget</u>
Property Tax	\$ 42,375,000	\$ 42,737,322	\$ 41,406,000	\$ 41,428,000
Sales Tax ⁽¹⁾	25,300,000	23,186,800	22,543,000	22,917,000
Other Taxes	13,430,000	13,270,187	13,276,000	13,626,000
Licenses & Permits	2,920,000	1,746,400	1,694,800	1,694,800
Intergovernmental	3,524,500	2,079,000	2,080,000	2,080,000
Interfund Revenues	8,325,000	8,261,300	8,261,000	8,261,000
Charges for Services	12,472,633	10,569,514	10,571,100	10,596,900
Fines and Forfeitures	2,453,000	2,303,200	2,303,200	2,326,200
Interest Income	2,400,000	1,277,700	968,000	1,061,000
Miscellaneous Revenues	<u>6,216,271</u>	<u>6,102,950</u>	<u>9,187,905</u>	<u>7,817,498</u>
Total Revenues	\$119,416,404	\$111,534,373	\$112,291,005	\$111,808,398

Source: City.

(1) Does not include Proposition O funding, which is expected to generate approximately \$10 million in additional sales tax revenues. See "APPENDIX B – GENERAL INFORMATION CONCERNING THE CITY OF OXNARD – Proposition O – Sales Tax Increase."

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The following table describes the projected General Fund expenditures as detailed in (1) the Original Fiscal Year 2008-09 Budget, (2) the Revised Fiscal Year 2008-09 Budget, (3) the Recommended Fiscal Year 2009-10 Budget, and (4) the Proposed Fiscal Year 2010-11 Budget.

Table 6
City of Oxnard
Budgeted General Fund Expenditures

	Original Fiscal Year 2008-09 <u>Budget</u>	Revised Fiscal Year 2008-09 <u>Budget</u>	Recommended Fiscal Year 2009-10 <u>Budget</u>	Proposed Fiscal Year 2010-11 <u>Budget</u>
Governmental Funds:				
City Attorney	\$ 1,762,561	\$ 1,625,141	\$ 1,382,872	\$ 1,382,872
City Clerk	538,842	572,126	493,924	538,724
City Council	394,169	384,169	388,170	388,170
City Manager	1,427,859	1,358,459	1,441,843	1,441,843
General Services	10,982,148	10,471,963	10,569,100	10,569,100
Public Information	727,584	631,984	711,752	711,752
City Treasurer	1,225,413	1,154,122	1,171,285	1,171,285
Community Development	1,326,863	1,292,363	1,258,775	1,258,775
Development Services	7,148,515	7,060,030	6,360,498	6,360,498
Finance	3,977,196	3,742,747	3,754,264	3,754,264
Fire	14,885,677	14,746,679	14,572,540	14,572,540
Housing	167,800	167,800	147,144	147,144
Human Resources	1,194,995	1,149,893	1,312,512	1,312,512
Library	5,711,480	5,446,652	5,538,906	5,538,906
Police	51,345,941	50,200,812	50,166,590	50,166,590
Public Works	3,233,584	3,083,010	3,211,391	3,211,391
Recreation and Community Services	<u>6,034,028</u>	<u>5,889,122</u>	<u>6,076,642</u>	<u>6,076,642</u>
Sub-Total	\$112,084,655	\$108,977,072	\$108,558,208	\$108,603,008
Non-Departmental Expenditures:				
General Non-Departmental	\$1,392,791	\$1,447,798	\$1,773,243	\$1,773,243
Reserves & Transfers	4,913,221	5,514,721	1,883,849	1,356,442
General Debt Service	<u>58,517</u>	<u>656,517</u>	<u>75,705</u>	<u>75,705</u>
Sub-Total	\$6,364,529	\$7,619,036	\$3,732,797	\$3,205,390
Less: FY 2008-09 Net Budget Balancing				
	--	(5,635,262)	--	--
Capital Improvements	<u>967,220</u>	<u>573,527</u>	<u>--</u>	<u>--</u>
Total General Fund Expenditures	\$119,416,404	\$111,534,373	\$112,291,005	\$111,808,398

Source: City.

RISK FACTORS

Investment in the Notes involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Notes for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Notes. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Pledge of Take-Out Moneys

The Notes are payable solely from Take-Out Moneys, to the extent such Take-Out Moneys have been deposited into the Payment Fund. Consequently, the payment of principal of and interest on the Notes will be dependent upon the availability and sufficiency of such Take-Out Moneys. Each of the Authority and the City has covenanted under the Trust Agreement that, not less than 90 days prior to the Maturity Date, it will present to, and seek approval by, its respective governing body of a resolution approving and providing for the specific Take-Out Moneys that will be payable at the time and in an amount sufficient to pay all principal of and interest on the Notes on or before the Maturity Date. In addition, each of the Authority and the City has further covenanted that it will take all actions, do any and all things, and execute and deliver any and all documents necessary or proper to cause the Take-Out Moneys to become available for the payment of the principal of and interest on the Notes on or before the Maturity Date. **Notwithstanding such covenants, no assurance can be given that such Take-Out Moneys will be available or sufficient to pay the principal and interest with respect to the Notes when due.**

The Trust Agreement permits the primary source of Take-Out Moneys to be comprised of long-term obligations issued by the Authority or the City and secured by lease or other payments to be made by the City from moneys lawfully available to the City, including, without limitation, available moneys in the City's General Fund. As of the date of this Official Statement, however, neither the Authority nor the City has taken any actions to structure, authorize, or enter into such financing, and there can be no assurance that the Authority or City will do so or that any such financing, if so structured and authorized, will be entered into in a timely manner or in an amount that will provide sufficient moneys, together with such other moneys as may be available therefor, to pay all principal and interest due with respect to the Notes on the Maturity Date.

If such long-term financing is not or cannot be issued or incurred on or before the Maturity Date of the Notes, the Trust Agreement permits renewal notes to be issued, the proceeds of which renewal notes would be used to pay principal and interest due with respect to the Notes on the Maturity Date. As of the date of this Official Statement, however, neither the Authority nor the City has taken any actions to structure, authorize, or enter into such renewal notes, and there can be no assurance that the Authority or City will do so or that any such renewal notes, if so structured and authorized, will be issued in a timely manner or in an amount that will provide sufficient moneys, together with such other moneys as may be available therefor, to pay all principal and interest due with respect to the Notes on the Maturity Date.

