PRELIMINARY OFFICIAL STATEMENT DATED __________, 2012

NEW ISSUE — BOOK-ENTRY ONLY

[CONFIRM:] RATINGS:
Series A Bonds [Insured] Rating: S&P: "___"
Series A Bonds [Underlying] Rating: S&P: "___"
Series B Bonds: NOT RATED
(See "RATING[S] OF SERIES A BONDS.")

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded 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 Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is 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 Bonds. See "TAX MATTERS."

CITY OF OXNARD FINANCING AUTHORITY
LOCAL OBLIGATION REVENUE BONDS
(2012 SPECIAL DISTRICT BOND REFINANCINGS)

$_________* Series A Senior Lien Bonds
$___________* Series B Subordinate Lien Bonds

Dated: Date of Delivery **Due: September 2, as shown on the inside cover**

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 Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series A Bonds"), and the City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds"), are being issued by the City of Oxnard Financing Authority (the "Authority") pursuant to an Indenture of Trust, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will be secured as described herein. The Bonds are being issued to purchase the following obligations: (i) the City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations"). See "THE PLAN OF FINANCE."

The Bonds will be delivered in fully registered form 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 Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "APPENDIX F – Book-Entry Only System."

Payments of principal of and interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each March 2 and September 2, commencing March 2, 2013, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the designated corporate office of the Trustee upon maturity or the earlier redemption thereof.

The Bonds are subject to optional, extraordinary, and mandatory sinking fund redemption prior to the stated maturity dates thereof, as described herein. See "THE BONDS - Redemption."

[CONFIRM INSURANCE:] [The scheduled payment of the principal of and interest on the Series A Bonds when due will be guaranteed under an insurance policy (the "Series A Bond Insurance Policy") to be issued concurrently with the delivery of the Series A Bonds by **[BOND INSURER]**.

[INSERT BOND INSURER LOGO]

[PAYMENT OF THE SERIES B BONDS IS NOT SECURED BY THE SERIES A BOND INSURANCE POLICY.] THE SERIES B BONDS ARE NOT RATED BY ANY RATING AGENCY, INVOLVE A HIGH DEGREE OF RISK, AND ARE NOT SUITABLE FOR ALL INVESTORS. SEE "RISK FACTORS RELATED TO THE BONDS" AND "RISK FACTORS RELATED TO THE SERIES B BONDS."

The Series A Bonds are payable solely from Revenues (as defined herein) under the Indenture, consisting of debt service payments on the Acquired Obligations received by the Trustee, as the assignee of the Authority, who is the registered owner of the Acquired Obligations, and amounts in certain funds and accounts pledged under the Indenture. The Series B Bonds are payable solely from Revenues under the Indenture and amounts in certain funds and accounts pledged under the Indenture on a subordinate basis to the Series A Bonds. Debt service payments on the Acquired Obligations are calculated to be sufficient to permit the Authority to pay debt service on the Bonds when due. The Authority has determined that it will not obligate itself to advance funds from its treasury to cover any delinquency on the Acquired Obligations.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF OXNARD (THE "CITY"), THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE REVENUES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS 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 REVENUES, AS PROVIDED IN THE INDENTURE AND AS MORE FULLY DESCRIBED HEREIN. THE AD BONDS ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE REASSESSMENTS LEVIED WITHIN THE CITY OF OXNARD ASSESSMENT DISTRICT NO. 2001-1 (RICE AVENUE/HIGHWAY 101 INTERCHANGE) (THE "ASSESSMENT DISTRICT") AND CERTAIN OTHER ASSETS PLEDGED THEREFOR UNDER THE AD BONDS FISCAL AGENT AGREEMENT (AS DEFINED HEREIN) PURSUANT TO WHICH SUCH AD BONDS ARE ISSUED. THE CFD NO. 1 BONDS ARE LIMITED OBLIGATIONS OF COMMUNITY FACILITIES DISTRICT NO. 1 (WESTPORT AT MANDALAY BAY) OF THE CITY OF OXNARD ("CFD NO. 1"), PAYABLE SOLELY FROM THE CFD NO. 1 SPECIAL TAXES (AS DEFINED HEREIN) LEVIED ON CERTAIN TAXABLE PROPERTY WITHIN CFD NO. 1 AND CERTAIN OTHER ASSETS PLEDGED THEREFOR UNDER THE CFD NO. 1 BONDS FISCAL AGENT AGREEMENT (AS DEFINED HEREIN) PURSUANT TO WHICH SUCH CFD NO. 1 BONDS ARE ISSUED. THE CFD NO. 2000-3 BONDS ARE LIMITED OBLIGATIONS OF THE CITY OF OXNARD COMMUNITY FACILITIES DISTRICT NO. 2000-3 (OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE) ("CFD NO. 2000-3" AND, TOGETHER WITH THE ASSESSMENT DISTRICT AND CFD NO. 1, THE "DISTRICTS") PAYABLE SOLELY FROM THE CFD NO. 2000-3 SPECIAL TAXES (AS DEFINED HEREIN) LEVIED ON CERTAIN TAXABLE PROPERTY WITHIN CFD NO. 2000-3 AND CERTAIN OTHER ASSETS PLEDGED THEREFOR UNDER THE CFD NO. 2000-3 BONDS FISCAL AGENT AGREEMENT (AS DEFINED HEREIN), PURSUANT TO WHICH SUCH CFD NO. 2000-3 BONDS ARE ISSUED. 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 ACQUIRED OBLIGATIONS.

See "RISK FACTORS RELATED TO THE BONDS" for a discussion of certain risk factors that should be considered in addition to the other matters set forth herein when evaluating the investment quality of the Bonds generally and "RISK FACTORS RELATED TO THE SERIES B BONDS" for a discussion of certain risk factors that relate specifically to the Series B Bonds.

[See Maturity Schedule on Inside Cover]

The Bonds 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 City, the Authority, and the Districts by the City Attorney and by Goodwin Procter LLP, Los Angeles, California, serving as Bond Counsel or as Disclosure Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York on or about _________, 2012.

STONE & YOUNGBERG
A DIVISION OF STIFEL NICOLAUS

* Preliminary; subject to change.

MATURITY SCHEDULE

$_________ SERIES A BONDS

Maturity Date (September 2)	Principal Amount	Interest Rate	Price/ Yield	CUSIP [(1)] No.	Maturity Date (September 2)	Principal Amount	Interest Rate	Price/ Yield	CUSIP [(1)] No.

$_________ ___% Term Series A Bonds due September 2, 20__; Price: ____%
$_________ ___% Term Series A Bonds due September 2, 20__; Price: ____%

$____________ SERIES B BONDS

Maturity Date (September 2)	Principal Amount	Interest Rate	Price/ Yield	CUSIP [(1)] No.	Maturity Date (September 2)	Principal Amount	Interest Rate	Price/ Yield	CUSIP [(1)] No.

$_________ ___% Term Series B Bonds due September 2, 20__; Price: ____%
$_________ ___% Term Series B Bonds due September 2, 20__; Price: ____%

[(1)] Copyright 2012, American Bankers Association. CUSIP data are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. ("CUSIP Service Bureau"). Such CUSIP data are provided only for the convenience of the reader and are not intended to create a database and do not serve in any way as a substitute for the services and information provided by the CUSIP Service Bureau. CUSIP is a registered trademark of the American Bankers Association. Neither the Authority nor any District takes any responsibility for the accuracy of any CUSIP data set forth herein or for any changes or errors in such data.

No dealer, broker, salesperson, or other person has been authorized by the City, the Authority, or Stifel, Nicolaus & Company, Incorporated, dba Stone & Youngberg, a Division of Stifel Nicolaus (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 the Bonds, nor shall there be any sale of the Bonds 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 Bonds. 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 in this Official Statement has been obtained from the City, the Authority, 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 City or the Authority. 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 City or the Authority since the date hereof.

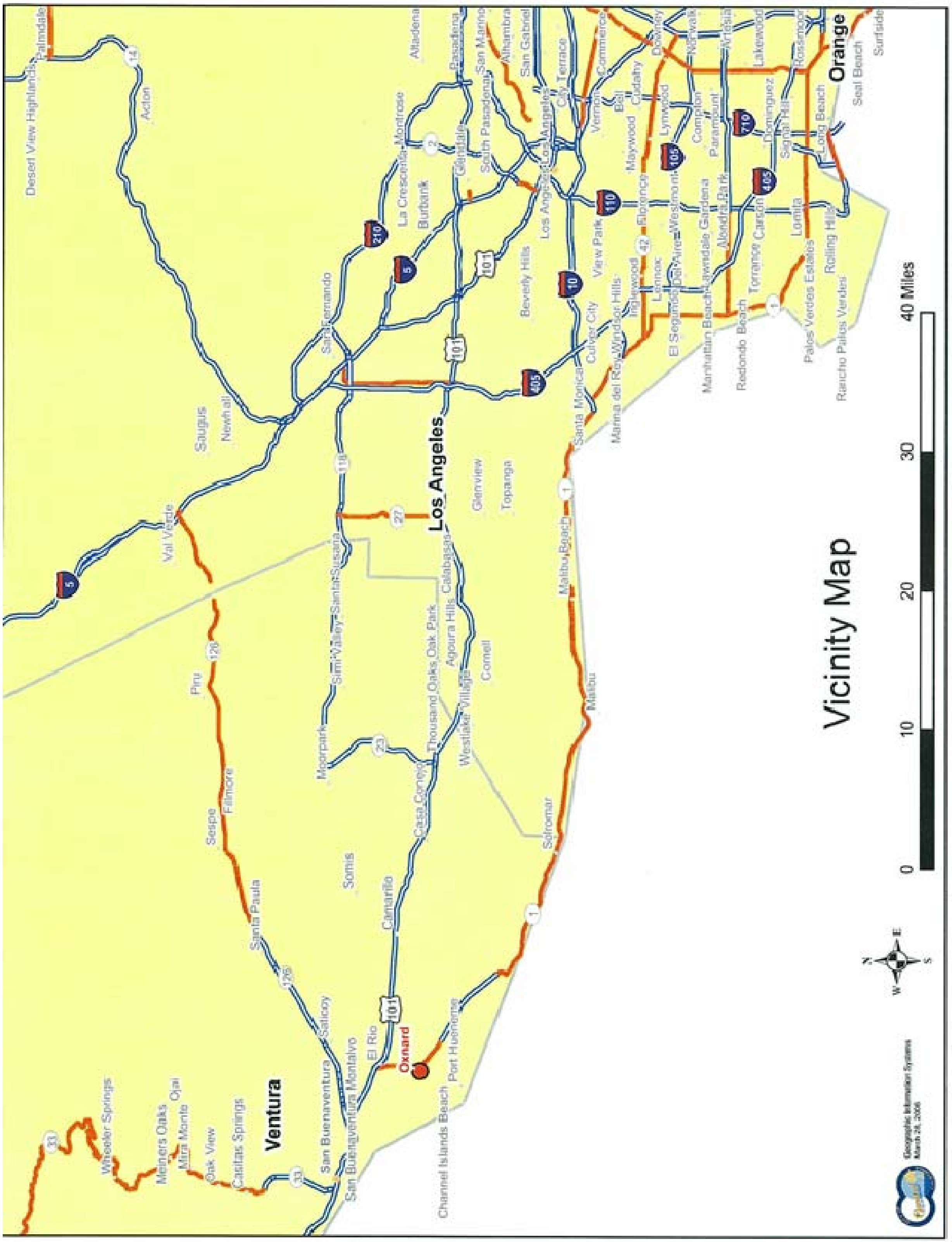
The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances 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 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS 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 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[ADD CERTIFICATE INSURER'S STATEMENT, IF APPLICABLE.]


Vicinity Map
Los Angeles
Ventura
Orange
Oxnard
0
10
20
30
40 Miles
Desert View Highlands
Palmdale
Acton
Saugus
Newhall
Val Verde
Piru
Fillmore
Sespe
Santa Paula
Saticoy
San Buenaventura
Montalvo
El Rio
Port Hueneme
Channel Islands Beach
Camarillo
Somis
Moorpark
Simi Valley
Santa Susana
Thousand Oaks
Oak Park
Agoura Hills
Calabasas
Westlake Village
Cornell
Glenview
Topanga
Malibu
Malibu Beach
Solromar
Casa Conejo
San Fernando
Burbank
Glendale
La Crescenta-Montrose
Altadena
Pasadena
San Marino
Alhambra
San Gabriel
South Pasadena
Beverly Hills
Santa Monica
Culver City
Marina del Rey
Windsor Hills
View Park
Inglewood
Lennox
El Segundo
Del Aire
Manhattan Beach
Redondo Beach
Torrance
Palos Verdes Estates
Rancho Palos Verdes
Rolling Hills
Lomita
Carson
Gardena
Hawthorne
Lawndale
Compton
Paramount
Lynwood
Maywood
Cudahy
Bell
Vernon
Commerce
City Terrace
Downey
Norwalk
Artesia
Lakewood
Rossmoor
Long Beach
Seal Beach
Surfside
Signal Hill
Dominguez
Wheeler Springs
Meiners Oaks
Mira Monte
Ojai
Oak View
Casitas Springs
Geographic Information Systems
March 28, 2006

CITY OF OXNARD, CALIFORNIA

MAYOR AND CITY COUNCIL

Dr. Thomas E. Holden, *Mayor*
Dr. Irene G. Pinkard, *Mayor Pro Tem*
Bryan A. MacDonald, *Councilman*
Tim Flynn, *Councilman*
Carmen Ramirez, *Councilmember*

GOVERNING BOARD OF THE AUTHORITY

Dr. Thomas E. Holden, *Chairman*
Dr. Irene G. Pinkard, *Vice Chair*
Bryan A. MacDonald, *Board Member*
Tim Flynn, *Board Member*
Carmen Ramirez, *Board Member*

CITY OFFICIALS

Karen R. Burnham, *Interim 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, Fiscal Agent, and Escrow Holder
Wells Fargo Bank, National Association
Los Angeles, California

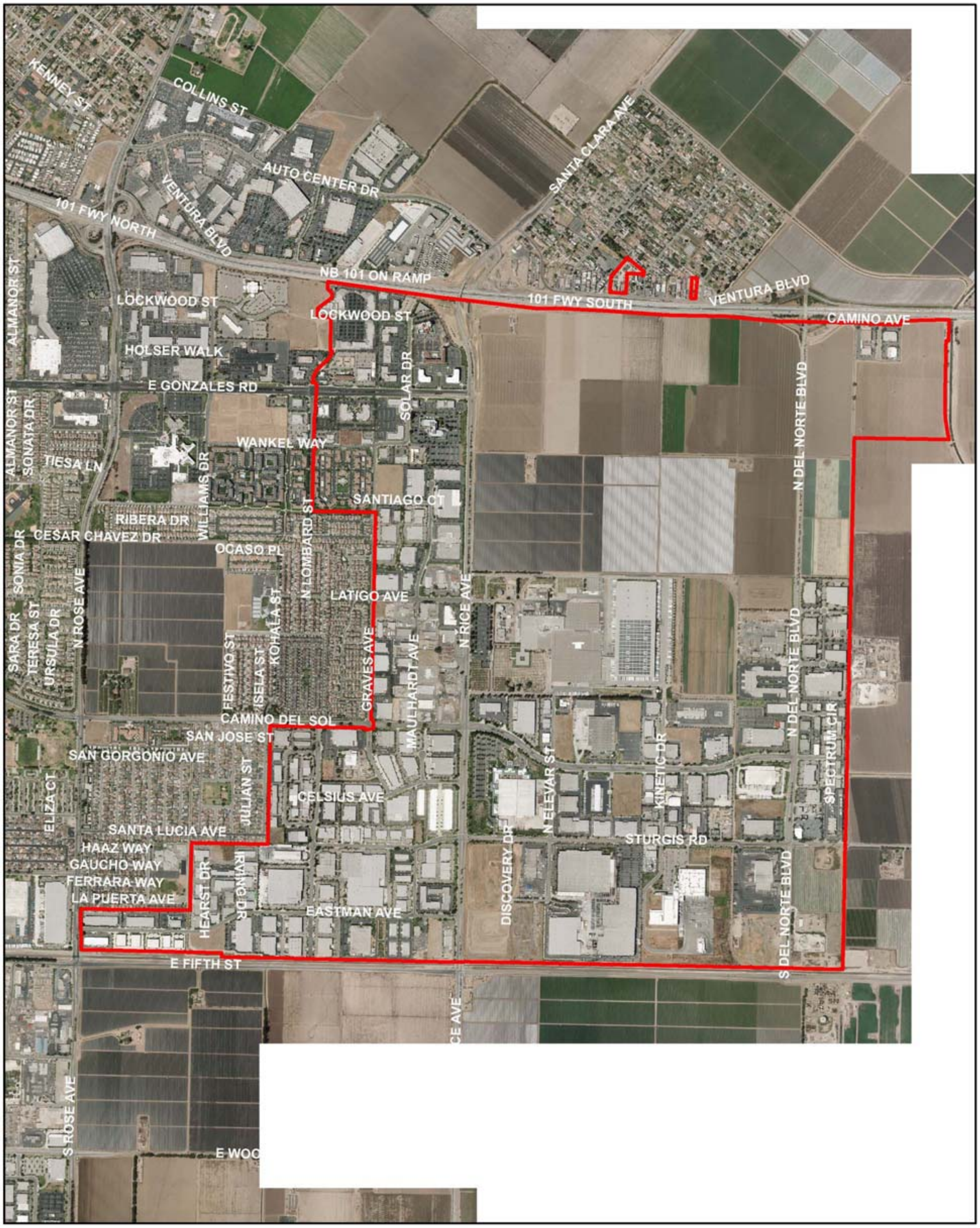
Financial Advisor
First Southwest Company
Santa Monica, California

Assessment Engineer/Special Tax Consultant
NBS
Temecula, California

Verification Agent
Causey, Demgen & Moore Inc.
Denver, Colorado

The City maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds

ARIEL PICTURE OF ASSESSMENT DISTRICT



AERIAL PICTURE OF CFD NO. 1

AERIAL PICTURE OF CFD NO. 2000-3 (PART 1)

AERIAL PICTURE OF CFD NO. 2000-3 (PART 2)

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CITY OF OXNARD FINANCING AUTHORITY
LOCAL OBLIGATION REVENUE BONDS
(2012 SPECIAL DISTRICT BOND REFINANCINGS)
$___________* Series A Senior Lien Bonds
$___________ * Series B Subordinate Lien Bonds

INTRODUCTION

General

This Official Statement, which includes the cover page, the Table of Contents, and the Appendices (the "Official Statement"), is provided to furnish certain information in connection with the issuance and sale by the City of Oxnard Financing Authority (the "Authority") of $_________* aggregate principal amount of the City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series A Bonds"), and $_________* aggregate principal amount of the City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds").