Other factors that could affect the ability of the Authority or the City to enter into a long-term financing, issue renewal notes, or issue or incur other obligations as may legally be incurred or issued include the financial condition of the Authority or the City, as applicable, at the time such proceedings to issue or incur such obligations are instituted and the presence of conditions prevailing in the bond markets that could make it difficult or impossible for the Authority or the City, as applicable, to issue or incur such obligations. No assurance can be given that any of such long-term financing, renewal notes, or other obligations can be issued or incurred by the Authority or the City when and as required to provide for the payment of the principal and interest with respect to the Notes on the Maturity Date.

Each of the Authority and the City has the capacity to enter into other obligations that may constitute additional charges against its revenues. To the extent that additional obligations are issued or incurred by the Authority or the City, as applicable, prior to the Maturity Date of the Notes, the Authority's or the City's ability to issue or incur obligations as the Authority or the City, as applicable, may legally issue or incur at a time or times and in a principal amount or amounts, the available proceeds of which are sufficient, together with such other moneys as may be available therefor, to pay the principal and interest with respect to the Notes on the Maturity Date, could be adversely impacted.

Other possible sources of Take-Out Moneys include, if the City so elects, available amounts, if any, in the City's General Fund allocable to fiscal year 2009-10, or, if the City so elects, amounts obtained from any other legally available moneys of the City. No assurances can be given, however, that any such amounts will be available in amounts that are sufficient, together with such other moneys as may be available therefor, to pay the principal and interest with respect to the Notes on the Maturity Date or that, even if such amounts are available, that the City will elect to so apply such amounts.

Notes are Limited Obligations

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE NOTES. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TAKE-OUT MONEYS, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE NOTES. THE NOTES ARE NEITHER GENERAL OR SPECIAL OBLIGATIONS OF THE CITY NOR GENERAL OBLIGATIONS OF THE AUTHORITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE EXCLUSIVELY FROM TAKE-OUT MONEYS, AS PROVIDED IN THE TRUST AGREEMENT AND AS MORE FULLY DESCRIBED HEREIN. THE AUTHORITY IS NOT REQUIRED TO ADVANCE ANY MONEYS DERIVED FROM ANY SOURCE OTHER THAN THE TAKE-OUT MONEYS FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES.

Limitations on Available Remedies; Bankruptcy

The rights of the Owners of the Notes are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the Owners of the Notes, and enforcement of the respective obligations of the Authority and the City under the Trust Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the Authority or the City, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Absence of Market for the Notes

There can be no assurance that there will ever be a secondary market for purchase or sale of the Notes, and from time to time there may be no market for them, depending upon prevailing market conditions and the financial condition or market position of firms who may make the secondary market.

Constitutional Limitations Affecting Revenues

California law imposes various taxing, revenue, and appropriations limitations on public agencies such as the Authority and the City. These limitations could adversely affect the amount or availability of Take-Out Moneys required to pay the principal and interest due with respect to the Notes on the Maturity Date. See "CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS" for a discussion of these limitations.

Declining State Economy

The State is currently experiencing significant financial stress. The continued weakness in the State's economy has been attributed to, among other things, a declining real estate market, higher energy prices, and a reduction in consumer spending, which have resulted in a decline in the State's anticipated revenues. See "State Budget" below. See also "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008," for a discussion of the City's assumptions related to its budgeted revenues. Such decline in the State's anticipated revenues could adversely affect the amount or availability of Take-Out Moneys required to pay the principal and interest due with respect to the Notes on the Maturity Date.

State Budget

The Budget Process

Through the State budget process, the State can enact legislation that significantly impacts the source, amount, and timing of the receipt of revenues by local agencies, including the City. As in recent years, State budget deficits can result in legislation that adversely impacts local agency budgets.

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature considers the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the State Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the State Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or by the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

The 2009 Budget Act

After protracted negotiations, the 2009 Budget Act was adopted by the State Legislature on February 19, 2009, and signed by the California Governor on February 20, 2009. The 2009 Budget Act includes proposed strategies to cut expenditures and increase revenues to address the combined \$41.6 billion deficit for fiscal years 2008-09 and 2009-10 identified in the 2009-10 Governor's Budget previously submitted to the State Legislature. Such proposed expenditure cuts include, among others, a \$9.7 billion reduction in public education expenditures and a \$1.2 billion reduction in public employee compensation. Proposed revenue increases include \$12.8 billion in temporary tax increases, \$5 billion through the securitization of the California lottery, and the issuance of \$4.7 billion in revenue anticipation warrants.

Worsening Budget Crisis

Many of the projections contained in the 2009 Budget Act depended on voter approval of several measures that were on a special election ballot on May 19, 2009. All such measures, however, were defeated. Moreover, economic conditions have worsened in the State since the budget estimates on which the 2009 Budget Act were based. In the 2009-10 May Revision General Fund Proposals (the "May Revision"), which was released prior to the May 19, 2009, special election, the State's Department of Finance projected that if the measures on the special election ballot were defeated, a shortfall of \$21.3 billion would occur with respect to the 2009-10 budget and proposed, among other actions, to borrow eight percent of the property tax revenues received by cities, counties, and special districts in fiscal year 2008-09 and to repay such amount within the next three years. In addition, the May 2009 Update of the Legislative Analyst's Office (the "LAO") projects that the State will face significant cash flow deficits in every month between July 2009 and November 2009, which will require access to public credit markets in an amount of up to \$23 billion or adoption of additional cash measures or both in order to avoid further interruptions in State fiscal obligations.

On July 2, 2009, the Governor announced that because a balanced budget was not passed by the State Legislature and signed by the Governor by June 30, 2009, the deficit had increased by approximately \$2 billion for fiscal year 2009-10. Also on July 2, 2009, the State Controller began issuing registered warrants, also known as IOUs, to pay for some of its expenses.

On July 6, 2009, Fitch Ratings downgraded California's general obligation bonds from A-minus to BBB, and lowered its rating on the State's lease-backed debt to BBB-minus, the lowest investment grade rating. Fitch also put California's bonds on a negative watch. Standard & Poor's recently reaffirmed its A rating, and Moody's Investors Service maintains its A2 rating, on California general obligation bonds. Both agencies continue a negative watch on California debt.

Impact of State Budget Crisis on City Finances

The California Legislature is considering several proposals to resolve the State's current budget crisis. For example, in the May Revision, the Governor proposed that the State borrow \$2.1 billion in local property tax revenues from local governments to fill the current budget deficit. Such moneys would be borrowed under Proposition 1A (as defined herein), the measure approved by voters in 2004 that, among other things, permits the State to borrow up to 8% of total local property tax revenues during a Governor-declared fiscal emergency. Any such borrowed moneys are required to be repaid within three years. The City believes it has sufficient cash reserves to meet all of its financial obligations as currently budgeted in the event of such a Proposition 1A borrowing. See "CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS – Proposition 1A."

The City cannot predict what actions, if any, will be taken in the current or future years by the State Legislature or the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the City has no control. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget. Decrease in such revenues may have an adverse impact on the City's ability to generate or make available Take-Out Moneys. See "CITY FINANCIAL INFORMATION" and "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008."

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the Notes could become included in gross income for purposes of federal income taxation, retroactive to the date the Notes were issued, as a result of future acts or omissions of the Authority or the City in violation of their respective covenants in the Trust Agreement.

Economic, Political, Social and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social and environmental conditions as part of an informed investment decision. Changes in economic, political, social or environmental conditions on a local, state, federal and/or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Article XIII B of the California Constitution – Limitations on Appropriations

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution ("Article XIII B"). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111, which is described below under the caption "Proposition 111." Article XIII B limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of the appropriations limit for the prior fiscal year, as adjusted annually for changes in the cost of living, population, and cost of services rendered by the governmental entity. The "base year" for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies, so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and

appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIII B allows voters to approve a temporary waiver of a government's Article XIII B limit. Such a waiver is often referred to as a "Gann limit waiver." The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Depending on the source of moneys used to pay the principal and interest with respect to the Notes on the Maturity Date, Take-Out Moneys could be subject to the Article XIII B appropriations limitations. For fiscal year 2008-09, the City calculated its appropriations limit at \$190,620,296. For fiscal year 2009-10, the City has calculated its appropriations limit at \$249,384,344. The City's appropriations have never exceeded the limitation on appropriations under Article XIII B. The impact of the appropriations limit on the City's financial needs in the future is unknown.

Articles XIII C and XIII D of the California Constitution – The Right to Vote on Taxes

On November 5, 1996, State voters approved Proposition 218, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Article XIII C ("Article XIII C") and Article XIII D ("Article XIII D") to the California Constitution, which contain a number of provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees, and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the City's ability to meet certain obligations.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the City's general fund, require a two-thirds vote. Article XIII C further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996.

Article XIII C also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees, and charges, regardless of the date such taxes, assessments, fees, and charges were imposed. Article XIII C expands the initiative power to include reducing or repealing assessments, fees, and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIII C to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, fees, or charges. No assurance can be given that the voters of the City will not, in the future, approve initiatives which reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the City's general fund. "Assessments," "fees," and "charges" are not defined in Article XIII C, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIII C as for Article XIII D described below. If not, the scope of the initiative power under Article XIII C potentially could include any general fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

The City does not levy any property related "fees" or "charges" that it considers subject to challenge under Article XIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the general fund, and no assurance can be given that the City will be able to impose, extend, or increase such taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure which involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. "Assessment" in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights, and parks.

In addition, Article XIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by [a local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIID, there could be future restrictions on the ability of the City's general fund to charge its enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water, and refuse collection services, or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

The City does not believe that the provisions of Article XIIC or Article XIID will directly impact the Take-Out Moneys available to it to pay principal and interest with respect to the Notes.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A ("Proposition 1A"), which amended the California Constitution to reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State may not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature, or (iv) decrease vehicle license fee revenues without providing local governments with equal replacement funding. Beginning, in fiscal year

2008-09, Proposition 1A permits the State to shift a limited amount of local government property tax revenue to schools and community colleges if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. In the event of such a shift, the State is required to repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates; provided, however, that such provision does not apply to mandates relating to schools or community colleges or to mandates relating to employee rights.

The purpose of Proposition 1A is to increase and stabilize local government revenues. Proposition 1A could also, however, result in decreased resources being available for State programs. Such a decrease, in turn, could affect actions taken by the State to resolve budget difficulties, including increasing State taxes, decreasing spending on certain State programs, or even suspending or otherwise circumventing Proposition 1A in order to appropriate local government revenues. Such actions, if taken, could adversely affect the availability or sufficiency of Take-Out Moneys. See "RISK FACTORS – State Budget – Impact of State Budget Crisis on City Finances."

Future Initiatives

Article XIII B, Article XIII C, Article XIII D, and Proposition 1A were each adopted as measures that qualified for the ballot pursuant to the State's Constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase or apply revenues and to make or increase appropriations.

THE AUTHORITY

The Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California pursuant to a Joint Powers Agreement, dated as of October 8, 1991, as amended on April 21, 1992, by and among the City, the Oxnard Community Development Commission, and the Housing Authority of the City of Oxnard. The Authority was created on October 8, 1991, to finance the cost of any capital improvement, working capital, or liability and other insurance needs, or projects wherever there are significant public benefits, as determined by the City.

The Authority is governed by a five-member Governing Board. The current members of the Board are listed below:

<u>Name</u>	<u>Office</u>
Dr. Thomas E. Holden	Chairman
Andres Herrera	Vice Chairman
Dean Maulhardt	Board Member
Dr. Irene G. Pinkard	Board Member
Bryan A. MacDonald	Board Member

The Authority is also served by the officers listed below who, in the case of the Authority Controller and General Counsel, serve in these capacities by virtue of their duties as Chief Financial Officer and City Attorney, respectively or, in the case of the Authority Secretary, is appointed by the Board and serves at the pleasure of the Board. The officers of the Authority are listed below:

<u>Name</u>	<u>Position</u>
James Cameron	Controller
Michael More	Assistant Controller
Alan Holmberg	General Counsel
Daniel Martinez	Secretary

Neither the Authority nor its Board members or officers have any obligations or liability to the Owners of the Notes with respect to the payment of principal or interest by the Authority under the Trust Agreement, or with respect to the performance by the Authority or the City of other covenants made by either entity under the Trust Agreement.

TAX MATTERS

Bond Counsel Opinion

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, interest on the Notes is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. Bond Counsel is further of the opinion that interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. In addition, pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Notes is not included in adjusted current earnings in calculating corporate alternative minimum taxable income. A copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto and will accompany the Notes.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest received by persons such as the Owners of the Notes. The Authority and the City have covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in gross income for federal income tax purposes. Failure to comply with those covenants may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of issuance of the Notes. The opinion of Bond Counsel assumes compliance with those covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may affect the tax status of interest on the Notes.

Certain requirements and procedures contained or referred to in the Trust Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to any Note or the interest thereon if any such change occurs or action is taken upon the advice or approval of bond counsel other than Bond Counsel. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the federal or state tax status of interest on the Notes or the tax consequences of ownership of the Notes. No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, will not contain provisions, which could directly or indirectly reduce the benefit of the excludability of the interest on the Notes from gross income for federal income tax purposes.