The Bonds are being issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), and an Indenture of Trust, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture. See "APPENDIX B – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions."

The Districts

The Assessment District. The City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) (the "Assessment District") was formed by the City of Oxnard (the "City") pursuant to the Municipal Improvement Act of 1913, as amended, constituting Section 10000 *et seq.* of the California Streets and Highways Code (the "1913 Act"). The Assessment District encompasses approximately 1,544 assessable acres of commercial, industrial, and residential property located in and around the vicinity of the United States Highway 101 ("US 101") and Rice Avenue interchange in the northeast section of the City. The area in which the Assessment District is located is zoned primarily for limited industrial, light industrial, and business and research uses. Development within the Assessment District ranges from large industrial facilities to small industrial buildings and retail uses. The area east of the Assessment District provides an agricultural buffer zone between the Cities of Oxnard and Camarillo. Additional agricultural lands are located south of the Assessment District. See "THE DISTRICTS – The Assessment District."

CFD No. 1. Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard ("CFD No. 1") was formed by the City pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311 *et seq.* of the California Government Code (the "Mello-Roos Act"). The property within CFD No. 1 consists primarily of a residential development known as Westport at Mandalay Bay, which includes a variety of waterfront living and recreational opportunities including single-family residences with canal frontages and boat slips, a mix of multifamily housing types, a small boat lagoon, and a boardwalk promenade with a neighborhood retail component, all linked by a series of jogging paths, parks, and view corridors. CFD No. 1 is located on the south side of Wooley Road, east of Harbor Boulevard, and is bordered on the west by the Reliant Energy Canal and vacant sand dune land between the canal and Harbor Boulevard, and to the east by the Seabridge Community. The property in CFD No. 1 includes 306 existing single-family attached and detached units, a marina, and approximately 22,000 square feet of commercial space. The property to the south of CFD No. 1 has been developed with various types of residential structures within the original portion of the Westport at Mandalay Bay development. See "THE DISTRICTS – CFD No. 1."

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* Preliminary; subject to change.

CFD No. 2000-3. The City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) ("CFD No. 2000-3" and, together with the Assessment District and CFD No. 1, the "Districts") was formed by the City pursuant to the Mello-Roos Act. There are 625 parcels of land within CFD No. 2000-3, totaling approximately 440 acres, which parcels comprise a mixture of various properties located in northwest portion of the City. The majority of the parcels are focused in and around areas known as The Esplanade and RiverPark. The Esplanade was a regional mall that was demolished in 2000. The current land uses within CFD No. 2000-3 include high-rise office buildings, retail, office buildings, residential properties, a cemetery, and miscellaneous buildings. See "THE DISTRICTS – CFD No. 2000-3."

Acquired Obligations

AD Bonds. The City is issuing its City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012, in the aggregate principal amount of $__________* (the "AD Bonds"), pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, constituting Division 11.5 of the California Streets and Highways Code (the "Refunding Act"), and a Fiscal Agent Agreement, dated as of August 1, 2012 (the "AD Bonds Fiscal Agent Agreement"), by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"). The AD Bonds will be secured by certain unpaid reassessments (the "Reassessments") levied by the City pursuant to the Refunding Act on certain parcels within the Assessment District. A portion of the proceeds from the sale of the AD Bonds will be used to refund the outstanding City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange), Limited Obligation Improvement Bonds, Series 2002 (the "Refunded 2002 AD Bonds"), previously issued by the City on August 27, 2002, in the aggregate principal amount of $15,125,000, of which $12,845,000 are currently outstanding. See "THE PLAN OF FINANCE."

CFD No. 1 Bonds. CFD No. 1 is issuing its Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds, in the aggregate principal amount of $_________* (the "CFD No. 1 Bonds"), pursuant to the Mello-Roos Act and a Fiscal Agent Agreement, dated as of August 1, 2012 (the "CFD No. 1 Bonds Fiscal Agent Agreement"), by and between CFD No. 1, acting through the City Council of the City (the "City Council"), and the Fiscal Agent, as fiscal agent. The CFD No. 1 Bonds will be secured by the special taxes to be levied by CFD No. 1 pursuant to the Mello-Roos Act on the taxable property within CFD No. 1 (the "CFD No. 1 Special Taxes"). A portion of the proceeds from the sale of the CFD No. 1 Bonds will be used to refund the outstanding Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2002 Special Tax Bonds (the "Refunded 2002 CFD No. 1 Bonds"), previously issued by CFD No. 1 on December 19, 2002, in the aggregate principal amount of $9,740,000, of which $9,140,000 are currently outstanding. See "THE PLAN OF FINANCE."

CFD No. 2000-3 Bonds. CFD No. 2000-3 is issuing its City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) 2012 Special Tax Refunding Bonds, in the aggregate principal amount of $_________* (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations"), pursuant to the Mello-Roos Act and a Fiscal Agent Agreement, dated as of August 1, 2012 (the "CFD No. 2000-3 Bonds Fiscal Agent Agreement" and, together with the AD Bonds Fiscal Agent Agreement and the CFD No. 1 Bonds Fiscal Agent Agreement, the "Fiscal Agent Agreements"), by and between CFD No. 2000-3, acting through the City Council, and the Fiscal Agent, as fiscal agent. The CFD No. 2000-3 Bonds will be secured by the special taxes to be levied by CFD No. 2000-3 pursuant to the Mello-Roos Act on the taxable property within CFD No. 2000-3 (the "CFD No. 2000-3 Special Taxes"). A portion of the proceeds from the sale of the CFD No. 2000-3 Bonds will be used to refund the outstanding City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Bonds, Series 2003 (the "Refunded 2003 CFD No. 2000-3 Bonds"), previously issued by CFD No. 2000-3 on February 6, 2003, in the aggregate principal amount of $10,490,000, of which $8,335,000 are currently outstanding. See "THE PLAN OF FINANCE."

The Bonds

The proceeds of the Bonds will be used to: (a) acquire the Acquired Obligations from the City, CFD No. 1, and CFD No. 2000-3, as applicable, (b) pay costs of issuance of the Bonds and the Acquired Obligations, [including

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* Preliminary; subject to change.

the premium for an insurance policy for the Series A Bonds and the premium for a surety bond to partially fund the reserve fund for the Series A Bonds], and (c) to fund cash deposits to the reserve fund for the Series A Bonds and the reserve fund for the Series B Bonds. The principal and interest payments received by the Authority as the owner of the Acquired Obligations are the primary source of funds to pay the principal and interest with respect to the Bonds.

Security for the Bonds

Revenues. The Bonds are payable from and secured by the Revenues (as defined herein) and amounts in the funds and accounts established under the Indenture (except the Rebate Fund and the Expense Fund), with the Series A Bonds having a first lien thereon and the Series B Bonds having a second lien thereon. "Revenues" is defined under the Indenture to mean (i) all amounts derived from or with respect to the Acquired Obligations and (ii) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture, except the Rebate Fund. See "SECURITY FOR THE BONDS."

[CONFIRM:] ***[Series A Bond Insurance Policy.*** The scheduled payment of principal of and interest on the Series A Bonds when due will be guaranteed under an insurance policy (the "Series A Bond Insurance Policy") to be issued concurrently with the delivery of the Series A Bonds by [BOND INSURER] (the "Series A Bond Insurer"). See "BOND INSURANCE FOR SERIES A BONDS." **PAYMENT OF PRINCIPAL OF AND INTEREST ON THE SERIES B BONDS IS NOT SECURED BY THE SERIES A BOND INSURANCE POLICY.]**

Reserve Funds. Pursuant to the Indenture, the Authority has established a reserve fund for the Series A Bonds (the "Senior Reserve Fund") and a reserve fund for the Series B Bonds (the "Subordinate Reserve Fund"). **[CONFIRM:]** [Upon issuance of the Series A Bonds, the Senior Reserve Fund will be initially funded from the proceeds of the Series A Bonds in an amount equal to $___________, together with a surety bond (the "Senior Reserve Fund Surety") issued by the Series A Bond Insurer in an amount equal to $___________.] The Subordinate Reserve Fund will be initially funded from the proceeds of the Series B Bonds in an amount equal to $__________. If on any Interest Payment Date (as defined herein) the amount in the Senior Interest Account is less than the interest payable with respect to the Series A Bonds on such date, the Trustee shall, pursuant to the terms of the Indenture, transfer the amount of such delinquency from the Senior Reserve Fund to the Senior Interest Account. If on any Interest Payment Date the amount in the Senior Principal Account is less than the principal payable with respect to the Series A Bonds on such date, the Trustee shall, pursuant to the terms of the Indenture, transfer the amount of such delinquency from the Senior Reserve Fund to the Senior Principal Account. If on any Interest Payment Date the amount in the Subordinate Interest Account is less than the interest payable with respect to the Series B Bonds on such date, the Trustee shall, pursuant to the terms of the Indenture, transfer the amount of such delinquency from the Subordinate Reserve Fund to the Subordinate Interest Account. If on any Interest Payment Date the amount in the Subordinate Principal Account is less than the principal payable with respect to the Series B Bonds on such date, the Trustee shall, pursuant to the terms of the Indenture, transfer the amount of such delinquency from Subordinate Reserve Fund to the Subordinate Principal Account. See "SECURITY FOR THE BONDS – Reserve Funds."

Continuing Disclosure

In connection with the issuance of the Bonds, the Authority will covenant in a continuing disclosure agreement, the form of which is attached as Appendix D (the "Continuing Disclosure Agreement'), to provide certain financial information and operating data relating to the City, the Authority, and the Districts, and notices of certain events listed therein. This covenant is being made by the Authority in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12, as amended. See "CONTINUING DISCLOSURE" and "APPENDIX D – Form of Continuing Disclosure Agreement."

Risk Factors

See the section of this Official Statement entitled "RISK FACTORS RELATED TO THE BONDS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds generally. See the section of this Official Statement entitled "RISK FACTORS RELATED TO THE SERIES B BONDS" for certain risk factors that relate, in particular, to the investment quality of the Series B Bonds, which are not insured and are not rated. **THE SERIES B BONDS INVOLVE A HIGH DEGREE OF RISK AND ARE NOT SUITABLE FOR ALL INVESTORS.**

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement 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 Official Statement 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.** See also "RISK FACTORS RELATED TO THE BONDS" and "RISK FACTORS RELATED TO THE SERIES B BONDS."

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement 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.

Additional Information

Additional information regarding this Official Statement, as well as copies of the Indenture and other documents described herein, may be obtained from the City. The City's address for such purpose is: City of Oxnard, 300 West Third Street, Oxnard, California 93030, Attention: Chief Financial Officer. The Chief Financial Officer's telephone number is (805) 385-7475.

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 BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE REVENUES PLEDGED UNDER THE INDENTURE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY, OR GENERAL OBLIGATIONS OF THE AUTHORITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE EXCLUSIVELY FROM REVENUES, AS PROVIDED IN THE INDENTURE AND AS MORE FULLY DESCRIBED HEREIN. 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 ACQUIRED OBLIGATIONS. THE AD BONDS ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE REASSESSMENTS LEVIED WITHIN THE ASSESSMENT DISTRICT AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE AD BONDS FISCAL AGENT AGREEMENT, PURSUANT TO WHICH SUCH AD BONDS ARE ISSUED. THE CFD NO. 1 BONDS ARE LIMITED OBLIGATIONS OF CFD NO. 1 PAYABLE SOLELY FROM THE CFD NO. 1 SPECIAL TAXES LEVIED ON THE TAXABLE PROPERTY WITHIN CFD NO. 1 AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE CFD NO. 1 BONDS FISCAL AGENT AGREEMENT, PURSUANT TO WHICH SUCH CFD NO. 1 BONDS ARE ISSUED. THE CFD NO. 2000-3 BONDS ARE LIMITED OBLIGATIONS OF CFD NO. 2000-3 PAYABLE SOLELY FROM THE CFD NO. 2000-3 SPECIAL TAXES LEVIED ON THE TAXABLE PROPERTY WITHIN CFD NO. 2000-3 AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE CFD NO. 2000-3 BONDS FISCAL AGENT AGREEMENT, PURSUANT TO WHICH SUCH CFD NO. 2000-3 BONDS ARE ISSUED.

THE PLAN OF FINANCE

The Bonds are being issued in order to provide funds to purchase the Acquired Obligations. The Acquired Obligations consist of (i) the AD Bonds, which are being issued in the aggregate principal amount of $__________* to refund the Refunded 2002 AD Bonds, which were previously issued by the City on August 27, 2002, in the aggregate principal amount of $15,125,000, of which $12,845,000 are currently outstanding, (ii) the CFD No. 1 Bonds, which are being issued in the aggregate principal amount of $__________* to refund the Refunded 2002 CFD No. 1 Bonds, which were previously issued by CFD No. 1 on February 6, 2003, in the aggregate principal amount of $10,490,000, of which $9,140,000 are currently outstanding, and (iii) the CFD No. 2000-3 Bonds, which are being issued in the aggregate principal amount of $__________* to refund the Refunded 2003 CFD No. 2000-3 Bonds, which were previously issued by CFD No. 2000-3 on February 6, 2003, in the aggregate principal amount of $10,490,000, of which $8,335,000 are currently outstanding.

Concurrently with the delivery of the Acquired Obligations, the City will cause a portion of the proceeds of the sale of the AD Bonds and certain other amounts on deposit in the funds and accounts established for the Refunded 2002 AD Bonds to be deposited into an escrow fund established under an Escrow Agreement, dated as of August 1, 2012 (the "AD Escrow Agreement"), by and between the City and Wells Fargo Bank, National Association, as escrow holder (the "Escrow Holder"). Such amounts will be sufficient to pay, on September 2, 2012, the accrued interest on the Refunded 2002 AD Bonds maturing on and after September 2, 2012, the principal amount of the Refunded 2002 AD Bonds maturing on September 2, 2012, and the redemption price of 100% of the principal amount payable with respect to the Refunded 2002 AD Bonds maturing after September 2, 2012. See "ESTIMATED SOURCES AND USES OF FUNDS."

Concurrently with the delivery of the Acquired Obligations, CFD No. 1 will cause a portion of the proceeds of the sale of the CFD No. 1 Bonds and certain other amounts on deposit in the funds and accounts established for the Refunded 2002 CFD No. 1 Bonds to be deposited into an escrow fund established under an Escrow Agreement, dated as of August 1, 2012 (the "CFD No. 1 Escrow Agreement"), by and between CFD No. 1, acting through the City Council, and the Escrow Holder, as escrow holder. Such amounts will be sufficient to pay, on September 1, 2012, the accrued interest on the Refunded 2002 CFD No. 1 Bonds maturing on and after September 1, 2012, the principal amount of the Refunded 2002 CFD No. 1 Bonds maturing on September 1, 2012, if any, and the redemption price of 100% of the principal amount payable with respect to the Refunded 2002 CFD No. 1 Bonds maturing after September 1, 2012, as verified by Causey, Demgen & Moore Inc., Denver, Colorado, an independent firm of certified public accountants (the "Verification Agent"). See "ESTIMATED SOURCES AND USES OF FUNDS" and "VERIFICATION."

Concurrently with the delivery of the Acquired Obligations, CFD No. 2000-3 will cause a portion of the proceeds of the sale of the CFD No. 2000-3 Bonds and certain other amounts on deposit in the funds and accounts established for the Refunded 2003 CFD No. 2000-3 Bonds to be deposited into an escrow fund established under an Escrow Agreement, dated as of August 1, 2012 (the "CFD No. 2000-3 Escrow Agreement"), by and between CFD No. 2000-3, acting through the City Council, and the Escrow Holder, as escrow holder. Such amounts will be sufficient to pay, on September 1, 2012, the accrued interest on the Refunded 2003 CFD No. 2000-3 Bonds maturing on and after September 1, 2012, the principal amount of the Refunded 2003 CFD No. 2000-3 Bonds maturing on September 1, 2012, if any, and the redemption price of 101% of the principal amount payable with respect to the Refunded 2003 CFD No. 2000-3 Bonds maturing after September 1, 2012, as verified by the Verification Agent. See "ESTIMATED SOURCES AND USES OF FUNDS" and "VERIFICATION."

Amounts in the escrow funds established for the Refunded 2002 AD Bonds, the Refunded 2002 CFD No. 1 Bonds, and the Refunded 2003 CFD No. 2000-3 Bonds, respectively, will be held as cash and will not be invested.

* Preliminary; subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources and Uses of Funds for the Bonds

The estimated sources and uses of funds with respect to the Series A Bonds are set forth in the following table:

Sources of Funds
Principal Amount
[Less/Plus]: Net Original Issue [Discount/Premium]
Plus: Accrued Interest Transferred from Fiscal Agent (1)
Total Sources

Uses of Funds
Underwriter's Discount
Senior Interest Account of Revenue Fund (1)
Expense Fund (2)
Other Costs of Issuance (3)
Senior Reserve Fund (4)
Program Fund (5)
Residual Account of Revenue Fund
Total Uses

____

(1) Represents a portion of the accrued interest on the CFD No. 1 Bonds in the amount of $__________ and a portion of the accrued interest on the CFD No. 2000-3 Bonds in the amount of $____________.