Although Bond Counsel has rendered its opinion that interest on the Notes is excluded from gross income for federal gross income and California State personal income tax purposes, an Owner's federal and State tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature

and extent of these other tax consequences will depend upon the Owner's other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the Notes should be aware that: (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Notes, or in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Notes; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Notes; (iii) with respect to life insurance companies, life insurance company taxable income subject to the tax imposed by Section 801 of the Code is determined by permitting deductions for certain dividends received but not to the extent such dividend is from a non-insurance corporation and is out of tax-exempt interest, including interest on the Notes; (iv) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (v) passive investment income, including interest on the Notes, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (vi) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (vii) under Section 32(i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit. Bond Counsel has expressed no opinion regarding any such other tax consequences. Accordingly, before purchasing any of the Notes, all potential purchasers should consult their tax advisors concerning collateral tax consequences with respect to the Notes.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Service is likely to treat the Authority as the taxpayer and the owners of the Notes may have no right to participate in such procedure. Bond Counsel's opinion represents its legal judgment based upon its review of existing law, regulations, rulings, judicial decisions, and other authorities, and upon the covenants and representations of the parties and such other facts as it has deemed relevant to render such opinion, and is not a guarantee of a result. Bond Counsel is not obligated to defend the tax-exempt status of the Notes. Neither the Authority, nor the City, nor Bond Counsel is responsible to pay or reimburse the costs of any Owner with respect to any audit or litigation relating to the Notes.

Original Issue Discount/Premium

To the extent the issue price of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Notes that is excluded from gross income for federal income tax purposes. For this purpose, the issue price of the Notes is the first price at which a substantial amount of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to the Notes accrues daily over the term of such Notes on a constant yield basis under Section 1288 of the Code. The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of

purchasers who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a purchaser's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

RATING

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies ("S&P") has assigned its municipal bond rating of "___" to the Notes. There is no assurance that such rating will be in effect for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Notes. Such ratings reflect only the views of the rating agency and an explanation of the significance of the rating may be obtained only from the rating agency furnishing the same.

CONTINUING DISCLOSURE

The Authority will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Authority and the City and notices of certain events, if material. Such information and notices will be filed by the Authority with the Municipal Securities Rulemaking Board. The specific nature of the information to be provided is set forth in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix E. This covenant has been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended ("Rule 15c2-12"). The Authority has never failed to provide any previous continuing disclosure or notices of material events. See "APPENDIX E – Form of Continuing Disclosure Agreement."

UNDERWRITING

The Notes are being purchased by E. J. De La Rosa & Co., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Notes at a price of \$_____ (which represents the aggregate principal amount of the Notes, less an Underwriter's discount of \$_____, [less/plus] a net original issue [discount/premium] of \$_____.

The contract of purchase pursuant to which the Notes are being purchased by the Underwriter provides that the Underwriter will purchase all of the Notes if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the Notes to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriters.

Although the Underwriter expects to maintain a secondary market in the Notes after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

LITIGATION

The Authority and the City will certify, and the City Attorney will render opinions on behalf of the Authority and the City upon the issuance of the Notes to the effect that, there is no action, suit, or proceeding known to the Authority or the City to be pending or threatened, restraining, or enjoining the execution or delivery of the Notes or the Trust Agreement or in any way contesting or affecting the validity of the foregoing or any proceeding of the Authority or the City taken with respect to any of the foregoing.

CERTAIN LEGAL MATTERS

Goodwin Procter LLP, Los Angeles, California, Bond Counsel, will render an opinion with respect to the Notes in substantially the form set forth in Appendix D hereto. Copies of such opinion will be furnished to the Underwriter at the time of delivery of the Notes. Certain legal matters will be passed upon for the Authority and the City by the City Attorney and by Disclosure Counsel, Goodwin Procter LLP, Los Angeles, California.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Notes. Quotations from and summaries and explanations of the Notes and of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such statutes and documents for full and complete statements of their provisions.

The preparation and distribution of this Official Statement have been authorized by the Authority and the City.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Controller

APPENDIX A
SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

[TO FOLLOW]

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF OXNARD

The Notes do not constitute a general obligation debt of the City of Oxnard (the "City"), and the City has not pledged its full faith and credit to the repayment of the Notes. The following information is presented for informational purposes only.

General

The City is located in western Ventura County (the "County") on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the financial hub of the County and the largest city in the County, with a population estimated at 194,905 in 2008, accounting for over 26% of the County's population. The City has become a premier center of County industrial activity. The City has a diversified and expanding economic base composed of light and heavy manufacturing, retail, service, and government sectors.

The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City is governed by a five-member City Council elected at large for four-year alternating terms, with the exception of the Mayor, who is directly elected for a two-year term.

Population

The City's population has grown from approximately 160,300 people in 2000 to approximately 194,905 in 2008. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2000 through 2008.

**Population of
City, County, State, and U.S.
2000 through 2008 ⁽¹⁾**

<u>Year</u>	<u>City</u>	<u>Percent Change</u>	<u>County</u>	<u>Percent Change</u>	<u>State (000)</u>	<u>Percent Change</u>	<u>United States (000)</u>	<u>Percent Change</u>
2000	160,300	--	758,614	--	34,095	--	282,127	--
2001	177,700	10.85%	773,301	1.94%	34,767	1.97%	285,040	1.03
2002	182,027	2.44	786,668	1.73	35,361	1.71	287,727	0.94
2003	181,800	(0.12)	798,060	1.45	35,944	1.65	290,211	0.86
2004	186,122	2.38	806,399	1.04	36,454	1.42	292,892	0.92
2005	188,941	1.51	811,934	0.69	36,899	1.22	295,561	0.91
2006	189,990	0.56	818,200	0.77	37,298	1.08	298,363	0.95
2007	192,997	1.58	824,041	0.71	37,713	1.11	301,290	0.98
2008	194,905	0.99	830,343	0.76	38,148	1.16	304,060	0.92

(1) Unless otherwise noted, estimates for City are as of January 1, and estimates for the County, the State, and the U.S. are as of July 1. Sources: For City: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008; for State and County: California Department of Finance; for U.S.: United States Bureau of the Census.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution. Article XIII A limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations of the City are comprised of an obligation of the City referred to as the "Public Safety Retirement Debt." The following table details the City's property tax rates for the last 10 fiscal years.

**City of Oxnard
Property Tax Rates
Fiscal Years 1999 through 2008**

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City District (Public Safety Retirement Debt)</u>	<u>School Districts</u>	<u>Water Districts</u>	<u>Total Tax Rates</u>
1999	1.00%	0.14497%	0.10040%	0.08362%	1.32899%
2000	1.00	0.18067	0.14920	0.06067	1.39054
2001	1.00	0.17277	0.11070	0.06399	1.34746
2002	1.00	0.20417	0.10420	0.05690	1.36527
2003	1.00	0.21447	0.10790	0.05120	1.37357
2004	1.00	0.20384	0.09770	0.04476	1.34630
2005	1.00	0.19624	0.08410	0.04224	1.32258
2006	1.00	0.17614	0.09850	0.03691	1.31155
2007	1.00	0.16564	0.08220	0.03272	1.28056
2008	1.00	0.17864	0.10500	0.02922	1.31286

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

Property Tax Levies, Collections, and Delinquencies

The Ventura County Tax Collector collects ad valorem property tax levies representing taxes levied for each fiscal year on taxable real and personal property that is situated in the County as of the preceding March 1. Unsecured taxes are assessed and payable on March 1 and become delinquent August 31 in the next fiscal year. Accordingly, unsecured taxes are levied at the rate applicable to the fiscal year preceding the one in which they are paid.

One half of the secured tax levy is due November 1 and becomes delinquent December 10; the second installment is due February 1 and becomes delinquent April 10. A 10% penalty is added to any late installment.

Property owners may redeem property upon payment of delinquent taxes and penalties. Tax-delinquent properties are subject to a redemption penalty of 1½% of the delinquent amount every month commencing on July 1 following the date on which the property became tax-delinquent. Properties may be redeemed under an installment plan by paying current taxes, plus 20% of delinquent taxes each year for five years, with interest accruing at 1½% per month on the unpaid balance.

The following table details the City's property tax levies, collections, and delinquencies for the last 10 fiscal years.

City of Oxnard
Property Tax Levies, Collections and Delinquencies
Fiscal Years 1999 through 2008

<u>Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percentage of Tax Levy</u>
1999	\$15,014,300	\$14,868,769	99.03%	\$189,551	\$15,058,320	100.29%
2000	17,038,470	17,317,763	101.64	99,032	17,416,795	102.22
2001	23,380,000	23,484,567	100.45	90,164	23,574,731	100.83
2002	25,900,000	25,718,029	99.30	284,711	26,002,740	100.40
2003	30,040,000	29,892,747	99.51	190,546	30,083,293	97.32
2004	35,432,169	35,281,916	99.58	344,390	35,626,306	99.99
2005	44,743,658	49,223,170	110.01	126,250	49,349,420	110.29
2006	54,511,910	58,537,770	107.39	132,403	58,670,173	107.63
2007	59,401,879	68,429,117	115.20	129,679	68,558,796	115.42
2008	69,931,705	75,726,668	108.29	121,075	75,847,743	108.46

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

Assessed Property Values

The following table details the assessed value of the real and personal property within the City for the last 10 fiscal years.

City of Oxnard
Assessed Property Values
Fiscal Years 1999 through 2008

<u>Year Ended June 30</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Exemptions</u>	<u>Total Assessed Value</u>
1999	\$ 6,605,309,284	\$ 95,463,165	\$ 737,477,086	\$ 5,963,295,363
2000	6,844,276,538	91,597,348	874,969,634	6,060,904,252
2001	7,645,814,717	97,930,553	846,810,724	6,896,934,546
2002	8,351,831,139	111,351,225	905,863,935	7,557,318,429
2003	9,093,618,247	124,301,084	1,110,078,014	8,107,841,317
2004	10,228,878,641	117,948,102	1,346,099,223	9,000,727,520
2005	11,509,455,540	114,301,049	1,537,114,090	10,086,642,499
2006	13,220,739,863	120,544,440	1,835,609,239	11,505,675,064
2007	15,001,093,942	147,705,238	2,126,175,049	13,022,624,131
2008	16,332,160,523	121,309,333	2,299,830,016	14,153,639,840

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

Principal Taxpayers

The following table lists the principal taxpayers in the City as of June 30, 2008.

City of Oxnard Principal Taxpayers

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Procter & Gamble Paper Products Company	\$ 272,454,248	1.656%
St. John's Regional Medical Center	206,858,598	1.257
Shea Limited Partnership	106,371,168	0.647
Essex Tierra Vista Limited Partnership	79,547,071	0.483
Haas Automation Inc.	76,685,700	0.466
SI VIII LLC	75,420,345	0.458
DR Horton LA Holding Company	64,428,654	0.392
Duesenberg Investment Company	63,972,388	0.389
Fred Kavli	63,182,789	0.384
Weyerhaeuser Company	51,412,300	0.312
Other Taxpayers	<u>15,392,811,262</u>	<u>93.555</u>
Totals	\$16,453,144,523	100.000%

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

Outstanding Debt

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during the last 10 fiscal years are set forth in the following table:

City of Oxnard Outstanding Debt 1999 through 2008

<u>Fiscal Year</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Total Outstanding Debt</u>
	<u>Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Tax Allocation Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	
1999	\$14,541,000	\$ 8,980,000	\$16,140,000	\$1,425,696	\$ 93,118,592	---	\$134,205,288
2000	12,285,000	8,805,000	15,620,000	1,163,893	89,448,949	---	127,322,842
2001	10,705,000	8,625,000	15,065,000	891,305	85,646,884	\$1,401,008	122,334,197
2002	9,080,000	8,440,000	14,475,000	604,201	88,945,000	1,215,752	122,759,953
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2008.

Proposition O – Sales Tax Increase

On November 4, 2008, the voters in the City approved Proposition O, which imposed a one-half cent sales tax increase to be used to expand services within the City. Sales tax revenues comprise approximately 23% of the City's annual General Fund revenues. The City expects the Proposition O sales tax increase to generate approximately \$10 million per year in additional sales tax revenues. The City has not appropriated any revenues expected to be received under Proposition O for purposes of its current or future budgets. See "CITY FINANCIAL INFORMATION – The City Budget."

Taxable Retail Sales

Consumer spending in calendar year 2007 resulted in \$2,317,108 in taxable sales in the City, which is approximately 3.03% below calendar year 2006. The following table sets forth information regarding taxable sales in the City for each type of business for calendar years 2003 through 2007.

City of Oxnard
Taxable Retail Sales by Type of Business
2003 – 2007
(000s)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Apparel stores	\$ 50,399	\$ 52,822	\$ 52,493	\$ 53,269	\$ 53,950
General merchandise stores	290,338	305,784	318,237	332,808	333,691
Food stores	73,061	75,013	88,779	92,362	101,283
Eating and drinking places	153,932	163,844	170,252	178,192	184,228
Home furnishings and appliances	102,279	100,961	103,361	96,648	89,654
Building materials and farm implements	206,417	225,380	242,899	232,493	116,237
Auto dealers and auto supplies	513,072	538,817	535,695	500,410	463,496
Service stations	113,140	134,002	150,908	172,834	183,742
Other retail stores	<u>213,714</u>	<u>225,512</u>	<u>231,290</u>	<u>234,260</u>	<u>283,043</u>
Total Retail Outlets	1,716,352	1,822,135	1,893,914	1,893,276	1,809,324
All Other Outlets	<u>322,866</u>	<u>350,471</u>	<u>405,811</u>	<u>496,311</u>	<u>507,784</u>
Total All Outlets	\$2,039,218	\$2,172,606	\$2,299,725	\$2,389,587	\$2,317,108

Source: California State Board of Equalization.