(2) To pay costs of issuance including printing fees, rating agency fees, and fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Trustee, the Fiscal Agent, the Escrow Holder, and the Verification Agent.

(3) **[CONFIRM:]** [To be transferred to the Series A Bond Insurer to pay the Series A Bond Insurance Policy premium in the amount of $___________ and the Senior Reserve Fund Surety premium in the amount of $____________.]

(4) **[CONFIRM:]** Represents a portion of the Senior Reserve Requirement (as defined herein) for the Series A Bonds. The remainder of the Senior Reserve Requirement is being funded with the Senior Reserve Fund Surety.

(5) Amounts in the Program Fund will be used to purchase the Acquired Obligations.

The estimated sources and uses of funds with respect to the Series B Bonds are set forth in the following table:

Sources of Funds
Principal Amount
[Less/Plus]: Net Original Issue [Discount/Premium]
Plus: Accrued Interest Transferred from Fiscal Agent (1)
Total Sources

Uses of Funds
Underwriter's Discount
Subordinate Interest Account of Revenue Fund (1)
Expense Fund (2)
Subordinate Reserve Fund (3)
Program Fund (4)
Residual Account of Reserve Fund
Total Uses

____

(1) Represents a portion of accrued interest on the CFD No. 1 Bonds in the amount of $__________ and a portion of the accrued interest on the CFD No. 2000-3 Bonds in the amount of $____________.

(2) To pay costs of issuance including printing fees, rating agency fees, and fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Trustee, the Fiscal Agent, the Escrow Holder, and the Verification Agent.

(3) Represents the Subordinate Reserve Requirement (as defined herein) for the Series B Bonds.

(4) Amounts in the Program Fund will be used to purchase the Acquired Obligations.

Estimated Sources and Uses of Funds for the Acquired Obligations

The estimated sources and uses of funds with respect to the AD Bonds are set forth in the following table:

Sources of Funds
Principal Amount
[Less/Plus]: Authority Purchase [Discount/Premium]
Refunded 2002 AD Bonds Reserve Fund
Refunded 2002 AD Bonds Redemption Fund
Refunded 2002 AD Bonds Improvement Fund
Refunded 2002 AD Bonds Assessments Held by City
Total Sources

Uses of Funds
Refunding Escrow Fund
Total Uses

The estimated sources and uses of funds with respect to the CFD No. 1 Bonds are set forth in the following table:

Sources of Funds
Principal Amount
[Less/Plus]: Authority Purchase [Discount/Premium]
Refunded 2002 CFD No. 1 Bonds Reserve Fund
Refunded 2002 CFD No. 1 Bonds Bond Payment Fund
Refunded 2002 CFD No. 1 Bonds Special Tax Fund
Total Sources

Uses of Funds
Transfer to Trustee for Deposit in Senior Interest Account of Revenue Fund (1)
Transfer to Trustee for Deposit in Subordinate Senior Interest Account of Revenue Fund (2)
Refunding Escrow Fund
Total Uses

(1) Represents a portion of accrued interest on the CFD No. 1 Bonds in the amount of $__________.
(2) Represents a portion of accrued interest on the CFD No. 1 Bonds in the amount of $__________.

The estimated sources and uses of funds with respect to the CFD No. 2000-3 Bonds are set forth in the following table:

Sources of Funds
Principal Amount
[Less/Plus]: Authority Purchase [Discount/Premium]
Refunded 2003 CFD No. 2000-3 Bonds Reserve Fund
Refunded 2003 CFD No. 2000-3 Bonds Bond Service Fund
Refunded 2003 CFD No. 2000-3 Bonds Redemption Fund
Refunded 2003 CFD No. 2000-3 Bonds Construction Fund
Refunded 2003 CFD No. 2000-3 Bonds Special Tax Fund
Total Sources

Uses of Funds
Refunding Escrow Fund
Total Uses

(1) Represents a portion of accrued interest on the CFD No. 2000-3 Bonds in the amount of $__________.
(2) Represents a portion of accrued interest on the CFD No. 2000-3 Bonds in the amount of $__________.

THE BONDS

Description of the Bonds

The Bonds will be issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See "APPENDIX F – Book-Entry Only System."

The Bonds will be dated their date of delivery. The Bonds will bear interest at the rates per annum and will mature, subject to the redemption provisions set forth below, on the dates and in the principal amounts, all as set forth on the inside cover page hereof.

Interest on the Bonds is payable semiannually on March 2 and September 2 of each year, commencing March 2, 2013 (each an "Interest Payment Date"), to the persons in whose names ownership of the Bonds is registered on the records maintained by the Trustee for the registration and transfer of ownership of the Bonds (the "Registration Books") at the close of business on the fifteenth (15th) day (whether or not such day is a Business Day) of the calendar month preceding the applicable Interest Payment Date (each, a "Record Date"), except as provided in the Indenture. Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from its date of delivery, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

The principal of and redemption premium, if any, on the Bonds will be paid in lawful money of the United States of America at the office of the Trustee upon presentation and surrender of the Bonds at maturity or the prior redemption thereof. The Bonds will mature on September 2 in the principal amounts and years as shown on the inside cover page hereof and are subject to optional, extraordinary, and mandatory sinking fund redemption as described herein.

Redemption

Optional Redemption.

Optional Redemption of Series A Bonds. The Series A Bonds or any portion of a Series A Bond in any Authorized Denomination maturing on or after September 2, 20__, may be redeemed at the option of the Authority prior to maturity on any Interest Payment Date on or after September 2, 20__, *pro rata* among maturities as directed by the Authority, **[CONFIRM:]** [subject to the approval of the Series A Bond Insurer,] in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate (as defined below), from any source of funds (excluding amounts transferred to the Trustee by the Fiscal Agent from the AD Prepayment Account, the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable) at the redemption price set forth below (expressed as a percentage of the principal amount of the Series A Bonds to be redeemed), plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 2, 20__, and September 2, 20__	_____%
March 2, 20__, and September 2, 20__	_____%
March 2, 20__, and thereafter	_____%

Optional Redemption of Series B Bonds. The Series B Bonds or any portion of a Series B Bond in any Authorized Denomination maturing on or after September 2, 20__, may be redeemed at the option of the Authority prior to maturity on any Interest Payment Date on or after September 2, 20__, *pro rata* among the Series B Bonds and among maturities as directed by the Authority **[CONFIRM:]** [subject to the approval of the Series A Bond Insurer,] in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate, from any source of funds (excluding amounts transferred to the Trustee by the Fiscal Agent from the AD Prepayment Account, the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable) at the redemption price set forth below (expressed as a percentage of the principal amount of the Series B Bonds to be redeemed), plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 2, 20__, and September 2, 20__	_____%
March 2, 20__, and September 2, 20__	_____%
March 2, 20__, and thereafter	_____%

Cash Flow Certificate. The term "Cash Flow Certificate" is defined in the Indenture as a certificate prepared by an Independent Special District Administrator which, as to a redemption of Series A Bonds or Series B Bonds, as applicable, pursuant to the redemption provisions contained in the Indenture, (i) directs the redemption of Series A Bonds among maturities of the Series A Bonds or of Series B Bonds among maturities of the Series B Bonds, as applicable, as necessary, after giving effect to such redemption, so as to maintain as close as practicable the level of Revenue coverage that existed for the Series A Bonds and the Series B Bonds as of the date of delivery thereof, and (ii) certifies that after such redemption the Revenues scheduled to be received from the Acquired Obligations will be sufficient in time and amount (together with funds then held under the Indenture representing payments made pursuant to the Acquired Obligations and available to pay debt service on the Bonds, but excluding amounts, if any, on deposit in the Senior Reserve Fund and the Subordinate Reserve Fund) to make all remaining scheduled payments of principal of and interest on the outstanding Bonds.

Extraordinary Redemption from Prepayments. [**CONFIRM:**] The Bonds or any portion of a Bond in any Authorized Denomination shall be subject to extraordinary redemption prior to maturity, in whole on any date, or in part on any Interest Payment Date, *pro rata* among the Series A Bonds and the Series B Bonds and among maturities as directed by the Authority, **[CONFIRM:]** [subject to the approval of the Series A Bond Insurer,] in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate, from funds transferred to the Trustee by the Fiscal Agent from the AD Prepayment Account, , the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable, at a redemption price equal to the principal amount of the Bonds to be redeemed, **[CONFIRM:]** [plus a premium equal to 1% of such principal amount,] together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption.

Series A Bonds. The Series A Bonds maturing on September 2, 20__, are subject to mandatory redemption in part on September 2 in the following years in the following amounts at a redemption price equal to the principal amount thereof together with accrued interest to the date fixed for redemption, without premium:

Mandatory Redemption Date (September 2)	Principal Amount
20__	$_____,000
20__	_____,000
20__ (maturity)	_____,000

Series B Bonds. The Series B Bonds maturing on September 2, 20__, are subject to mandatory redemption in part on September 2 in the following years in the following amounts at a redemption price equal to the principal amount thereof together with accrued interest to the date fixed for redemption, without premium:

Mandatory Redemption Date (September 2)	Principal Amount
20__	$_____,000
20__	_____,000
20__ (maturity)	_____,000

In the event of any optional or extraordinary redemption of Series A Bonds maturing on September 2, 20__, or Series B Bonds maturing on September 2, 20__, as described above, the foregoing schedule of mandatory sinking fund installments, as applicable, shall be reduced in equal percentages, as nearly as practicable, provided that the reductions shall be made in multiples of $5,000. The Authority shall provide the Trustee with the amended sinking fund payments schedule calculated as set forth above in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate.

Purchase In Lieu of Redemption

In lieu of depositing cash with the Trustee as and for payment of the redemption price of any Bonds as described above, and after complying with the Cash Flow Certificate requirements set forth in the Indenture, amounts on deposit in the Senior Principal Account, the Subordinate Principal Account, the Senior Interest Account, the Subordinate Interest Account, and the Redemption Account may be used and withdrawn by the Trustee at any time prior to the selection of Bonds for such redemption having taken place with respect to such amounts, upon a Written Order of the Authority for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Authority may, in its discretion, determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Bonds so purchased shall be delivered to the Trustee for cancellation. If any Bond so purchased is not extinguished, prior written consent of the Series A Bond Insurer is required.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of the same Series, the Trustee shall select the amounts and maturities of Bonds for redemption in accordance with the Written Order of the Authority to be provided to the Trustee not less than 45 days prior to the redemption date. Each Written Order of the Authority provided in accordance with the Indenture shall be accompanied by a Cash Flow Certificate. **[CONFIRM:]** [Copies of each such Written Order and accompanying Cash Flow Certificate shall be provided to the Series A Bond Insurer.]

Whenever less than all the outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee will select the particular Bonds to be redeemed by lot and in selecting the Bonds for redemption the Trustee will treat each Bond of a denomination of more than $5,000 as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000, and the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

Notice of Redemption

Notice of redemption shall be mailed by the Trustee, for and on behalf of the Authority, promptly upon receipt of moneys to be applied to the redemption of Bonds, by first class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, as well as to the Securities Depositories and Information Services (as such terms are defined in the Indenture), such notice to be mailed not more than 60 nor less than 30 calendar days prior to the redemption date. Neither the failure of any Bond owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds or the cessation of accrual of interest thereon. A certificate of the Trustee that notice of redemption has been given as provided for in the Indenture shall be conclusive as against all parties, and it shall not be open to any Owner to show that he or she failed to receive notice of such redemption.

Partial Redemption of Bonds

Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series of an Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Effect of Notice of Redemption

Notice having been given as aforesaid, and moneys for the redemption (including the interest to the applicable date of redemption), having been set aside in the Redemption Account or any of the accounts therein, the Bonds shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the redemption price thereof, together with interest accrued and unpaid to said date of redemption and premium, if any. If, on said date of redemption, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date of redemption and premium, if any, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said date of redemption, interest represented by said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed. When any Bonds (or portions thereof) have been duly called for redemption prior to maturity pursuant to the provisions of the Indenture or with respect to which irrevocable instructions to call such Bonds for redemption prior to maturity at the earliest redemption date have been given to the Trustee pursuant to the provisions of the Indenture and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds (or portions thereof) as provided for in the Indenture, then such Bonds (or portions thereof) shall no longer be deemed outstanding and shall be surrendered to the Trustee. All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Indenture shall be canceled upon surrender thereof and delivered to the Trustee.

Transfers and Exchange

So long as the Bonds remain in book-entry form, transfer and exchange of any of the Bonds will be accomplished in accordance with the provisions of such book-entry system. In the event of termination of such book-entry system with respect to the Bonds, the Bonds may be transferred and exchanged in accordance with the terms of the Indenture. See “APPENDIX F – Book-Entry Only System.”

Debt Service Schedule

The annualized debt service schedule for the Series A Bonds and the Series B Bonds, assuming no redemptions other than mandatory sinking fund redemptions, is set forth below:

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DEBT SERVICE SCHEDULE

	SERIES A BONDS (SENIOR LIEN BONDS)			SERIES B BONDS (SUBORDINATE LIEN BONDS)			
Year Ending (September 2)	Principal	Interest	Annual Debt Service	Principal	Interest	Annual Debt Service	Total Debt Service
Totals							

Source: Underwriter

SECURITY FOR THE BONDS

Revenues; Acquired Obligations

The Bonds are payable solely from and secured by the pledged Revenues and any other amounts held in any fund or account established pursuant to the Indenture, except the Rebate Fund and the Expense Fund. Revenues consist of (i) all amounts derived from or with respect to the Acquired Obligations and (ii) investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture, except the Rebate Fund.

The Acquired Obligations will bear interest at annual rates that are higher than the rate on the Bonds. Therefore, Revenues derived from payments of interest on the Acquired Obligations will be greater than payments of interest on the Bonds, which excess will be used to provide coverage for the payment of debt service on the Bonds and to provide a source of payment of certain Administrative Costs of the Authority.

The Bonds are limited obligations of the Authority. The Bonds shall not be deemed to constitute a debt or liability of the City, the State, or any political subdivision of the State, other than the Authority. The Authority shall only be obligated to pay the principal of and interest on the Bonds from the Revenues and the other funds and assets pledged therefor pursuant to the Indenture. Neither the faith and credit nor the taxing power of the City, the State, or any of political subdivision of the State is pledged to the payment of the principal of or the interest or premium, if any, on the Bonds. The Authority has no taxing power.

Flow of Funds and the Revenue Fund

Pursuant to the Indenture, as Revenues (other than the proceeds of an extraordinary redemption of Acquired Obligations from a prepayment of Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, which proceeds shall be deposited in the Redemption Account pursuant to the Indenture) are received in each calendar year commencing in 2012, the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain in trust separate and distinct from the other funds and accounts established under the Indenture) the following amounts on the following dates and in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from a lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) On March 2 and September 2 of each year, the Trustee shall deposit in the Senior Interest Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Senior Interest Account to equal the amount of interest coming due and payable on such date on the Series A Bonds.

(b) On September 2 of each year, the Trustee shall deposit in the Senior Principal Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Senior Principal Account to equal the amount of principal coming due and payable, on such date on the outstanding Series A Bonds.

(c) On March 2 and September 2 of each year, the Trustee shall deposit in the Senior Reserve Fund an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount, including the amount of the Senior Reserve Fund Surety, on deposit in the Senior Reserve Fund to equal the Senior Reserve Requirement.

(d) On March 2 and September 2 of each year, the Trustee shall deposit in the Subordinate Interest Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Subordinate Interest Account to equal the amount of interest coming due and payable on such date on the Series B Bonds.

(e) On September 2 of each year, the Trustee shall deposit in the Subordinate Principal Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Subordinate Principal Account to equal the amount of principal coming due and payable on such date on the outstanding Series B Bonds.

(f) On March 2 and September 2 of each year, the Trustee shall deposit in the Subordinate Reserve Fund an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Subordinate Reserve Fund to equal the Subordinate Reserve Requirement.

(g) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (f) above, the Trustee shall deposit in the Expense Fund such amount as may be requested in a Written Request of an Authorized Representative of the Authority for the payment of Administrative Costs.

(h) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (g) above, the Trustee shall deposit in the Rebate Fund all amounts which the Authority directs to be deposited therein pursuant to the Indenture.

(i) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (h) above, the Trustee shall deposit in the Residual Account of the Revenue Fund the amount then on deposit in the Revenue Fund.

Residual Account

Pursuant to the Indenture, amounts in the Residual Account in excess of $__________ (which amount is equal to approximately 10% of the annual debt service on the Series B Bonds) may, at any time and at the written direction of the Authority, be used as follows: (a) transferred to the Expense Fund if the amount therein is insufficient to pay costs of issuance or Administrative Costs, (b) transferred to the Rebate Fund, or (c) transferred to the Redemption Account.

Three (3) Business Days prior to each Interest Payment Date, the Trustee shall transfer all monies deposited in the Residual Account to the Revenue Fund to be applied in accordance with the Indenture. Promptly following the date that the Bonds are no longer outstanding, all funds on deposit in the Residual Account, including transfers from the Senior Reserve Fund and the Subordinate Reserve Fund, respectively, shall be remitted (i) in the amount of the CFD No. 1 Residual Amount (as defined herein) to the City for refund to the property owners within CFD No. 1 as determined by an authorized officer of the City, (ii) in the amount of the CFD No. 2000-3 Residual Amount (as defined herein) to the City for refund to the property owners within CFD No. 2000-3 as determined by an authorized officer of the City, and (iii) in the amount of the balance of the Residual Account to the City for refund to the property owners within the Assessment District in the manner set forth in Section 8885 of the California Streets and Highways Code.

Amounts in the Residual Account shall be invested in Permitted Investments (as defined in the Indenture) the interest on which is excludable from gross income under Section 103 of the Code (as defined herein) (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Permitted Investments at a yield not in excess of the yield on the Bonds, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then outstanding. See “TAX MATTERS.”

Reserve Funds

Senior Reserve Fund. The Authority is required to deposit in the Senior Reserve Fund $__________ (the “Senior Reserve Fund Cash Deposit”) **[CONFIRM:]** [and the Senior Reserve Fund Surety,] which [together] represent an amount equal to the Senior Reserve Requirement. The term “Senior Reserve Requirement” is defined in the Indenture to mean, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service for the Series A Bonds, (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service for the Series A Bonds, or (iii) ten percent (10%) of the original principal amount of the Series A Bonds; provided, however, that the Senior Reserve Requirement as of any such date of calculation shall not exceed the Senior Reserve

Requirement calculated as of the date of issuance of the Series A Bonds. As of the date of issuance of the Series A Bonds, the Senior Reserve Requirement is $___________.

If on any Interest Payment Date the amount in the Senior Interest Account is less than the interest payable with respect to the Series A Bonds on such date, the Trustee shall withdraw from the Senior Reserve Fund and deposit into the Senior Interest Account the amount of such deficiency. If on any Interest Payment Date the amount in the Senior Principal Account is less than the principal payable with respect to the Series A Bonds on such date, the Trustee shall withdraw from the Senior Reserve Fund and deposit into the Senior Principal Account the amount of such deficiency. The Trustee shall transfer amounts on deposit in the Senior Reserve Fund in excess of the Senior Reserve Requirement to the Residual Account.

In making any such withdrawal from the Senior Reserve Fund for deposit to the Senior Interest Account or the Senior Principal Account, the Trustee shall first withdraw from the Senior Reserve Fund Cash Deposit then on deposit in the Senior Reserve Fund before making a draw on the Senior Reserve Fund Surety. At least ten (10) Business Days prior to any such Interest Payment Date, the Trustee shall determine if the funds expected to be on deposit in the Senior Reserve Fund on such Interest Payment Date will be insufficient to make up the deficiency in the amount required for the interest or principal, as applicable, payable with respect to the Series A Bonds on such date and if it will be necessary for the Trustee to make a claim upon the Senior Reserve Fund Surety. If the Trustee determines that it will be necessary for the Trustee to make a claim for the payment of such deficiency by the Series A Bond Insurer, the Trustee shall make a claim upon the Senior Reserve Fund Surety pursuant to the provisions thereof at least five (5) Business Days prior to such Interest Payment Date.

Subordinate Reserve Fund. The Authority is required to deposit an amount equal to the Subordinate Reserve Requirement in the Subordinate Reserve Fund. The "Subordinate Reserve Requirement" is defined in the Indenture to mean, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service for the Series B Bonds, (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service for the Series B Bonds, or (iii) ten percent (10%) of the original principal amount of the Series B Bonds; provided, however, that the Subordinate Reserve Requirement as of any such date of calculation shall not exceed the Subordinate Reserve Requirement calculated as of the date of issuance of the Series B Bonds. As of the date of issuance of the Series B Bonds, the Subordinate Reserve Requirement is $___________.

If on any Interest Payment Date the amount in the Subordinate Interest Account is less than the interest payable with respect to the Series B Bonds on such date, the Trustee shall withdraw from the Subordinate Reserve Fund and deposit into the Subordinate Interest Account the amount of such deficiency. If on any Interest Payment Date the amount in the Subordinate Principal Account is less than the principal payable with respect to the Series B Bonds on such date, the Trustee shall withdraw from the Subordinate Reserve Fund and deposit into the Subordinate Principal Account the amount of such deficiency. The Trustee shall transfer amounts on deposit in the Subordinate Reserve Fund in excess of the Subordinate Reserve Requirement to the Residual Account.

Calculation of Available Amount. At or around **[CONFIRM]** [June 1, 2030], the Trustee shall calculate the Available Amount (as defined herein) and transmit such calculation to the City, it being understood that the City will reduce the **[CONFIRM:]** [Fiscal Year 2030-31] reassessment levy in the Assessment District in an amount equal to the Available Amount. Amounts equal in the aggregate to the Available Amount shall be withdrawn proportionately from the Senior Reserve Fund and the Subordinate Reserve Fund to pay, on **[CONFIRM:]** [September 2, 2032], a portion of the debt service on the Series A Bonds and the Series B Bonds, respectively.

The term "Available Amount" is defined in the Indenture to mean, at the time of calculation, an amount calculated by adding (i) the Senior Reserve Fund Cash Deposit on deposit in the Senior Reserve Fund, (ii) the amount on deposit in the Subordinate Reserve Fund, and (iii) the amount on deposit in the Residual Account, less (a) the CFD No. 1 Residual Amount, (b) the CFD No. 2000-3 Residual Amount, and (c) any amounts determined by the Authority (in consultation with the City) to be needed to pay debt service on the Bonds on **[CONFIRM:]** [September 2, 2032], or to be used for any required rebate to the United States Government or for other expenses. The term "CFD No. 1 Residual Amount" is defined in the Indenture as the amount of $__________, which is the approximate amount of the Senior Reserve Fund Cash Deposit and the Subordinate Reserve Fund allocable to the CFD No. 1 Bonds, and which amount will be remitted to the property owners within CFD No. 1 after the Bonds are paid in full. The term "CFD No. 2000-3 Residual Amount" is defined in the Indenture as the amount of $__________, which is the approximate amount of the Senior Reserve Fund Cash Deposit and the Subordinate

Reserve Fund allocable to the CFD No. 2000-3 Bonds, and which amount will be remitted to the property owners within CFD No. 2000-3 after the Bonds are paid in full.

Repayment of Acquired Obligations

The Acquired Obligations consist of the AD Bonds, the CFD No. 1 Bonds, and the CFD No. 2000-3 Bonds. The AD Bonds are payable solely from and secured by unpaid Reassessments on parcels located within the Assessment District. The CFD No. 1 Bonds are payable solely from and secured by unpaid CFD No. 1 Special Taxes levied on the taxable property within CFD No. 1. The CFD No. 2000-3 Bonds are payable solely from and secured by unpaid CFD No. 2000-3 Special Taxes levied on the taxable property within CFD No. 2000-3. See "THE PLAN OF FINANCE" and "THE DISTRICTS."

NO OTHER FUNDS OF THE CITY, CFD NO. 1, OR CFD NO. 2000-3 ARE PLEDGED FOR THE PAYMENT OF DELINQUENT REASSESSMENTS, CFD NO. 1 SPECIAL TAXES, OR CFD NO. 2000-3 SPECIAL TAXES. THE ACQUIRED OBLIGATIONS ARE NOT GENERAL OBLIGATIONS OF THE CITY, CFD NO. 1, CFD NO. 2000-3, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF CFD NO. 1 OR CFD NO. 2000-3 (EXCEPT AS DESCRIBED HEREIN), OR THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE ACQUIRED OBLIGATIONS.

Repayment of AD Bonds; Reassessments

Levy and Collection of Reassessments. The AD Bonds are secured by the unpaid Reassessments levied against the property in the Assessment District, together with interest thereon, and said unpaid Reassessments, together with interest thereon, constitute a trust fund for the redemption and payment of the principal of the AD Bonds and the interest thereon. The AD Bonds are further secured by the moneys in the Redemption Fund created pursuant to the AD Bonds Fiscal Agent Agreement (the "AD Bonds Redemption Fund"). Principal of and interest and redemption premiums, if any, on the AD Bonds are payable exclusively out of the Redemption Fund. The Reassessments and each installment thereof and any interest and penalties thereon constitute a lien against the parcels of land on which the Reassessments are levied until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all existing and future private liens and over all fixed special assessment liens that may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general property taxes and special taxes, including, without limitation, special taxes created pursuant to the Mello-Roos Act, whenever created against the property within the Assessment District. Upon the issuance of the AD Bonds, none of the property in the Assessment District will be subject to any other special assessment lien or any special tax lien created under the Mello-Roos Act.

The unpaid Reassessments are collected in annual installments, together with interest on the declining balance, on the County tax roll on which general taxes on real property are collected, and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do said general property taxes. Pursuant to the provisions of California Streets and Highways Code Section 8769(b), the City has determined not to obligate itself to advance funds from any funds, accounts, or revenues of the City to cure any deficiency which may occur in the funds and accounts held under the AD Bonds Fiscal Agent Agreement for payment of the AD Bonds. If a delinquency occurs in the payment of any Reassessment installment, the City has no duty to transfer to the Fiscal Agent the amount of the delinquency out of available funds of the City.

The City has covenanted in certain circumstances to undertake and diligently prosecute foreclosure proceedings following a delinquency in the payment of Reassessments. See " – Covenant to Foreclose" below. The City is not required to bid at the foreclosure sale. Notwithstanding the City's covenant to commence foreclosure proceedings in connection with delinquent Reassessments, the property upon which the Reassessments are levied is subject to the same provisions for sale and redemption as are properties for nonpayment of general property taxes. The annual Reassessment installments are to be paid into the AD Bonds Redemption Fund, which will be held by the Fiscal Agent and used to pay the principal of and interest on the AD Bonds as they become due. The installments billed against all of the parcels of property in the Assessment District subject to the assessments will be equal to the total principal and interest coming due with respect to all of the AD Bonds that year, plus, with respect to each parcel in the Assessment District, an additional amount to cover the administrative charges of the City.

Each Reassessment and each installment thereof, and any interest and penalties thereon, constitute a lien against the parcel of land on which it is levied until paid. Only the Reassessments and installments thereof are pledged to secure the AD Bonds. The lien of the Reassessments is co-equal to and independent of the lien for general *ad valorem* property taxes and other taxes, special taxes, and charges collected on the property tax roll. The Reassessment liens supplant the original liens of the assessments in the Assessment District.

THE OBLIGATIONS OF THE CITY UNDER THE AD BONDS FISCAL AGENT AGREEMENT AND THE AD BONDS ARE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM REASSESSMENT INSTALLMENTS AND THE FUNDS PLEDGED THEREFOR UNDER THE AD BONDS FISCAL AGENT AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE AD BONDS.

Although the Reassessments constitute a fixed lien on the respective assessed parcels within the Assessment District, they do not constitute personal indebtedness of the affected property owners. Further, there are no restrictions on the ability of property owners to sell parcels subject to the Reassessments. No assurance can be given as to the ability or the willingness of any property owner within the Assessment District to pay the annual installments of the Reassessments when due. The failure of a property owner to pay an annual installment of an Reassessment will not result in an increase in Reassessments against other parcels in the Assessment District. See "RISK FACTORS RELATED TO THE BONDS – The AD Bonds are Limited Obligations of the City."

Method of Reassessment Spread. The Refunding Act provides for the issuance of refunding bonds, payable from certain assessments. Such refunding bonds may be issued to refund bonds originally issued under the Improvement Bond Act of 1915, as amended, constituting Division 10 of the California Streets and Highways Code (the "1915 Act"), and the assessments supersede the original assessments that secure such 1915 Act bonds. The Refunding Act generally requires each estimated annual installment of principal and interest with respect to any assessment to be less than the original assessment being superseded by the same percentage for all subdivisions of land within the applicable assessment district. Therefore, the assessment spread for each parcel will be roughly proportional to the original assessment spread. The City has retained NBS, Temecula, California, as the assessment engineer (the "Assessment Engineer") to calculate the Reassessments in accordance with the Refunding Act. A copy of the Assessment Engineer's report on the Reassessment apportionment for the Assessment District is on file with the City.

Covenant to Foreclose. The AD Bonds issued under the Refunding Act are subject to the provisions of the 1915 Act with respect to foreclosure remedies. The 1915 Act provides that, in the event any installment of an assessment is not paid when due, the City may order the collection of the installment by the institution of a court action to foreclose the lien of such assessment. In such an action, the real property subject to the unpaid assessment may be sold at a judicial foreclosure sale. Pursuant to the AD Bonds Fiscal Agent Agreement, the City has covenanted for the benefit of the registered owners of the AD Bonds to annually reconcile Reassessment levies and Reassessment collections and to initiate judicial foreclosure proceedings within ninety (90) days following the end of a Fiscal Year in which there is any delinquency in the payment of an Reassessment. The City's covenant to initiate judicial foreclosure proceedings shall be honored notwithstanding that the annual installments of Reassessments may be paid by the County pursuant to a Teeter Plan instituted in accordance with Sections 4701 through 4717 of the California Revenue and Taxation Code (a "Teeter Plan"), should the County institute a Teeter Plan that includes the collection of the Reassessments. Currently, no Teeter Plan is in place with respect to the Reassessments. The City has also covenanted to diligently prosecute to completion such foreclosure proceedings as may be necessary to collect the delinquent amounts.

Judicial Foreclosure Sale Proceedings. The 1915 Act provides that the court in a foreclosure proceeding has the power to order a parcel securing delinquent Reassessments to be sold for an amount not less than all delinquent annual installments of the Reassessments, interest, penalties, costs, fees, and other charges that are delinquent at the time the foreclosure action is ordered and certain other fees and amounts as provided in the 1915 Act (the "Minimum Price"). The court may also include subsequent delinquent Reassessments and all other delinquent amounts.

If the parcel is sold to a purchaser other than the City, the City shall deposit the proceeds from the sale of the parcel, after payment of any expenses related to the foreclosure, into the AD Bonds Redemption Fund. The City has no obligation to advance any moneys (other than the foreclosure sale proceeds) to the AD Bonds Redemption Fund. However, if the City for any reason voluntarily chooses to advance funds, then the City shall be reimbursed for such advance of funds from the proceeds of the foreclosure sale. Any funds in excess of the amount necessary to reimburse the City may be applied by the City to reimburse other funds, if any, used to cover delinquent installments of the Reassessments or to pay interest and penalties, costs, fees, and other charges, to the extent they were included in the sale proceeds.

If the parcel or parcels to be sold fail to sell for the Minimum Price, the City may petition the court to modify the judgment so that the parcel or parcels may be sold at a lesser price or without a Minimum Price. In certain circumstances, as provided in the 1915 Act, the court may modify the judgment after a hearing if the court makes certain determinations, including determinations that the sale at less than the Minimum Price will not result in an ultimate loss to the owners of the AD Bonds or that the owners of at least 75% of the principal amount of the AD Bonds outstanding have consented to the petition and the sale will not result in an ultimate loss to nonconsenting owners of outstanding AD Bonds. The court may also make such modification of the judgment upon consent of the owners of at least 75% of the principal amount of the outstanding AD Bonds without determining that the sale will not result in an ultimate loss to the nonconsenting owners of the outstanding AD Bonds if: (i) the City is not obligated to advance available funds to cure a deficiency, (ii) no bids equal to or greater than the Minimum Price have been received at the foreclosure sale, (iii) no funds remain in the applicable reserve fund, (iv) the City has reasonably determined that an assessment and refunding proceeding is not practicable or has in good faith endeavored to accomplish an assessment and refunding and has not been successful, or has completed assessment and refunding arrangements which will, to the maximum extent feasible, minimize the ultimate loss to the bondholders, and (v) no other remedy acceptable to the owners or holders of 75% or more of the principal amount of the outstanding AD Bonds is reasonably available. Neither the parcel owner nor any holder of a security interest in the parcel nor any defendant in the foreclosure action nor any agent thereof may purchase the parcel at the foreclosure sale for less than the Minimum Price. The assessment lien upon property sold at a lesser price than the Minimum Price is to be reduced by the difference between the Minimum Price and the sale price.

No assurance can be given that, in the event of a foreclosure proceeding, a parcel could be sold for the full amount of the delinquency or that any bid would be received for such parcel. See "RISK FACTORS RELATED TO THE BONDS – Land Values." Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the City to foreclose the lien of delinquent unpaid Reassessment installments may be substantially delayed by bankruptcy court proceedings, may be limited in certain other circumstances, and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See "RISK FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays" and "– FDIC/Federal Government Interest in Properties."

Sales of Tax-Defaulted Property Generally. A parcel securing delinquent installments of an Reassessment that is not sold pursuant to the judicial foreclosure proceeding as described above may be sold, subject to redemption by the parcel owner, in the same manner and to the same extent as real property sold for nonpayment of general County property taxes. On or before June 30 of the year in which such delinquency occurs, the parcel becomes tax-defaulted. This initiates a five-year period during which the parcel owner may redeem the parcel. At the end of the five-year period, the parcel becomes subject to sale by the County Treasurer-Tax Collector. Except in certain circumstances, as provided in the 1915 Act, the purchaser at any such sale takes such parcel subject to all delinquent installments of the Reassessment, interest and penalties, costs, fees, and other charges that are not satisfied by application of the sales proceeds and subject to all prior or co-equal liens.

AD Bonds Redemption Fund. The Fiscal Agent is directed under the AD Bonds Fiscal Agent Agreement to establish and maintain the AD Bonds Redemption Fund into which will be placed all sums received from the collection of the Reassessments (other than amounts collected for administration) relating to the AD Bonds. The City shall transfer or cause to be transferred all sums received from the collection of the Reassessments, and interest and certain penalties thereon, and all sums received from the prepayment of Reassessments, to the Fiscal Agent within ten (10) Business Days prior to the applicable Interest Payment Date. Ten (10) Business Days prior to each Interest Payment Date, the Fiscal Agent shall determine if the amounts to be on deposit in the AD Bonds Redemption Fund (following the transfer of collected Reassessments from the City) will be sufficient to pay the debt service due on the AD Bonds on such Interest Payment Date. Upon such determination, the Fiscal Agent shall immediately provide written notice to the Trustee of either (i) the sufficiency of the funds in the AD Bonds Redemption Fund or (ii) the insufficiency of such funds together with the amount of such deficiency.

On each Interest Payment Date, principal of and interest and premium, if any, on the AD Bonds shall be paid by the Fiscal Agent to the Trustee, as assignee of the Authority, which is the registered owner of the AD Bonds, out of the AD Bonds Redemption Fund to the extent funds on deposit in said AD Bonds Redemption Fund are available therefor.