Employment

The following tables present the available labor force data and unemployment rates for five years for the City and the County.

City and County
Labor Force and Unemployment Figures
(2004 through 2008)

<u>Year</u>	<u>City</u>		<u>County</u>	
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Labor Force</u>	<u>Unemployment Rate</u>
2004	86,200	7.8%	415,600	5.4%
2005	87,100	6.8	421,200	4.7
2006	87,400	6.0	425,400	4.3
2007	88,400	6.6	431,400	5.4
2008	89,600	8.7	432,500	6.3

Source: State of California, Employment Development Department.

Transportation

Oxnard is served by all major modes of transportation. Both U.S. Highway 101 and State Highway 1 pass through the City, linking it with the Los Angeles metropolitan area and Santa Barbara County. Rail passenger service is provided by AMTRAK, which has a station in the City. Two trains daily pass through each direction and stop at the Oxnard station. Metrolink provides commuters from the Oxnard Transportation Center with several daily routes to the Los Angeles basin, including downtown Los Angeles. Southern Pacific Railroad provides freight rail service to the City. The Ventura County Railroad Company connects Port Hueneme, the Ormond Beach Industrial Area, the Naval Construction Battalion Center, and surrounding industrial areas to the Southern Pacific line. The Port of Hueneme, owned and operated by the Oxnard Harbor District, is the only commercial deep-draft harbor between Los Angeles and San Francisco. The port has five 600 to 700 foot berths and a 35-foot entrance channel depth. Completed in 1989 was an \$18 million expansion of the harbor that included the addition of an automobile terminal and the construction of a new wharf. The Port's acquisition of approximately 33

acres from the Navy in 1997 has enabled it to increase facilities for importing foreign automobiles. Automobile imports increased by 12.7% in 1997, making the Port one of the top 10 entry points in the U.S. for foreign automobiles. The Channel Islands Harbor is a modern 3,000 slip boat marina, which also serves the Oxnard area in the capacity of a recreational marina. The Oxnard Airport is operated by Ventura County as a general and commercial aviation air field. The Oxnard Airport handles passenger as well as cargo services. United Express provides feeder service to Los Angeles International Airport. Local bus service is provided by South Coast Area Transit System (SCAT), a regional public transit agency funded by the County and member cities. Service is available in Ojai, Ventura, Oxnard, and Port Hueneme. The Greyhound bus line provides passenger and parcel service from its Oxnard station. Great American Stagelines provides passenger services between Oxnard and Los Angeles every hour. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

There are 29 elementary, three junior high, and five senior high schools located in and around the City, plus eight parochial and private schools. The City is served by Oxnard College, which has an enrollment of over 6,300 students. The 119-acre campus is located on Rose Avenue between Channel Island Boulevard and Pleasant Valley Road. Oxnard College currently offers degree and certificate programs. The California State University campus at Channel Islands (CSUCI) opened in fall 2002, and has a current enrollment of over 3,700 students. In addition, two campuses of the University of California, Santa Barbara (UCSB) and Los Angeles (UCLA), one campus of the California State University, Northridge (CSUN), and two private universities, Pepperdine and California Lutheran University, are within a 50 minute drive.

Recreation

The City offers its residents a wide range of recreational facilities. The beach parks, marina and neighborhood and regional parks add up to nearly 1,500 acres of park land. McGrath State Beach Park, located south of the Santa Clara River mouth, covers approximately 295 acres and includes over a mile of ocean frontage. Overnight camping and day picnics are the main use of that park. Oxnard Beach Park includes approximately 62 acres with concession stands and facilities for day picnics and sports. Silver Strand Beach, south of the Harbor entrance, and Hollywood Beach, north of the entrance, are day beach facilities. Channel Islands Harbor is a recreational boating marina administered by Ventura County. The City has over 30 neighborhood parks located throughout the City. A tennis and softball center is located at Community Center Park. Additionally, Wilson Park contains the largest senior citizen center in the Tri-County area.

The City owns River Ridge Golf Club, consisting of two 18-hole championship golf courses, the Vineyard Course and the Victoria Lakes Course, as well as another 18-hole championship golf course located on the south side of the Santa Clara River. The City also owns a 1,600-seat Performing Arts Center located on Hobson Way in the center of the City.

City's Investment Policy

The following is a summary of the City's investment policy (the "Investment Policy") applicable to certain of the City's funds and accounts, as described below, in effect as of the date of this Official Statement. Reference is made to the entire Investment Policy, including the appendices and attachments thereto, which is available upon request from the City.

Introduction. The following statement of the City's Investment Policy is intended to provide guidelines for the prudent investment of surplus funds of the City, and to outline the policies for maximizing the efficiency of the City's cash management system. It is the policy of the City to invest

public funds in a manner which will provide high investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

Scope. This investment policy applies to the City's pooled investment fund, which encompasses all moneys under the direct oversight of the City Treasurer. These include the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, and Internal Service Funds. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued monthly by the Trustee and are not included in the City Treasurer's monthly report of the pooled investment fund. The employee's retirement and deferred compensation funds are not included.

Prudence. Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Objectives. The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City Treasurer to invest funds to the fullest extent possible. The City Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

Safety. The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City seeks to mitigate credit risk by prequalifying and continual monitoring of financial institutions with which it will do business, and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as the Sheshunoff Performance Report, Moody's, and Standard & Poor's may be utilized for this review. The City seeks to mitigate rate risk through diversification of instruments as well as maturities.

Liquidity. The portfolio will be structured with sufficient liquidity to allow the City to meet anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those that match maturities to expected cash needs, and the State Local Agency Investment Fund with immediate withdrawal provision.

Yield. A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

Delegation of Authority. California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority to the treasurer of the local agency. Effective January 1, 1997, such delegation is to be reviewed each year and may be renewed by the City Council.

City Council. Under City of Oxnard Resolution No. 10455, the City Council has authorized the City Treasurer to invest City funds in accordance with California Government Code Section 53600, *et. seq.* The City Treasurer will include review of the delegation of authority in the annual presentation of the Investment Policy to the City Council.