Prepayment of Reassessments; AD Bonds Prepayment Account. A property owner may prepay its Reassessments and thereby cause a partial redemption of the AD Bonds and the Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments" and "RISK FACTORS RELATED TO THE BONDS – Potential Early Redemption of Bonds from Prepayments."

The Fiscal Agent is directed under the AD Bonds Fiscal Agent Agreement to establish the AD Bonds Prepayment Account within the AD Bonds Redemption Fund. The Fiscal Agent shall deposit in the AD Bonds Prepayment Account all moneys received from the Treasurer of the City representing the principal of and redemption premium, if any, on any prepaid AD Bonds. Such moneys shall be applied solely to the payment of principal of and premium, if any, on AD Bonds to be redeemed prior to maturity pursuant to the provisions of the AD Bonds Fiscal Agent Agreement and, in turn, will be applied by the Trustee to effect an extraordinary redemption of Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments."

Repayment of CFD No. 1 Bonds; CFD No. 1 Special Taxes

Pledge Under CFD No. 1 Bonds Fiscal Agent Agreement. Pursuant to the CFD No. 1 Bonds Fiscal Agent Agreement, the CFD No. 1 Bonds are secured by a first pledge of all Net Taxes and all moneys on deposit in certain funds created under the CFD No. 1 Bonds Fiscal Agent Agreement. The term "Net Taxes" is defined in the CFD No. 1 Bonds Fiscal Agent Agreement as all Gross Taxes less Administrative Expenses. The term "Gross Taxes" is defined in the CFD No. 1 Bonds Fiscal Agent Agreement as the proceeds of the CFD No. 1 Special Taxes received by the City and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the CFD No. 1 Special Taxes. For purposes of this Official Statement, the terms Net Taxes and Gross Taxes, when used in this subsection entitled "Repayment of CFD No. 1 Bonds; CFD No. 1 Special Taxes," will be referred to as "CFD No. 1 Net Taxes" and "CFD No. 1 Gross Taxes," respectively.

All CFD No. 1 Gross Taxes received by CFD No. 1 will be directly deposited into the Special Tax Fund established under the CFD No. 1 Bonds Fiscal Agent Agreement (the "CFD No. 1 Special Tax Fund"). It is expected that the CFD No. 1 Special Taxes levied by the City on behalf of CFD No. 1 will be collected for the City by the County Treasurer-Tax Collector in the same manner and at the same time as *ad valorem* property taxes are collected by the County. CFD No. 1 Special Taxes may, however, be collected by direct billing by the City of the affected property owners.

THE OBLIGATIONS OF CFD NO. 1 UNDER THE CFD NO. 1 BONDS FISCAL AGENT AGREEMENT AND THE CFD NO. 1 BONDS ARE SPECIAL OBLIGATIONS OF CFD NO. 1, PAYABLE SOLELY FROM CFD NO. 1 SPECIAL TAXES AND THE FUNDS PLEDGED THEREFOR UNDER THE CFD NO. 1 BONDS FISCAL AGENT AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OR CFD NO. 1 (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE CFD NO. 1 BONDS.

The CFD No. 1 Special Taxes will be levied against taxable property within CFD No. 1; they do not constitute a personal indebtedness of the respective property owners. There is no assurance that the property owners will be financially able to pay the annual CFD No. 1 Special Taxes or that they will pay such CFD No. 1 Special Taxes even if financially able to do so. See "RISK FACTORS RELATED TO THE BONDS – The CFD No. 1 Bonds are Limited Obligations of CFD No. 1."

CFD No. 1 Rate and Method of Apportionment. The Rate and Method of Apportionment of Special Tax for CFD No. 1 (the "CFD No. 1 Rate and Method of Apportionment") has not been amended and will continue to be used for CFD No. 1 upon the issuance of the CFD No. 1 Bonds. See "APPENDIX G-1 – Rate and Method of

Apportionment of Special Tax for CFD No. 1." Capitalized terms used in this subsection entitled "CFD No. 1 Rate and Method of Apportionment" and not otherwise defined shall have the meanings ascribed to such terms in the CFD No. 1 Rate and Method of Apportionment.

In general, the CFD No. 1 Rate and Method of Apportionment imposes a different Maximum Special Tax on Taxable Property within CFD No. 1 depending upon (i) whether such Taxable Property is classified as "Developed Property" (all Taxable Property, exclusive of Property Owner Association Property, or Taxable Public Property, for which a building permit for new construction was issued as of January 1 of the previous Fiscal Year), Property Owner Association Property, Taxable Public Property or Undeveloped Property and (ii) the Land Use Class to which Developed Property is assigned. There are six Land Use Classes applicable to Residential Property and one Land Use Class applicable to Non-Residential Property.

The Maximum Special Tax for Developed Property is the greater of the Assigned Special Tax or the Back-up Special Tax. The Assigned Special Tax for Residential Property for Fiscal Year 2012-13 ranges from $1,409.43 per dwelling unit in the case of condominium property to $4,907.14 per unit for single family detached residences located on lots greater than 5,500 square feet in area. The Assigned Special Tax applicable to Non-Residential Property for Fiscal Year 2012-13 is $0.8524 per square foot of Non-Residential Floor Area. The Back-up Special Tax for Developed Property for Fiscal Year 2012-13 is equal to $0.8016 per square foot of the applicable Assessor's Parcel. The Assigned Special Tax and the Back-up Special Tax are increased on each July 1 by an amount equal to 2% of the amount in effect for the previous Fiscal Year. If an Assessor's Parcel of Developed Property contains more than one Land Use Class, the Maximum Special Tax shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on such parcel. The Maximum Special Tax for Undeveloped Property, Property Owner Association Property and Taxable Public Property for Fiscal Year 2012-13 is $34,919.31 per acre. Said amount is increased on each July 1 by an amount equal to 2% of the amount in effect for the previous Fiscal Year.

Pursuant to the CFD No. 1 Rate and Method of Apportionment, the City Council is required to determine the "Special Tax Requirement" for each Fiscal Year. The Special Tax Requirement is the amount required in any Fiscal Year to pay: (i) debt service on all outstanding CFD No. 1 Bonds. (ii) periodic costs on the CFD No. 1 Bonds (such as credit enhancement and rebate payments), (iii) Administrative Expenses, (iv) any amounts required to establish or replenish the Reserve Fund, (v) reasonably anticipated delinquent CFD No. 1 Special Taxes based on the delinquency rate for CFD No. 1 Special Taxes levied in the previous Fiscal Year, less (vi) a credit for funds available to reduce the annual CFD No. 1 Special Tax levy as determined pursuant to the Indenture.

The Special Tax Requirement is to be satisfied first by levying the CFD No. 1 Special Tax Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax. If additional moneys are needed to satisfy the Special Tax Requirement, the CFD No. 1 Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property. If additional moneys are still needed to satisfy the Special Tax Requirement, the CFD No. 1 Special Tax that is to be levied on each Parcel of Developed Property whose Maximum Special Tax is derived by the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax. Finally, any additional amounts required in order to satisfy the Special Tax Requirement shall be raised by the levy of the CFD No. 1 Special Tax Proportionately on each Parcel of Taxable Public Property and Property Owner's Association Property at up to 100% of the applicable Maximum Special Tax. Notwithstanding the foregoing, the CFD No. 1 Special Tax levied against any Assessor's Parcel of Residential Property for which a permit allowing occupancy for residential use has been issued may be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel.

CFD No. 1 Special Taxes were first levied in CFD No. 1 in fiscal year 2003-04, with a total levy of $572,070.96. The CFD No. 1 Special Tax levy for fiscal year 2012-13 has been determined to be an aggregate of $682,297.78, and will be delinquent if not paid by December 10, 2012 (as to one-half of the levy) and April 10, 2013 (as to the other one-half of the levy). CFD No. 1's Special Tax Consultant reports that, as of May 31, 2012, over 96% of the CFD No. 1 Special Taxes levied in CFD No. 1 in fiscal year 2011-12 had been received by the County, with only 15 parcels in CFD No. 1 being delinquent in the payment of the levy.

Covenant to Commence Superior Court Foreclosure for Delinquent CFD No. 1 Special Taxes. Pursuant to Section 53356.1 of the Mello-Roos Act, CFD No. 1 has covenanted to cause the City, for and on behalf of CFD

No. 1, for the benefit of the registered owners of the CFD No. 1 Bonds, to order and cause to be commenced as provided in the CFD No. 1 Bonds Fiscal Agent Agreement, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the Superior Court to foreclose the lien of any CFD No. 1 Special Tax or installment thereof not paid when due. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such a judicial foreclosure sale is not mandatory under the Mello-Roos Act. However, pursuant to the CFD No. 1 Bonds Fiscal Agent Agreement, CFD No. 1 has covenanted to cause the City, for and on behalf of CFD No. 1, for the benefit of the registered owners of the CFD No. 1 Bonds, to annually reconcile CFD No. 1 Special Tax levies and CFD No. 1 Special Tax collections and to order, and cause to be commenced, judicial foreclosure proceedings against (i) parcels with delinquent CFD No. 1 Special Taxes in excess of $5,000 by the October 1 following the close of the Fiscal Year in which such CFD No. 1 Special Taxes were due, and (ii) all properties with delinquent CFD No. 1 Special Taxes by the October 1 following the close of any Fiscal Year in which CFD No. 1 receives CFD No. 1 Special Taxes in an amount that is less than 95% of the total CFD No. 1 Special Taxes levied. CFD No. 1's covenant to cause the City, for and on behalf of CFD No. 1, to initiate judicial foreclosure proceedings shall be honored notwithstanding that the annual installments of CFD No. 1 Special Taxes may be paid by the County pursuant to a Teeter Plan, should the County institute a Teeter Plan that includes the collection of the CFD No. 1 Special Taxes. Currently, no such Teeter Plan is in place with respect to the CFD No. 1 Special Taxes. CFD No. 1 has also covenanted to cause the City, for and on behalf of CFD No. 1, to diligently prosecute to completion such foreclosure proceedings as may be necessary to collect the delinquent amounts.

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent CFD No. 1 Special Tax installment. The Mello-Roos Act does not require the City to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale. See "RISKS FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays" for a discussion of factors that could impact amounts, if any, to be realized by owners of the CFD No. 1 Bonds as a result of a foreclosure sale.

Judicial Foreclosure Sale Proceedings. Section 53356.6 of the Mello-Roos Act requires that property sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding CFD No. 1 Bonds is obtained. However, under Section 53356.6 of the Mello-Roos Act, the City, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," whereby the City could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the CFD No. 1 Special Tax. If the City becomes the purchaser under a credit bid, the City must pay the amount of its credit bid into the CFD No. 1 Redemption Account; provided, however, that this payment may be made up to 24 months after the date of the foreclosure sale. *The City has no obligation whatsoever to make any credit bid or purchase any property subject to delinquent CFD No. 1 Special Taxes and has no intention to do so.*

No assurance can be given that, in the event of a foreclosure proceeding, a parcel could be sold for the full amount of the delinquency or that any bid would be received for such parcel. See "RISK FACTORS RELATED TO THE BONDS – Land Values." Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the City to foreclose the lien of delinquent unpaid CFD No. 1 Special Taxes may be substantially delayed by bankruptcy court proceedings, may be limited in certain other circumstances, and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See "RISK FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays" and "– FDIC/Federal Government Interest in Properties."

Sales of Tax-Defaulted Property Generally. A parcel securing delinquent installments of CFD No. 1 Special Taxes that is not sold pursuant to the judicial foreclosure proceeding as described above may be sold, subject to redemption by the parcel owner, in the same manner and to the same extent as real property sold for nonpayment of general County property taxes. On or before June 30 of the year in which such delinquency occurs, the parcel becomes tax-defaulted. This initiates a five-year period during which the parcel owner may redeem the parcel. At the end of the five-year period, the parcel becomes subject to sale by the County Treasurer-Tax Collector. Except in certain circumstances, as provided in the Mello-Roos Act, the purchaser at any such sale takes such parcel subject to all delinquent installments of the CFD No. 1 Special Taxes, interest and penalties, costs, fees, and other charges that are not satisfied by application of the sales proceeds and subject to all prior or co-equal liens.

CFD No. 1 Special Tax Fund and the CFD No. 1 Bond Service Fund. Collection of the CFD No. 1 Special Taxes. CFD No. 1 Special Taxes will be billed by the County on the general property tax bill to the owners of taxable property within CFD No. 1. The County, upon collection, will remit the portion of the tax payment attributable to the CFD No. 1 Special Taxes to the City, acting on behalf of CFD No. 1. Upon receipt, the City shall transfer or cause to be transferred all sums received from the collection of the CFD No. 1 Special Taxes, and of interest and certain penalties thereon, to the Fiscal Agent for deposit into the CFD No. 1 Special Tax Fund. The Fiscal Agent shall then transfer such CFD No. 1 Special Taxes, on the dates and in the amounts set forth in the CFD No. 1 Bonds Fiscal Agent Agreement, in the following order of priority, to: (1) the Administrative Expense Fund established under the CFD No. 1 Bonds Fiscal Agent Agreement (the "CFD No. 1 Administrative Expense Fund"), to pay Administrative Expenses (as defined in the CFD No. 1 Bonds Fiscal Agent Agreement), and (2) the Bond Service Fund established under the CFD No. 1 Bonds Fiscal Agent Agreement (the "CFD No. 1 Bond Service Fund"), to pay the principal of and interest on the CFD No. 1 Bonds, as such payments become due.

On or before 10 Business Days prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the CFD No. 1 Special Tax Fund to the extent required, and place in the CFD No. 1 Bond Service Fund an amount equal, together with amounts on deposit therein, to all of the principal and all of the interest due and payable on all of the CFD No. 1 Bonds on the next applicable Interest Payment Date. Ten Business Days prior to each such Interest Payment Date, the Fiscal Agent shall determine if the amounts to be on deposit in the CFD No. 1 Bond Service Fund (following the transfer of collected CFD No. 1 Special Taxes from the City) will be sufficient to pay all of the principal and all of the interest due and payable on the CFD No. 1 Bonds on such Interest Payment Date. Upon such determination, the Fiscal Agent shall immediately provide written notice to the Trustee of either (i) the sufficiency of the funds in the CFD No. 1 Bond Service Fund or (ii) the insufficiency of such funds, together with the amount of such deficiency. On each such Interest Payment Date, the Fiscal Agent shall withdraw from the CFD No. 1 Bond Service Fund and pay to the owners of the CFD No. 1 Bonds the principal of and interest then due and payable on the CFD No. 1 Bonds. If there are insufficient funds in the CFD No. 1 Bond Service Fund to make the payments as provided above, the Fiscal Agent shall apply the available funds first to the payment of interest on the CFD No. 1 Bonds, and then to the payment of principal due on the CFD No. 1 Bonds, and then to payment of principal due on the CFD No. 1 Bonds by reason of CFD No. 1 Bonds called for redemption under the CFD No. 1 Bonds Fiscal Agent Agreement.

Monies in the CFD No. 1 Bond Service Fund (and the account therein) shall be invested and deposited in accordance with the CFD No. 1 Bonds Fiscal Agent Agreement. Interest earnings and profits resulting from such investment and deposit shall be retained in the CFD No. 1 Bond Service Fund (and the account therein). The Fiscal Agent shall transfer any moneys remaining in the CFD No. 1 Bond Service Fund when there are no longer CFD No. 1 Bonds Outstanding to the CFD No. 1 Special Tax Fund.

Neither the City nor CFD No. 1 has any obligation to advance funds from any funds, accounts, or revenues of the City or CFD No. 1 to cure any deficiency which may occur in the funds and accounts held under the CFD No. 1 Bonds Fiscal Agent Agreement for payment of the CFD No. 1 Bonds. If a delinquency occurs in the payment of any CFD No. 1 Special Tax, neither the City nor CFD No. 1 has any duty to transfer to the Fiscal Agent the amount of the delinquency out of available funds of the City or CFD No. 1.

NO OTHER FUNDS OF THE CITY OR CFD NO. 1 ARE PLEDGED FOR THE PAYMENT OF DELINQUENT CFD NO. 1 SPECIAL TAXES. THE CFD NO. 1 BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, CFD NO. 1, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF CFD NO. 1 (EXCEPT AS DESCRIBED HEREIN), OR THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE CFD NO. 1 BONDS.

Prepayment of CFD No. 1 Special Taxes; CFD No. 1 Bonds Prepayment Account. A property owner may prepay its CFD No. 1 Special Tax and thereby cause a partial redemption of the CFD No. 1 Bonds and the Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments" and "RISK FACTORS RELATED TO THE BONDS – Potential Early Redemption of Bonds from Prepayments.

The Fiscal Agent is directed under the CFD No. 1 Fiscal Agent Agreement to establish the CFD No. 1 Bonds Prepayment Account within the CFD No. 1 Bonds Redemption Fund. The Fiscal Agent shall deposit in the CFD No. 1 Bonds Prepayment Account all moneys received from the Treasurer of the City representing the principal of and redemption premium, if any, on any prepaid CFD No. 1 Bonds. Such moneys shall be applied solely to the payment of principal of and premium, if any, on CFD No. 1 Bonds to be redeemed prior to maturity pursuant to the provisions of the CFD No. 1 Bonds Fiscal Agent Agreement and, in turn, will be applied by the Trustee to effect an extraordinary redemption of Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments."

Repayment of CFD No. 2000-3 Bonds; CFD No. 2000-3 Special Taxes

Pledge Under CFD No. 2000-3 Bonds Fiscal Agent Agreement. Pursuant to the CFD No. 2000-3 Bonds Fiscal Agent Agreement, the CFD No. 2000-3 Bonds are secured by a first pledge of all Net Taxes and all moneys on deposit in certain funds created under the CFD No. 2000-3 Bonds Fiscal Agent Agreement. The term "Net Taxes" is defined in the CFD No. 2000-3 Bonds Fiscal Agent Agreement as all Gross Taxes less Administrative Expenses. The term "Gross Taxes" is defined in the CFD No. 2000-3 Bonds Fiscal Agent Agreement as the proceeds of the CFD No. 2000-3 Special Taxes received by the City and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the CFD No. 2000-3 Special Taxes. For purposes of this Official Statement, the terms Net Taxes and Gross Taxes, when used in this subsection entitled "Repayment of CFD No. 2000-3 Bonds; CFD No. 2000-3 Special Taxes," will be referred to as "CFD No. 2000-3 Net Taxes" and "CFD No. 2000-3 Gross Taxes," respectively.