City Treasurer. The execution of investment transactions on a daily basis will be conducted by the City Treasurer. The Assistant City Treasurer will execute transactions, only as directed by the City Treasurer, in the absence of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

Amendment of Investment Policy. The City Treasurer retains the authority to amend the Investment Policy and related guidelines and procedures at any time in order to carry out the duties as chief investment officer for the City of Oxnard. Notice of any such required amendment will be given to the Investment Review Committee and the City Council.

Ethics and Conflicts of Interest. The City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. The City Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests.

Authorized Financial Dealers and Institutions. The City Treasurer shall transact business only with banks, savings and loans, and securities dealers.

Authorization. The City may conduct business with major registered broker/dealers and with dealers designated Primary by the Federal Reserve provided all the following criteria are met. Broker/Dealers must: (1) have offices located in the State, (2) be adequately capitalized, (3) make markets in securities appropriate to the City's needs, and (4) agree to abide by the conditions set forth in the City's Investment Policy. The City Treasurer shall investigate all institutions which wish to do business with the City and shall require that each financial institution complete and return the appropriate questionnaire and required documentation. An annual review of the financial condition and registrations of qualified bidders will be conducted by the City Treasurer.

Rating. With the exception of the LAIF and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the City Treasurer with the assistance of bank rating services and nationally recognized rating services (*i.e.*, Moody's or Standard & Poor's).

Authorized and Suitable Investments. California Government Code Section 53601 defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City of Oxnard are invested in compliance with this statute and as further limited in the Investment Policy.

U.S. Government. United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. Maturities are limited to a maximum of five years.

U.S. Agencies. The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years. Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

Other Bonds, Notes, or Evidences of Indebtedness. Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned,

controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

- Registered state warrants or treasury notes or bonds of the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
- Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A maximum of 15% of the portfolio may be so invested with the approval of the Investment Review Committee.

Bankers' Acceptances. Bills of exchange or time drafts drawn on and accepted by commercial banks that are eligible for purchase by the Federal Reserve System are known as bankers' acceptances. Purchases of these instruments may not exceed 180 days to maturity or 40% of an agency's surplus funds. A maximum of 30% may be invested in the bankers' acceptances of any one commercial bank.

Commercial Paper. This short-term unsecured promissory note is issued to finance short-term credit needs. Eligible paper is that which is ranked "P1" by Moody's or "A1" by Standard & Poor's, issued by a domestic corporation having assets in excess of \$500,000,000, and having an "A" or better rating on issuer's debt. Purchases of commercial paper may not exceed 270 days or represent more than 10% of the outstanding paper of an issuing corporation. Commercial paper purchases will be limited to 15% of the City's portfolio.

Negotiable Certificates of Deposit ("NCDs"). Allowable NCDs are issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. The City Treasurer may invest up to 30% of surplus funds in NCDs limited to institutions rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's. A rating equivalent to Sheshunoff performance rating of "A" or better is required for those institutions not rated by Moody's or Standard & Poor's. NCDs are considered liquid, trading actively in the secondary market.

Certificates of Deposit ("CDs"). CDs or "time deposits" of up to \$100,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110% if government securities, or collateral of at least 150% if mortgage-backed securities. Statute does not limit CDs, however, the Investment Policy shall limit such investments to a maximum of 40% of the portfolio and to a maximum of 15% deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to Sheshunoff performance rating of "A" or better.

Repurchase Agreements. The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the City Treasurer's office and will not be allowed to fall below 102% of the value of the repurchase

agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

Medium Term Notes. A maximum of 30% of the City's portfolio may be invested in medium-term notes issued by corporations organized and operating within the United States. Note maturities may not exceed five years. Securities eligible for investment must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (*i.e.*, Moody's or Standard & Poor's).

Mutual Funds. Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, *et seq.*, and complying with California Government Code Section 53630, are permitted investments. California Government Code Section 53601(k) further defines requirements. A maximum of 15% of the portfolio may be so invested.

LAIIF. LAIF (the Local Agency Investment Fund) has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by the LAIF.

Ineligible Investments. Investments not described in the Investment Policy, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund.

Short Term Loans. With the approval of the City Council and concurrence of the City Treasurer, funds may be invested in short term loans to provide specific funding to City programs.

Collateral. The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to California Government Code Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

- government securities, at least 10% in excess.
- mortgage backed securities, at least 50% in excess.
- letters of credit, at least 5% in excess.

Safekeeping and Custody. Security transactions entered into by the City shall be conducted on a delivery-versus-payment basis. Securities of duration exceeding 30 days to maturity shall be held by a third party custodian designated by the City Treasurer. Evidence of account for each time deposit will be held in the Treasury vault.

Diversification. The City's portfolio will be suitably diversified by type and institution in an effort to reduce portfolio risk while attaining market average rates.

Security Type and Institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total portfolio will be invested in a single security type

and no more than 15% with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in the Investment Policy.

Maximum Maturities. To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will not be directly invested in securities that mature more than five years from the date of purchase. Reserve funds may be invested in securities exceeding the five years (maturity of such investments should coincide as nearly as practicable with expected use of funds).

Internal Controls. A system of internal controls will be maintained to assure compliance with federal and State regulations, City Council direction, and prudent cash management procedures.

Investment Review Committee. The City Manager, Chief Financial Officer, and City Treasurer are the members of the Investment Review Committee tasked with quarterly review of procedures and adherence to the Investment Policy.

Investment Portfolio Guidelines. Guidelines have been established for procedures within the City Treasurer's Office to assure internal investment controls and a segregation of responsibilities of investment functions.

Annual Audit. The City's portfolio is included in the annual review of the City's financial management performed by an independent (as defined by the Financial Accounting Standards Board) outside audit firm.

Performance Standards. The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The market-average rate of return is defined as the average return on three-month Treasury bills. In addition, the City portfolio will be compared with LAIF and expected to maintain an annual yield within 0.50 (1/2 of 1%) basis points of LAIF's annual yield.

Reporting. The City Treasurer shall provide investment information to City Council.

Periodic Reports. The City Treasurer will provide detailed reports of the investments in the pooled investment fund portfolio on a monthly basis to the City Council, City Manager, and Chief Financial Officer. Within 30 days of the end of each quarter, these reports will be provided with additional information such as market pricing. Summarized reports from Trustees regarding investments of bond proceeds, deferred compensation, and retirement funds are available for review.

Annual Report. The Investment Policy will be presented annually, following the close of the fiscal year, to the City Council for approval. A detailed report of the current status of the portfolio will be included in this presentation.

Financial Statements per GASB 31. City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year end balance sheet in accordance with Rule 31 of the Government Accounting Standards Board ("GASB").

California Debt and Investment Advisory Commission. Effective January 1, 2001, investment reports issued to City Council will also be distributed semi-annually to the California Debt and Investment Advisory Commission.