All CFD No. 2000-3 Gross Taxes received by CFD No. 2000-3 will be directly deposited into the Special Tax Fund established under the CFD No. 2000-3 Bonds Fiscal Agent Agreement (the "CFD No. 2000-3 Special Tax Fund"). It is expected that the CFD No. 2000-3 Special Taxes levied by the City on behalf of CFD No. 2000-3 will be collected for the City by the County Treasurer-Tax Collector in the same manner and at the same time as *ad valorem* property taxes are collected by the County. CFD No. 2000-3 Special Taxes may, however, be collected by direct billing by the City of the affected property owners.

THE OBLIGATIONS OF CFD NO. 2000-3 UNDER THE CFD NO. 2000-3 BONDS FISCAL AGENT AGREEMENT AND THE CFD NO. 2000-3 BONDS ARE SPECIAL OBLIGATIONS OF CFD NO. 2000-3, PAYABLE SOLELY FROM CFD NO. 2000-3 SPECIAL TAXES AND THE FUNDS PLEDGED THEREFOR UNDER THE CFD NO. 2000-3 BONDS FISCAL AGENT AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OR CFD NO. 2000-3 (EXCEPT TO THE LIMITED EXTENT DESCRIBED HEREIN), THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE CFD NO. 2000-3 BONDS.

The CFD No. 2000-3 Special Taxes will be levied against taxable property within CFD No. 2000-3; they do not constitute a personal indebtedness of the respective property owners. There is no assurance that the property owners will be financially able to pay the annual CFD No. 2000-3 Special Taxes or that they will pay such CFD No. 2000-3 Special Taxes even if financially able to do so. See "RISK FACTORS RELATED TO THE BONDS – The CFD No. 2000-3 Bonds are Limited Obligations of CFD No. 2000-3."

CFD No. 2000-3 Rate and Method of Apportionment. The Rate and Method of Apportionment of Special Tax for CFD No. 2000-3 (the "CFD No. 2000-3 Rate and Method of Apportionment") has not been amended and will continue to be used for CFD No. 2000-3 upon the issuance of the CFD No. 2000-3 Bonds. See "APPENDIX G-2 – Rate and Method of Apportionment of Special Tax for CFD No. 2000-3." Capitalized terms used in this subsection entitled "CFD No. 2000-3 Rate and Method of Apportionment" and not otherwise defined shall have the meanings ascribed to such terms in the CFD No. 2000-3 Rate and Method of Apportionment.

CFD No. 2000-3 Special Taxes are levied on and collected from each parcel in CFD No. 2000-3 subject to such CFD No. 2000-3 Special Taxes as set forth in the Special Tax Formula, the complete text of which is contained in "APPENDIX G-2 – Rate and Method of Apportionment of Special Tax for CFD No. 2000-3. The CFD No. 2000-3 Special Taxes were apportioned to the parcels in CFD No. 2000-3 upon an engineering determination taking into consideration parcel size, expected trip generation as determined by land use, and certain other factors. A maximum CFD No. 2000-3 Special Tax was determined for each parcel in CFD No. 2000-3. Notwithstanding the foregoing, the CFD No. 2000-3 Special Tax levied against any Assessor's Parcel of Residential Property for which a permit allowing occupancy for residential use has been issued may be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel.

Section D of the Special Tax Formula sets forth a Special Tax Rate multiplier for each parcel in CFD No. 2000-3, which is applied on an annual basis to the Special Tax Requirement to determine each parcels annual CFD No. 2000-3 Special Tax. CFD No. 2000-3 Special Taxes will be collected on the City *ad valorem* real property tax bills and cannot be levied after fiscal year 2041-2042. The CFD No. 2000-3 Special Tax for any parcel in the District may be optionally prepaid. See Section E of the Special Tax Formula in Appendix G-2 hereto for more specific information on optional prepayments of the CFD No. 2000-3 Special Tax. See also "THE BONDS – Redemption – Extraordinary Redemption from Prepayments." The owner of one of the parcels in CFD No. 2000-3 has prepaid the CFD No. 2000-3 Special Tax obligation for such parcel in full.

CFD No. 2000-3 Special Taxes were first levied in the District in fiscal year 2001-02, with a total levy of $1,152,538.64. The CFD No. 2000-3 Special Tax levy for fiscal year 2012-13 has been determined to be an aggregate of $739,411.98, and will be delinquent if not paid by December 10, 2012 (as to one-half of the levy) and April 10, 2013 (as to the other one-half of the levy). CFD No. 2000-3's Special Tax Consultant reports that, as of May 31, 2012, over 99% of the CFD No. 2000-3 Special Taxes levied in CFD No. 2000-3 in fiscal year 2011-12 had been received by the County, with only 15 parcels in CFD No. 2000-3 being delinquent in the payment of the levy.

Covenant to Commence Superior Court Foreclosure for Delinquent CFD No. 2000-3 Special Taxes. Pursuant to Section 53356.1 of the Mello-Roos Act, CFD No. 2000-3 has covenanted to cause the City, for and on behalf of CFD No. 2000-3, for the benefit of the registered owners of the CFD No. 2000-3 Bonds, to order and cause to be commenced as provided in the CFD No. 2000-3 Bonds Fiscal Agent Agreement, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the Superior Court to foreclose the lien of any CFD No. 2000-3 Special Tax or installment thereof not paid when due. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such a judicial foreclosure sale is not mandatory under the Mello-Roos Act. However, pursuant to the CFD No. 2000-3 Bonds Fiscal Agent Agreement, CFD No. 2000-3 has covenanted to cause the City, for and on behalf of CFD No. 2000-3, for the benefit of the registered owners of the CFD No. 2000-3 Bonds, to annually reconcile CFD No. 2000-3 Special Tax levies and CFD No. 2000-3 Special Tax collections and to order, and cause to be commenced, judicial foreclosure proceedings against (i) parcels with delinquent CFD No. 2000-3 Special Taxes in excess of $5,000 by the October 1 following the close of the Fiscal Year in which such CFD No. 2000-3 Special Taxes were due, and (ii) all properties with delinquent CFD No. 2000-3 Special Taxes by the October 1 following the close of any Fiscal Year in which CFD No. 2000-3 receives CFD No. 2000-3 Special Taxes in an amount that is less than 95% of the total CFD No. 2000-3 Special Taxes levied. CFD No. 2000-3's covenant to cause the City, for and on behalf of CFD No. 2000-3, to initiate judicial foreclosure proceedings shall be honored notwithstanding that the annual installments of CFD No. 2000-3 Special Taxes may be paid by the County pursuant to a Teeter Plan, should the County institute a Teeter Plan that includes the collection of the CFD No. 2000-3 Special Taxes. Currently, no such Teeter Plan is in place with respect to the CFD No. 2000-3 Special Taxes. CFD No. 2000-3 has also covenanted to cause the City, for and on behalf of CFD No. 2000-3, to diligently prosecute to completion such foreclosure proceedings as may be necessary to collect the delinquent amounts.

No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent CFD No. 2000-3 Special Tax installment. The Mello-Roos Act does not require the City to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale. See "RISKS FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays" for a discussion of factors that could impact amounts, if any, to be realized by owners of the CFD No. 2000-3 Bonds as a result of a foreclosure sale.

Judicial Foreclosure Sale Proceedings. Section 53356.6 of the Mello-Roos Act requires that property sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding CFD No. 2000-3 Bonds is obtained. However, under Section 53356.6 of the Mello-Roos Act, the City, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," whereby the City could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the CFD No. 2000-3 Special Tax. If the City becomes the purchaser under a credit bid, the City must pay the amount of its credit bid into the CFD No. 2000-3 Redemption Account; provided, however, that this payment may be made up to 24 months after the date of the foreclosure sale. *The City has no obligation whatsoever to make any credit bid or purchase any property subject to delinquent CFD No. 2000-3 Special Taxes and has no intention to do so.*

No assurance can be given that, in the event of a foreclosure proceeding, a parcel could be sold for the full amount of the delinquency or that any bid would be received for such parcel. See "RISK FACTORS RELATED TO THE BONDS – Land Values." Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the City to foreclose the lien of delinquent unpaid CFD No. 2000-3 Special Taxes may be substantially delayed by bankruptcy court proceedings, may be limited in certain other circumstances, and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation. See "RISK FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays" and "– FDIC/Federal Government Interest in Properties."

Sales of Tax-Defaulted Property Generally. A parcel securing delinquent installments of CFD No. 2000-3 Special Taxes that is not sold pursuant to the judicial foreclosure proceeding as described above may be sold, subject to redemption by the parcel owner, in the same manner and to the same extent as real property sold for nonpayment of general County property taxes. On or before June 30 of the year in which such delinquency occurs, the parcel becomes tax-defaulted. This initiates a five-year period during which the parcel owner may redeem the parcel. At the end of the five-year period, the parcel becomes subject to sale by the County Treasurer-Tax Collector. Except in certain circumstances, as provided in the Mello-Roos Act, the purchaser at any such sale takes such parcel subject to all delinquent installments of the CFD No. 2000-3 Special Taxes, interest and penalties, costs, fees, and other charges that are not satisfied by application of the sales proceeds and subject to all prior or co-equal liens.

CFD No. 2000-3 Special Tax Fund and the CFD No. 2000-3 Bond Service Fund. CFD No. 2000-3 Special Taxes will be billed by the County on the general property tax bill to the owners of taxable property within CFD No. 2000-3. The County, upon collection, will remit the portion of the tax payment attributable to the CFD No. 2000-3 Special Taxes to the City, acting on behalf of CFD No. 2000-3. Upon receipt, the City shall transfer or cause to be transferred all sums received from the collection of the CFD No. 2000-3 Special Taxes, and of interest and certain penalties thereon, to the Fiscal Agent for deposit into the CFD No. 2000-3 Special Tax Fund. The Fiscal Agent shall then transfer such CFD No. 2000-3 Special Taxes, on the dates and in the amounts set forth in the CFD No. 2000-3 Bonds Fiscal Agent Agreement, in the following order of priority, to: (1) the Administrative Expense Fund established under the CFD No. 2000-3 Bonds Fiscal Agent Agreement (the "CFD No. 2000-3 Administrative Expense Fund"), to pay Administrative Expenses (as defined in the CFD No. 2000-3 Bonds Fiscal Agent Agreement), and (2) the Bond Service Fund established under the CFD No. 2000-3 Bonds Fiscal Agent Agreement (the "CFD No. 2000-3 Bond Service Fund"), to pay the principal of and interest on the CFD No. 2000-3 Bonds, as such payments become due.

On or before 10 Business Days prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the CFD No. 2000-3 Special Tax Fund to the extent required, and place in the CFD No. 2000-3 Bond Service Fund an amount equal, together with amounts on deposit therein, to all of the principal and all of the interest due and payable on all of the CFD No. 2000-3 Bonds on the next applicable Interest Payment Date. Ten Business Days prior to each such Interest Payment Date, the Fiscal Agent shall determine if the amounts to be on deposit in the CFD No. 2000-3 Bond Service Fund (following the transfer of collected CFD No. 2000-3 Special Taxes from the City) will be sufficient to pay all of the principal and all of the interest due and payable on the CFD No. 2000-3 Bonds on such Interest Payment Date. Upon such determination, the Fiscal Agent shall immediately provide written notice to the Trustee of either (i) the sufficiency of the funds in the CFD No. 2000-3 Bond Service Fund or (ii) the insufficiency of such funds, together with the amount of such deficiency. On each such Interest Payment Date, the Fiscal Agent shall withdraw from the CFD No. 2000-3 Bond Service Fund and pay to the owners of the CFD No. 2000-3 Bonds the principal of and interest then due and payable on the CFD No. 2000-3 Bonds. If there are insufficient funds in the CFD No. 2000-3 Bond Service Fund to make the payments as provided above, the Fiscal Agent shall apply the available funds first to the payment of interest on the CFD No. 2000-3 Bonds, and then to the payment of principal due on the CFD No. 2000-3 Bonds, and then to payment of principal due on the CFD No. 2000-3 Bonds by reason of CFD No. 2000-3 Bonds called for redemption under the CFD No. 2000-3 Bonds Fiscal Agent Agreement.

Monies in the CFD No. 2000-3 Bond Service Fund (and the account therein) shall be invested and deposited in accordance with the CFD No. 2000-3 Bonds Fiscal Agent Agreement. Interest earnings and profits resulting from such investment and deposit shall be retained in the CFD No. 2000-3 Bond Service Fund (and the account therein). The Fiscal Agent shall transfer any moneys remaining in the CFD No. 2000-3 Bond Service Fund when there are no longer CFD No. 2000-3 Bonds Outstanding to the CFD No. 2000-3 Special Tax Fund.

Neither the City nor CFD No. 2000-3 has any obligation to advance funds from any funds, accounts, or revenues of the City or CFD No. 2000-3 to cure any deficiency which may occur in the funds and accounts held under the CFD No. 2000-3 Bonds Fiscal Agent Agreement for payment of the CFD No. 2000-3 Bonds. If a delinquency occurs in the payment of any CFD No. 2000-3 Special Tax, neither the City nor CFD No. 2000-3 has any duty to transfer to the Fiscal Agent the amount of the delinquency out of available funds of the City or CFD No. 2000-3.

NO OTHER FUNDS OF THE CITY OR CFD NO. 2000-3 ARE PLEDGED FOR THE PAYMENT OF DELINQUENT CFD NO. 2000-3 SPECIAL TAXES. THE CFD NO. 2000-3 BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, CFD NO. 2000-3, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF CFD NO. 2000-3 (EXCEPT AS DESCRIBED HEREIN), OR THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE CFD NO. 2000-3 BONDS.

Prepayment of CFD No. 2000-3 Special Taxes; CFD No. 2000-3 Bonds Prepayment Account. A property owner may prepay its CFD No. 2000-3 Special Tax and thereby cause a partial redemption of the CFD No. 2000-3 Bonds and the Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments" and "RISK FACTORS RELATED TO THE BONDS – Potential Early Redemption of Bonds from Prepayments.

The Fiscal Agent is directed under the CFD No. 2000-3 Fiscal Agent Agreement to establish the CFD No. 2000-3 Bonds Prepayment Account within the CFD No. 2000-3 Bonds Redemption Fund. The Fiscal Agent shall deposit in the CFD No. 2000-3 Bonds Prepayment Account all moneys received from the Treasurer of the City representing the principal of and redemption premium, if any, on any prepaid CFD No. 2000-3 Bonds. Such moneys shall be applied solely to the payment of principal of and premium, if any, on CFD No. 2000-3 Bonds to be redeemed prior to maturity pursuant to the provisions of the CFD No. 2000-3 Bonds Fiscal Agent Agreement and, in turn, will be applied by the Trustee to effect an extraordinary redemption of Bonds. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments."

[Bond Insurance]

[CONFIRM:] The scheduled payment of principal of and interest on the Series A Bonds when due will be guaranteed under the Series A Bond Insurance Policy to be issued concurrently with the delivery of the Series A Bonds by the Series A Bond Insurer. See "BOND INSURANCE FOR SERIES A BONDS" and "APPENDIX E – SERIES A BOND INSURANCE POLICY SPECIMEN."]

[THE SERIES B BONDS ARE NOT INSURED AND HAVE NO CLAIM ON THE SERIES A BOND INSURANCE POLICY.]

Priority of Liens

Priority of Reassessment Lien. The unpaid Reassessments levied on the parcels within the Assessment District and each installment thereof and any interest and penalties thereon constitute a lien against each such parcel until the same are paid. Generally, a special Reassessment lien is subordinate to all special assessment liens previously imposed upon the same property, but has priority over all private liens and over all special assessment liens that may thereafter be created against the same property. However, such lien is on a parity with the lien of general property taxes, assessments, and any special taxes imposed, whether prior to or after the imposition of such special assessment lien, against the same property pursuant to the Mello-Roos Act or other applicable legislation. See "THE DISTRICTS – Direct and Overlapping Debt."

Priority of Special Tax Liens. The lien of the CFD No. 1 Special Taxes has priority over all private liens on the taxable property within CFD No. 1 whenever imposed. The lien of the CFD No. 2000-3 Special Taxes has priority over all private liens on the taxable property within CFD No. 2000-3 whenever imposed. The lien of the CFD No. 1 Special Taxes is co-equal to and independent of the lien for general property taxes, fixed lien special assessments, and any other special taxes, including, without limitation, special taxes created pursuant to the Mello-Roos Act. The lien of the CFD No. 2000-3 Special Taxes is co-equal to and independent of the lien for general property taxes, fixed lien special assessments, and any other special taxes, including, without limitation, special taxes created pursuant to the Mello-Roos Act. See "THE DISTRICTS –Direct and Overlapping Debt."

No Obligation of the City Upon Delinquency

The City is under no obligation to transfer any funds of the City into the AD Bonds Redemption Fund, the CFD No. 1 Bond Service Fund, or the CFD No. 2000-3 Bond Service Fund for the payment of the principal of or interest on any of the AD Bonds, CFD No. 1 Bonds, or CFD No. 2000-3 Bonds, respectively, if a delinquency occurs in the payment of any Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable. See "SECURITY FOR THE BONDS – Repayment of AD Bonds; Reassessments – Covenant to Foreclose," " – Repayment of CFD No. 1 Bonds; CFD No. 1 Special Taxes – Covenant to Commence Superior Court Foreclosure for Delinquent CFD No. 1 Special Taxes, and " – Repayment of CFD No. 2000-3 Bonds; CFD No. 2000-3 Special Taxes – Covenant to Commence Superior Court Foreclosure for Delinquent CFD No. 2000-3 Special Taxes" above for a discussion of the City's obligation to foreclose the Reassessment liens, CFD No. 1 Special Tax liens, or CFD No. 2000-3 Special Tax liens upon delinquencies thereof. Pursuant to Section 8769(b) of the California Streets and Highways Code, the City has expressly elected not to obligate itself to advance available funds from the City's treasury to make up deficiencies in the amount of Reassessment installments collected. Neither CFD No. 1 nor CFD No. 2000-3 has any obligation to advance available funds to make up any deficiencies in the amount of CFD No. 1 Special Taxes or CFD No. 2000-3 Special Taxes, as applicable.

[BOND INSURANCE FOR SERIES A BONDS]

[The following information has been furnished by the Series A Bond Insurer for use in this Official Statement. Such information has not been independently confirmed or verified by the City or the Authority. No representation is made herein by the City or the Authority as to the accuracy or adequacy of such information or that the information contained and incorporated herein by reference is correct. Reference is made to Appendix E for a specimen of the Series A Bond Insurance Policy.]

[Series A Bond Insurance Policy]

[Concurrently with the issuance of the Series A Bonds, the Series A Bond Insurer will issue its Series A Bond Insurance Policy for the Series A Bonds. The Series A Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Series A Bonds when due as set forth in the form of the Series A Bond Insurance Policy included as Appendix E attached hereto.]

[The Series A Bond Insurer]

[TO FOLLOW, IF APPLICABLE]

THE DISTRICTS

The Assessment District

Description of Assessment District. The Assessment District was formed by the City pursuant to the 1913 Act for the purpose of financing the acquisition or construction of public improvements, which were deemed by the City as necessary to improve operations and circulation, enhance safety, and increase capacity of the U.S. 101 and Rice Avenue interchange located in the City. The Assessment District encompasses approximately 1,544 assessable acres of commercial, industrial, and residential property located in and around the vicinity of the US 101 and Rice Avenue interchange in the northeast section of the City. The area in which the Assessment District is located is zoned primarily for limited industrial, light industrial, business, and research uses. Development within the Assessment District ranges from large industrial facilities to small industrial buildings and retail uses. The area east of the Assessment District provides an agricultural buffer zone between the Cities of Oxnard and Camarillo. Additional agricultural lands are located south of the Assessment District.

Description of Improvements Financed with Proceeds of AD Bonds. The public improvements financed with approximately $13,031,155 of proceeds from the sale of the AD Bonds generally consisted of a new 8-lane over-crossing, northbound and southbound on- and off-ramps connecting to U.S. 101, Ventura Boulevard realignment, traffic signals at each ramp, landscaping, irrigation, decorative lighting and railing, public art, sidewalks, curbs, gutters, and pedestrian and bicycle paths. The improvements included all required rights-of-way and easements, and were constructed, acquired, and/or installed in accordance with the plans and specifications as described in an engineer's report prepared in connection with the issuance of the AD Bonds.

Property Ownership in Assessment District. The Assessment District encompasses 303 parcels (including 11 parcels with prepaid assessments), which are owned by numerous landowners. The complete assessment roll is set forth in Appendix H attached hereto. Sakioka Farms, Inc. ("Sakioka Farms"), owns approximately 430 acres in the Assessment District, which property is currently undeveloped farmland. As owner of such property, Sakioka Farms is responsible for the payment of approximately 15% of the Reassessments. On June 12, 2012, the City Council approved the Sakioka Specific Plan, pursuant to which Sakioka Farms intends to develop a business research and industrial park. Such development is expected to occur in phases over the next 10 to 20 years, and is expected to include up to 8.5 million square feet of office, research, retail, and commercial space, and to create employment for approximately 15,500 workers.

Assessed Value of Property in Assessment District. The following table sets forth the assessed value of the property within the Assessment District for fiscal years 2007-08 through 2011-12.

TABLE 1
SUMMARY OF ASSESSED VALUES
OF PROPERTY IN ASSESSMENT DISTRICT

Fiscal Year	Land Value	Structure Value	Total Assessed Value
2007-08	$203,404,938	$570,849,515	$774,254,453
2008-09	224,680,556	634,041,296	858,721,852
2009-10	235,413,255	630,724,516	866,137,771
2010-11	229,032,418	640,439,180	869,471,598
2011-12	232,147,771	645,257,374	877,405,145

Source: NBS.

Estimated Assessed Value-to-Lien Ratios in the Assessment District. The following table sets forth the number of parcels in the Assessment District within various ranges of estimated assessed value-to-lien ratios. The estimated assessed value-to-lien ratio for all parcels within the Assessment District is approximately 70.26:1; provided, however, that the ratios for individual parcels within the Assessment District vary widely. The value of such individual parcels is significant because, in the event of a delinquency in payment of Reassessments, the only remedy available to the City is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent Reassessment installments. See "SECURITY FOR THE BONDS – Repayment of AD Bonds; Reassessments – Judicial

Foreclosure Sale Proceedings" and "– Repayment of AD Bonds; Reassessments – Sales of Tax-Defaulted Property Generally," and "RISK FACTORS RELATED TO THE BONDS – Land Values."

TABLE 2
SUMMARY OF ESTIMATED
VALUE-TO-LIEN RATIOS
IN ASSESSMENT DISTRICT

Estimated Assessed Value-to-Lien Ratio	No. of Parcels	Total Taxable Value	Total Unpaid Reassessments	Value-to-Lien Ratios
0.00 to 4.99:1	12	$ 17,896,303	$ 5,020,455	3.56:1
5.00 to 9.99:1	4	2,744,366	535,429	5.13:1
10.00 to 14.99:1	1	113,182	8,281	13.67:1
15.00 to 19.99:1	3	1,674,025	95,885	17.46:1
20.00 to 29.99:1	12	4,324,404	178,737	24.19:1
Greater than 30:1	260	850,652,865	6,649,488	127.93:1
Totals/Average	**292**	**$877,405,145**	**$12,488,275**	**70.26:1**

Source: NBS.

Major Taxpayers in the Assessment District. The following table lists the top five property tax payers in the Assessment District.

TABLE 3
TOP FIVE TAXPAYERS
IN ASSESSMENT DISTRICT

Owner	Number of Parcels	Description	2012/13 Reassessment Levy	Percentage of Total Levy	Total Taxable Value	Total Unpaid Assessments	Value-to-Lien Ratio
Sakioka Arthur M-Marilyn Tr.	4	Truck Crops	$377,771	34.22%	$19,103,068	$4,290,451	4.45:1
Proctor-Gamble Paper Products	3	Major Manufacturing	117,063	10.60	58,208,142	1,329,194	43.79:1
Sunbelt Enterprises	20	Warehousing/Storage	51,232	4.64	74,446,706	578,317	128.73:1
Alice Ranch Co.	3	Major Office Building	50,247	4.55	5,991,210	570,217	10.51:1
Seminis Vegetable Seeds Inc.	1	Industrial	26,833	2.43	34,364,211	304,615	112.81:1
Total/Average – Top Five	**31**		**$623,145**	**56.44%**	**$192,113,337**	**$7,072,794**	**27.16:1**
Total/Average – Assessment District	**292**		**$1,104,105**	**100.00%**	**$877,405,145**	**$12,488,275**	**70.26:1**

Source: NBS.

CFD No. 1

Description of CFD No. 1. The property within CFD No. 1 consists of a completed development known as Westport at Mandalay Bay (the "CFD No. 1 Development"). The CFD No. 1 Development constitutes a 58.3-acre community located in the Channel Islands neighborhood of the western-coastal portion of the City, which is part of a 220-acre specific plan area known as Mandalay Bay - Phase IV. CFD No. 1 is located on the south side of Wooley Road, east of Harbor Boulevard, and is bordered on the west by the Reliant Energy Canal and vacant sand dune land between the canal and Harbor Boulevard, and to the east by the Seabridge Community. The property in CFD No. 1 includes 306 existing single-family attached and detached units, a marina, and approximately 22,000 square feet of commercial space. The property to the south of CFD No. 1 has been developed with various types of residential structures within the original portion of the CFD No. 1 Development. The CFD No. 1 Development represents an expansion of the inland waterway off the existing Reliant Energy Canal. The development created a variety of waterfront living and recreational opportunities including single-family residences with canal frontages and boat slips, a mix of multifamily housing types, a small boat lagoon and a boardwalk promenade with a neighborhood retail component, all linked by a series of jogging paths, parks, and view corridors.

Description of Public Improvements Financed with Refunded 2002 CFD No. 1 Bonds. **[CITY TO CONFIRM/UPDATE:]** Pursuant to an Agreement for Construction and Acquisition of Public Improvements, by and between the City and LB/L-SunCal Mandalay LLC, a Delaware limited liability company (the "CFD No. 1 Developer"), the CFD No. 1 Developer constructed various improvements within CFD No. 1, including street improvements, storm drain and water improvements, and improvements to channels and waterways, the cost of which was paid with proceeds from the Refunded 2002 CFD No. 1 Bonds. Approximately $7,612,452 of proceeds from the sale of the Refunded 2002 CFD No. 1 Bonds were made available to finance the costs of such improvements.

Assessed Value of Property in CFD No. 1. The following table sets forth the assessed value of the property within the CFD No. 1 for fiscal years 2007-08 through 2011-12.

TABLE 4
SUMMARY OF ASSESSED VALUES
OF PROPERTY IN CFD NO. 1

Fiscal Year	Land Value	Structure Value	Total Assessed Value
2007-08	$123,308,717	$113,545,021	$236,853,738
2008-09	139,795,466	98,371,575	238,167,041
2009-10	122,940,567	85,692,868	208,633,435
2010-11	97,390,419	84,383,346	181,773,765
2011-12	88,935,838	78,603,726	167,539,564

Source: NBS.

Estimated Assessed Value-to-Lien Ratios for CFD No. 1 Taxable Property. The following table sets forth the number of parcels within CFD No. 1 within various ranges of estimated assessed value-to-lien ratios. The estimated assessed value-to-lien ratio for all parcels within CFD No. 1 is approximately 18.33:1; provided, however, that the ratios for individual parcels within CFD No. 1 vary widely. The value of such individual parcels is significant because, in the event of a delinquency in payment of CFD No. 1 Special Taxes, the only remedy available to the City is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent CFD No. 1 Special Taxes. See "SECURITY FOR THE BONDS – Repayment of CFD No. 1 Bonds; CFD No. 1 Special Taxes – Judicial Foreclosure Proceedings" and " – Sale of Tax Defaulted Property Generally" and " – Sale of Tax Defaulted Property Generally," and "RISK FACTORS RELATED TO THE BONDS – Land Values."

TABLE 5
SUMMARY OF ESTIMATED
VALUE-TO-LIEN RATIOS
IN CFD NO. 1

Estimated Assessed Value-to-Lien Ratio	No. of Parcels	Total Taxable Value	Total Lien of CFD No. 1 Special Taxes	Value-to-Lien Ratios
0.00 to 4.99:1	4	$ 336,870	$ 94,686	3.56:1
5.00 to 9.99:1	3	648,804	95,653	6.78:1
10.00 to 14.99:1	17	6,786,996	529,137	12.83:1
15.00 to 19.99:1	192	107,441,156	5,990,885	17.93:1
20.00 to 29.99:1	94	52,325,738	2,429,639	21.54:1
Greater than 30:1	0	0	0	N/A
Totals/Average	**310**	**$167,539,564**	**$9,140,000**	**18.33:1**

Source: NBS.

Major Taxpayers in CFD No. 1. The following table lists the top five property tax payers in CFD No. 1.

TABLE 6
TOP FIVE TAXPAYERS
IN CFD NO. 1

Owner	Number of Parcels	Description	2012/13 CFD No. 1 Special Tax Levy	Percentage of Total Levy	Total Taxable Value	Total Lien of CFD No. 1 Debt	Value-to-Lien Ratio
Bank of New York Mellon Trustee	4	Single-Family Dwellings	$ 9,409	1.38%	$2,187,000	$ 126,041	17.35:1
Westport Village Partners LLC	8	Commercial Condominium	8,742	1.28	1,807,137	117109	15.43:1
Meerovitsch Rafail Tr.	2	Single-Family Dwellings	8,569	1.26	2,132,000	114784	18.57:1
Gontmaher Konstantin & Vera	2	Single-Family Dwellings	7,450	1.09	1,891,000	99797	18.95:1
Whitesales Marina Business Center	1	Mid-Size Office Buildings	5,741	0.84	1,263,000	76903	16.42:1
Total/Average – Top Five	**17**		**$39,910**	**5.85%**	**$9,280,137**	**$534,634**	**17.36:1**
Total/Average – CFD No. 1	**310**		**$682,298**	**100.00%**	**$167,539,564**	**$9,140,000**	**18.33:1**

Source: NBS.

CFD No. 2000-3

Description of CFD No. 2000-3. CFD No. 2000-3 consists of an approximately 440 acre area in the northwest portion of the City, which includes 625 separate Assessor's Parcels in several noncontiguous groupings. Approximately 211 acres, which is approximately 48% of the land within CFD No. 2000-3, has been developed as a portion of a 701-acre master planned residential and mixed use commercial project known as RiverPark.

Description of Public Improvements Financed with Refunded 2003 CFD No. 2000-3 Bonds. **[CITY TO CONFIRM/UPDATE:]** CFD No. 2000-3 is authorized to finance freeway interchange improvements at Oxnard Boulevard in the City, and is part of the coordinated effort to finance infrastructure improvements knows as the Vineyard Avenue – Johnson Drive Freeway Improvement Project. The public improvements financed with approximately $8,858,705 of proceeds from the sale of the Refunded 2003 CFD No. 2000-3 Bonds included the following components: (i) a new 12-lane bridge on Highway 101 over the Santa Clara River, (ii) extra lanes to Highway 101 between Vineyard Avenue and Montalvo railroad spur crossing, (iii) an elevated rail grade crossing at Johnson Drive, and (iv) freeway interchange at Oxnard Boulevard.

Assessed Value of Property in CFD No. 2000-3. The following table sets forth the assessed value of the property within the CFD No. 2000-3 for fiscal years 2007-08 through 2011-12.

TABLE 7
SUMMARY OF ASSESSED VALUES
OF PROPERTY IN CFD NO. 2000-3

Fiscal Year	Land Value	Structure Value	Total Assessed Value
2007-08	$236,936,057	$158,052,111	$394,988,168
2008-09	283,956,748	214,120,681	498,077,429
2009-10	273,059,317	265,787,191	538,846,508
2010-11	286,105,401	306,961,288	593,066,689
2011-12	269,017,283	313,099,159	582,116,442

Source: NBS.

Estimated Assessed Value-to-Lien Ratios for CFD No. 2000-3 Taxable Property. The following table sets forth the parcels within the taxable property within CFD No. 2000-3 and their estimated assessed value-to-lien ratios. The estimated CFD No. 2000-3 Special Tax value-to-lien ratio for all taxable parcels within CFD No. 2000-3 is approximately 28.89:1; provided, however, that the ratios for individual taxable parcels within CFD No. 2000-3 vary widely. The value of such individual parcels is significant because, in the event of a delinquency in payment of the CFD No. 2000-3 Special Taxes, the only remedy available to the City is to foreclose on the delinquent parcel. A parcel with a lower value-to-lien ratio may be less likely to sell at foreclosure or provide sale proceeds adequate to pay all delinquent CFD No. 2000-3 Special Taxes. See "SECURITY FOR THE BONDS – Repayment of CFD No. 2000-3 Bonds; CFD No. 2000-3 Special Taxes – Judicial Foreclosure Proceedings" and " – Sale of Tax Defaulted Property Generally" and " – Sale of Tax Defaulted Property Generally," and "RISK FACTORS RELATED TO THE BONDS – Land Values."

TABLE 8
SUMMARY OF ESTIMATED
VALUE-TO-LIEN RATIOS
IN CFD NO. 2000-3

Estimated Assessed Value-to-Lien Ratio	No. of Parcels	Total Taxable Value	Total Lien of CFD No. 2000-3 Special Taxes	Overlapping Rio CFD No. 1 Lien	Value-to-Lien Ratios
0.00 to 4.99:1	15	$ 996,312	$ 407,907	$ 198,893	1.64:1
5.00 to 9.99:1	68	15,059,512	261,827	1,531,988	8.40:1
10.00 to 14.99:1	260	83,463,761	1,141,203	5,190,171	13.18:1
15.00 to 19.99:1	88	108,940,799	1,192,760	4,873,011	7.96:1
20.00 to 29.99:1	8	671,919	472,760	18,097	23.78:1
Greater than 30:1	186	361,984,139	4,858,543	0	74.50:1
Totals/Average	**625**	**$582,116,442**	**$8,335,000**	**$11,812,160**	**28.89:1**

Source: NBS.

Major Taxpayers in CFD No. 2000-3. The following table lists the top five property tax payers in CFD No. 2000-3.

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TABLE 9
TOP FIVE TAXPAYERS
IN CFD NO. 2000-3

Owner	Number of Parcels	Description	2012/13 CFD No. 2000-3 Special Tax Levy	Percentage of Total Levy	Total Taxable Value	Total Lien of CFD No. 2000-3 Debt	Overlapping CFD No. 88-1 and Rio CFD No. 1 Liens (1)	Value-to-Lien Ratio
SOCM I LLC.	8	Major Shopping Center and Malls	$139,297	18.84%	$89,870,000	$1,570,226	$ 0	57.23:1
Duesenberg Investment Co.	2	Major Office Building	55,011	7.44	36,700,118	620,115	0	59.18:1
Centro Watt Prop Owner 1 LLC	4	Major Shopping Center and Malls	50,593	6.84	52,372,032	570,310	0	91.83:1
Capri/KW Serenade LLC	1	Multifamily Units	38,594	5.22	81,200,000	435,050	4,140,079	7.75:1
Riverpark A LLC	13	Vacant Commercial Land	37,593	5.08	3,667,939	423,769	0	8.66:1
Total/Average – Top Five	**28**		**$321,089**	**43.42%**	**$263,810,089**	**$3,619,470**	**$4,140,079**	**34.00:1**
Total/Average – CFD No. 2000-3	**625**		**$709,412**	**100.00%**	**$582,116,442**	**$8,335,000**	**$11,812,160**	**28.89:1**

(1) See "THE DISTRICTS – Direct and Overlapping Debt" and RISK FACTORS RELATED TO THE BONDS – Direct and Overlapping Indebtedness.
Source: NBS.