Financial Statements per GASB 40. Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Comprehensive Annual Financial Report in accordance with GASB Rule 40.

APPENDIX C

**CITY OF OXNARD
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008**

[TO FOLLOW]

APPENDIX D
FORM OF BOND COUNSEL OPINION

[Closing Date]

Governing Board
City of Oxnard Financing Authority
300 West Third Street
Oxnard, California 93030

\$ _____
City of Oxnard Financing Authority
Bond Anticipation Notes
Series 2009
(Final Opinion)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Oxnard Financing Authority (the "Authority") in connection with the issuance by the Authority of \$ _____ aggregate principal amount of the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 (the "Notes"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) and the provisions of a Trust Agreement, dated as of August 1, 2009 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement, the Tax Certificate of the Authority and the City, dated the date hereof (the "Tax Certificate"), opinions of the City Attorney, certifications of the Authority, the City, and others, and such other documents, opinions, and matters to the extent we deemed necessary to render the opinions set forth herein.

Certain agreements, requirements, and procedures contained or referred to in the Trust Agreement, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Note or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are expressed only on and as of the date hereof and are based on an analysis of existing laws, regulations, rulings, and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Changes to existing law may occur hereafter and could have retroactive effect. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and the City. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions, or events will not cause interest on the Notes to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Notes, the Trust Agreement, and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against cities and joint powers authorities in the State of California.

We undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement or other offering material relating to the Notes and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes constitute the valid and binding limited obligations of the Authority.
2. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Notes, of the Take-Out Moneys, as provided in the Trust Agreement.
3. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from State of California personal income taxes. Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. In addition, pursuant to the American Recovery and Reinvestment Act of 2009, interest on the Notes is not included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

Except as stated in paragraph 3 above, we express no opinion as to federal or State of California tax consequences of the ownership of the Notes, including whether interest on the Notes is (a) included in the calculation of the amount subject to the "branch-level" tax imposed by Section 884 of the Code upon the earnings of certain foreign corporations engaged in a trade or business within the United States or (b) included in the income of certain Subchapter S corporations for purposes of the tax imposed thereon by Section 1375 of the Code. We also express no opinion as to any other federal, state, or local or any foreign tax consequences with respect to acquisition, ownership, or disposition of the Notes.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of [Closing Date], is executed and delivered by the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as trustee and as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Authority of the \$_____ aggregate principal amount of City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 (the "Notes"). The Notes are being issued pursuant to a Trust Agreement, dated as of August 1, 2009, by and among the City of Oxnard, the Authority, and the Dissemination Agent, as trustee (the "Trust Agreement").

The Authority and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Owners of the Notes and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions.

In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Report Date" shall mean the date in each year that is nine (9) months after the end of the Authority's fiscal year, the end of which, as of the date of this Disclosure Agreement, is June 30.

"Dissemination Agent" shall mean, initially, Wells Fargo Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent that is so designated in writing by the Authority and which has filed with the then current Dissemination Agent a written acceptance of such designation.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement relating to the Notes.

"Participating Underwriter" shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Notes required to comply with the Rule in connection with the offering of the Notes.

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

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2010, provide to MSRB, the Trustee, and any Participating Underwriter an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 calendar days prior to each such Annual Report Date, the Authority shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the Authority. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the Authority), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the Authority's fiscal year changes, the Authority shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The Authority shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Authority and shall have no duty or obligation to review such Annual Report.

(b) If the Agency is unable to provide to MSRB an Annual Report by the date required in subsection (a), the Agency shall send to MSRB a notice in substantially the form attached hereto as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

(i) file the Annual Report with MSRB; and

(ii) if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Agreement, and stating the date the Annual Report was so provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City, which include information regarding the funds and accounts of the Authority, if any, for the most recent fiscal year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the Authority shall provide a notice of such modification to MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) The following information with respect to the Authority for the fiscal year to which the Annual Report relates, which information may be provided by its inclusion in the audited financial statements of the City described in subsection (a) above:

- (i) the principal amount of Notes outstanding, including the principal amount of Notes, if any, called for redemption in advance of maturity, and any notes issued to refund the same;
- (ii) the balance in the funds and accounts established under the Trust Agreement; and
- (iii) information regarding any material changes in the Project, as described in the Official Statement under the section entitled "THE PROJECT."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, the City, or related public entities, that are available to the public on MSRB's Internet Web site or filed with the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on any debt service reserves for the Notes reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancements securing the Notes reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events adversely affecting the tax-exempt status of the Notes;
- (vii) modifications to the rights of Note Owners;
- (viii) Note calls;
- (ix) defeasances;
- (x) any release, substitution, or sale of property securing repayment of the Notes; and
- (xi) rating changes.

(b) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, the Authority shall as soon as possible determine if such event would be material under applicable federal securities law.

(c) If the Authority determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence with MSRB, with a copy to the Trustee and the Participating Underwriter. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes pursuant to the Trust Agreement.

(e) The Authority hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Authority and that the Trustee or the Dissemination Agent shall not be responsible for determining whether the Authority's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligation of the Authority, the Trustee, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days written notice to the Authority and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Authority. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Authority in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived; provided that the following conditions are satisfied:

(a) If the amendment or waiver related to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the Authority or the type of business conducted thereby.

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver (i) is approved by Owners of the Notes in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners or (ii) does not, in the opinion of the Authority or nationally recognized bond counsel, materially impair the interest of Note Owners.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended

operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City and the Authority to meet their respective obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB in the same manner as for a Listed Event under Section 5.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, any Note Owner, Participating Underwriter, or Trustee may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Authority pursuant to this Disclosure Agreement. The Authority shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 13. Notices. Notices should be sent in writing to the following addresses. The following information may be conclusively relied upon until changed in writing.

If to the Authority or the City: City of Oxnard Financing Authority
300 West Third Street
Oxnard, CA 93030
Attention: Controller

If to the Dissemination Agent: Wells Fargo Bank, National Association
707 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017
Attention: Corporate Trust Services
Ref: City of Oxnard

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: [Closing Date]

CITY OF OXNARD FINANCING AUTHORITY

Controller

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Dissemination Agent and Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Oxnard Financing Authority
Name of Note Issue: City of Oxnard Financing Authority Bond Anticipation Notes,
Series 2009
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the City of Oxnard Financing Authority (the "Authority") has not provided an Annual Report with respect to the above-named Notes as required by Section 3 of the Continuing Disclosure Agreement, dated as of [Closing Date], by and among the Authority, the City of Oxnard, and Wells Fargo Bank, National Association, as trustee and dissemination agent. The Authority anticipates that the Annual Report will be filed by _____.

Dated: _____

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Signatory

cc: Authority