Debt Service Coverage

Debt Service Coverage for CFD No. 1 Bonds from CFD No. 1 Special Taxes. Based upon the Fiscal Year 2012-13 CFD No. 1 Maximum Special Tax, the estimated debt service coverage for the CFD No. 1 Bonds is approximately 140%. Notwithstanding the foregoing, the CFD No. 1 Special Tax levied against any Assessor's Parcel of Residential Property for which a permit allowing occupancy for residential use has been issued may be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel. Pursuant to the CFD No. 1 Bonds Fiscal Agent Agreement, CFD No. 1 has covenanted that it will not issue any obligation or security superior to or on a parity with the CFD No. 1 Bonds payable in whole or in part from CFD No. 1 Special Taxes.

Debt Service Coverage for CFD No. 2000-3 Bonds from CFD No. 2000-3 Special Taxes. Based upon the Fiscal Year 2012-13 CFD No. 2000-3 Maximum Special Tax, the estimated debt service coverage for the CFD No. 2000-3 Bonds is approximately 169%. Notwithstanding the foregoing, the CFD No. 2000-3 Special Tax levied against any Assessor's Parcel of Residential Property for which a permit allowing occupancy for residential use has been issued may be increased by more than 10% as a consequence of delinquency or default by the owner of any other Assessor's Parcel. Pursuant to the CFD No. 2000-3 Bonds Fiscal Agent Agreement, CFD No. 2000-3 has covenanted that it will not issue any obligation or security superior to or on a parity with the CFD No. 2000-3 Bonds payable in whole or in part from CFD No. 2000-3 Special Taxes.

Debt Service Coverage for Bonds from Revenues. The following table illustrates the estimated debt service coverage on the Bonds from Revenues, which are comprised of the debt service on the Acquired Obligations. The debt service coverage shown in the following table is based on the assumption that the debt service on the Acquired Obligations is paid when due. If there are delinquencies in the payment of debt service on the Acquired Obligations, the estimated debt service coverage shown in the following table will not be realized. See “THE DISTRICTS – Delinquency History” below and “RISK FACTORS RELATED TO THE BONDS” for a description of certain events that would increase the likelihood of payment delinquencies.

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TABLE 10
ESTIMATED DEBT SERVICE COVERAGE FROM REVENUES

	Revenues				Series A Bonds and B Bonds Debt Service			Estimated Coverage	
Bond Year	**AD Bonds**	**CFD No. 1 Bonds**	**CFD No. 2000-3 Bonds**	**Total**	**Series A Bonds**	**Series B Bonds**	**Total**	**Series A Bonds**	**Series A Bonds and Series B Bonds**
2013									
2014									
2015									
2016									
2017									
2018									
2019									
2020									
2021									
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									
2032									
2032									
Totals/Averages									

Source: Underwriter.

Levies and Delinquencies

Levies and Delinquencies in Assessment District. The following table described the Reassessment levies and the delinquencies in the payment of Reassessments in the fiscal years 2007-08 through 2011-12 as of May 31, 2012.

TABLE 11
LEVIES AND DELINQUENCIES IN ASSESSMENT DISTRICT
(Fiscal Years 2007-08 through 2011-12)
As of May 31, 2012

Fiscal Year	Amount Levied	Amount Delinquent	Percentage Delinquent	Number of Parcels Levied	Number of Parcels Delinquent	Percentage of Parcels Delinquent
2007-08	$1,109,153	$ 0	0.00%	283	0	0.00%
2008-09	1,111,021	2,468	0.22	285	2	0.70
2009-10	1,114,198	4,216	0.38	295	3	1.02
2010-11	1,113,749	2,803	0.25	294	2	0.68
2011-12	553,747	5,926	0.54	292	5	1.71

Source: NBS.

Representative Tax Bill for Assessment District. The following table sets forth a representative property tax bill for an industrial parcel within the Assessment District for Fiscal Year 2011-12].

TABLE 12
REPRESENTATIVE PROPERTY TAX BILL
FOR ASSESSMENT DISTRICT
(Fiscal Year 2011-12)

Land Use: Industrial		
2011-12 Local Secured Assessed Valuation:		$4,628,535
Ad Valorem Taxes:	Rate per $100	Amount
General Tax Levy	1.000000	$46,285.35
Oxnard Elementary School District General Obligation Bonds	0.031500	1,457.99
Oxnard Elementary School District General Obligation Bonds #2	0.026400	1,221.93
Oxnard Elementary School District General Obligation Bonds #3	0.035800	1,657.02
Oxnard Union High School District General Obligation Bonds	0.009800	453.60
Oxnard Union High School District General Obligation Bonds #2	0.007600	351.77
Ventura Community College District General Obligation Bonds	0.014000	647.99
Metropolitan Water District General Obligation Bonds	0.003700	171.26
City of Oxnard General Fund Obligations	0.076637	3,547.17
Total Ad Valorem Taxes	1.205437	$55,794.07
Special Taxes and Assessments:		
AD No. 2001-1		$3,732.22
Calleguas MWD		22.60
Metro Water Standby		43.30
Vector Control		53.58
VCWPD NPDES Oxnard		196.88
NPDES Oxnard		511.12
Oxnard District 7/8 NFLD/SEGATE		1,052.16
Flood Zone 2 Benefit		1,386.18
Total Special Taxes and Assessments		$6,998.04
Total Taxes		$62,792.11
As a Percentage of the District's Total 2011-12 Assessed Valuation		1.36%

Source: NBS.

Levies and Delinquencies in CFD No. 1. The following table described the CFD No. 1 Special Tax levies and the delinquencies in the payment of CFD No. 1 Special Taxes in the fiscal years 2007-08 through 2011-12 as of May 31, 2012.

TABLE 13
LEVIES AND DELINQUENCIES IN CFD NO. 1
(Fiscal Years 2007-08 through 2011-12)
As of May 31, 2012

Fiscal Year	Amount Levied	Amount Delinquent	Percentage Delinquent	Number of Parcels Levied	Number of Parcels Delinquent	Percentage of Parcels Delinquent
2007-08	$628,194	$ 0	0.00%	303	0	0.00%
2008-09	633,097	0	0.00	310	0	0.00
2009-10	643,720	4,635	0.72	310	2	0.65
2010-11	661,206	2,878	0.44	310	3	0.97
2011-12	667,463	25,732	3.86	310	15	4.84

Source: NBS.

Representative Tax Bill for CFD No. 1. The following table sets forth a representative property tax bill for a single-family detached unit within CFD No. 1 for Fiscal Year 2011-12.

TABLE 14
REPRESENTATIVE PROPERTY TAX BILL
FOR CFD NO. 1
(Fiscal Year 2011-12)

Land Use: Single-Family Residential		
2011-12 Local Secured Assessed Valuation (includes $7,000 HOE):		$912,000
Ad Valorem Taxes:	Rate per $100	Amount
General Tax Levy	1.000000	$9,120.00
Oxnard Elementary School District General Obligation Bonds	0.031500	287.28
Oxnard Elementary School District General Obligation Bonds #2	0.026400	240.77
Oxnard Elementary School District General Obligation Bonds #3	0.035800	326.50
Oxnard Union High School District General Obligation Bonds	0.009800	89.38
Oxnard Union High School District General Obligation Bonds #2	0.007600	69.31
Ventura Community College District General Obligation Bonds	0.014000	127.68
Metropolitan Water District General Obligation Bonds	0.003700	33.74
City of Oxnard General Fund Obligations	0.076637	698.93
Total Ad Valorem Taxes	1.205437	$10,993.59
Special Taxes and Assessments:		
CFD No. 1		$3,207.66
CFD No. 2		2,401.10
Calleguas MWD		5.00
Metro Water Standby		9.58
Vector Control		4.66
VCWPD NPDES Oxnard		1.78
NPDES Oxnard		4.62
Flood Zone 2 Benefit		12.54
Total Special Taxes and Assessments		$5,646.94
Total Taxes		$16,640.53
As a Percentage of the District's Total 2011-12 Assessed Valuation		1.82%

Source: NBS.

Levies and Delinquencies in CFD No. 2000-3. The following table describes the CFD No. 2000-3 Special Tax levies and the delinquencies in the payment of CFD No. 2000-3 Special Taxes in fiscal years 2007-08 through 2011-12 as of May 31, 2012.

TABLE 15
LEVIES AND DELINQUENCIES IN CFD NO. 2000-3
(Fiscal Years 2007-08 through 2011-12)
As of May 31, 2012

Fiscal Year	Amount Levied	Amount Delinquent	Percentage Delinquent	Number of Parcels Levied	Number of Parcels Delinquent	Percentage of Parcels Delinquent
2007-08	$764,035	$ 0	0.00%	293	0	0.00%
2008-09	769,055	239	0.03	533	1	0.19
2009-10	734,511	1,004	0.14	533	6	1.13
2010-11	796,850	1,954	0.25	626	8	1.28
2011-12	728,673	32,649	4.48	627	15	2.39

Source: NBS.

Representative Tax Bill for CFD No. 2000-3. The following table sets forth a representative property tax bill for a commercial parcel within CFD No. 2000-3 for Fiscal Year 2011-12].

TABLE 16
REPRESENTATIVE PROPERTY TAX BILL
FOR CFD NO. 2000-3
(Fiscal Year 2011-12)

Land Use: Commercial		
2011-12 Local Secured Assessed Valuation:		$6,800,000
Ad Valorem Taxes:	Rate per $100	Amount
General Tax Levy	1.000000	$68,000.00
Rio School District General Obligation Bonds	0.030400	2,067.20
Oxnard Union High School District General Obligation Bonds	0.009800	666.40
Oxnard Union High School District General Obligation Bonds #2	0.007600	516.80
Ventura Community College District General Obligation Bonds	0.014000	952.00
Metropolitan Water District General Obligation Bonds	0.003700	251.60
City of Oxnard General Fund Obligations	0.076637	5,211.32
Total Ad Valorem Taxes	1.142137	$77,665.32
Special Taxes and Assessments:		
CFD No. 2000-3		$4,899.76
CFD No. 5		10,694.18
Calleguas MWD		9.14
Metro Water Standby		17.52
Vector Control		23.30
VCWPD NPDES Oxnard		79.70
NPDES Oxnard		206.94
Flood Zone 2 Benefit		561.22
Total Special Taxes and Assessments		$16,491.76
Total Taxes		$94,157.08
As a Percentage of the District's Total 2011-12 Assessed Valuation		1.38%

Source: NBS.

Direct and Overlapping Debt

The presence of overlapping debt issued by the City on property in the Districts complicates and could delay the foreclosure process in the event of delinquencies. See "RISK FACTORS RELATED TO THE BONDS – Direct and Overlapping Indebtedness."

The City has no control over the amount of additional debt payable from taxes or assessments levied on all or a portion of the property within the Assessment District, CFD No. 1, or CFD No. 2000-3 that may be incurred in the future by other governmental agencies having jurisdiction over all or a portion of the property therein. Other public agencies may issue additional indebtedness on property within the Assessment District, CFD No. 1, or CFD No. 2000-3 at any time. Furthermore, nothing prevents the owners of property within the Assessment District, CFD No. 1, or CFD No. 2000-3 from consenting to the issuance of additional debt by other governmental agencies that would be secured by taxes on a parity with the Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, or assessments that would be subordinate to the Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable. To the extent such indebtedness is payable from assessments, other special taxes levied pursuant to the Mello-Roos Act, or taxes, such assessments, special taxes, and taxes will be secured by liens on the property within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable.

Accordingly, the debt on the property within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, could increase, without any corresponding increase in the value of the subject property. The imposition of such additional indebtedness could reduce the willingness and ability of the property owners within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, to pay the Reassessments or CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, when due. Moreover, in the event of a delinquency in the payment of Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, no assurance can be given that the proceeds of any foreclosure sale of property with delinquent Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, would be sufficient to pay the delinquent Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes. See "RISK FACTORS RELATED TO THE BONDS – Land Values."

The information in the following tables has been obtained from California Municipal Statistics, Inc. Neither the City nor the Authority has independently verified or guarantees such information.

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The following table sets forth information regarding the assessed valuation of, and the direct and overlapping debt applicable to, the property within the Assessment District:

TABLE 17
ASSESSED VALUATION AND DIRECT AND OVERLAPPING DEBT FOR ASSESSMENT DISTRICT
(As of June 27, 2012)

2011-12 Local Secured Assessed Valuation: $877,405,145 (Land and Improvements Only)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/15/12
Metropolitan Water District General Obligation Bonds	0.060%	$ 117,819
Ventura Community College District General Obligation Bonds	1.054	3,276,635
Oxnard Union High School District General Obligation Bonds	3.315	2,995,282
Oxnard School District General Obligation Bonds	3.803	4,327,815
Rio School District General Obligation Bonds	16.961	2,591,648
City of Oxnard Assessment District No. 2001-1	**100.**	**12,845,000** (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$26,154,199

OVERLAPPING GENERAL FUND OBLIGATION DEBT:	% Applicable (2)	Debt 6/15/12
Ventura County General Fund Obligations	1.124%	$1,053,638
Ventura County Superintendent of Schools Certificates of Participation	1.124	133,363
Oxnard Union High School District General Fund Obligations	3.570	303,450
Oxnard School District Certificates of Participation	4.153	210,960
Rio School District Certificates of Participation	18.666	1,433,549
City of Oxnard General Fund Obligations	8.065	5,450,730
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT		$8,585,690
COMBINED TOTAL DEBT		$34,739,889 (3)

(1) Excludes 1915 Act bonds to be sold.
(2) Based on redevelopment adjusted all property assessed valuation of $1,064,011,090.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Assessed Valuation:

Direct Debt ($12,845,000)	**1.46%**
Total Direct and Overlapping Tax and Assessment Debt	2.98%
Combined Total Debt	3.96%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

Source: California Municipal Statistics, Inc.

See also "RISK FACTORS RELATED TO THE BONDS – Direct and Overlapping Indebtedness."

The following table sets forth information regarding the assessed valuation of, and the direct and overlapping debt applicable to, the property within CFD No. 1:

TABLE 18
ASSESSED VALUATION AND DIRECT AND OVERLAPPING DEBT
FOR CFD NO. 1
(As of June 27, 2012)

2011-12 Local Secured Assessed Valuation: $167,422,719

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/15/12
Metropolitan Water District General Obligation Bonds	0.009%	$ 18,558
Ventura Community College District General Obligation Bonds	0.161	500,778
Oxnard Union High School District General Obligation Bonds	0.507	457,778
Oxnard School District General Obligation Bonds	1.653	1,880,922
City of Oxnard Community Facilities District No. 1	**100.**	**9,140,000** (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$11,998,036
OVERLAPPING GENERAL FUND OBLIGATION DEBT:	% Applicable (2)	Debt 6/15/12
Ventura County General Fund Obligations	0.177%	$ 165,920
Ventura County Superintendent of Schools Certificates of Participation	0.177	21,001
Oxnard Union High School District Certificates of Participation	0.562	47,770
Oxnard School District Certificates of Participation	1.805	91,689
City of Oxnard General Fund Obligations	1.269	857,654
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT		$1,184,034
COMBINED TOTAL DEBT		$13,182,070 (3)

(1) Excludes refunding issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Assessed Valuation:

Direct Debt ($9,140,000)	**5.46%**
Total Direct and Overlapping Tax and Assessment Debt	7.17%
Combined Total Debt	7.87%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

Source: California Municipal Statistics, Inc.

See also "RISK FACTORS RELATED TO THE BONDS – Direct and Overlapping Indebtedness."

The following table sets forth information regarding the assessed valuation of, and the direct and overlapping debt applicable to, the property within CFD No. 2000-3:

TABLE 19
ASSESSED VALUATION AND DIRECT AND OVERLAPPING DEBT
FOR CFD NO. 2000-3
(As of June 27, 2012)

2011-12 Local Secured Assessed Valuation: $ $582,116,442 (Land and Improvements Only)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/15/12
Metropolitan Water District General Obligation Bonds	0.008%	$ 16,137
Ventura County Community College District General Obligation Bonds	0.553	1,718,482
Oxnard Union High School District General Obligation Bonds	1.739	1,570,921
Rio School District General Obligation Bonds	13.720	2,096,456
Rio School District Community Facilities District No. 1 Mello-Roos Act Bonds	39.555	11,825,055
City of Oxnard Community Facilities District No. 88-1	100.	450,000
City of Oxnard - Oxnard Boulevard/Highway 101 Interchange Project Community Facilities District No. 2000-3	**100.**	8,335,000 (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$26,012,051
OVERLAPPING GENERAL FUND OBLIGATION DEBT:	% Applicable (2)	Debt 6/15/12
Ventura County Certificates of Participation	0.154%	$ 144,360
Ventura County Superintendent of Schools Certificates of Participation	0.154	18,272
Oxnard Union High School District General Fund Obligations	0.489	41,565
Rio School District Certificates of Participation	4.007	307,738
City of Oxnard General Fund Obligations	1.105	746,814
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT		$1,258,749
COMBINED TOTAL DEBT		$27,270,800 (3)

(1) Excludes Mello-Roos Act bonds to be sold.
(2) Based on redevelopment adjusted all property assessed valuation of $145,719,556.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2011-12 Assessed Valuation:

Direct Debt ($8,335,000)	**1.43%**
Total Direct and Overlapping Tax and Assessment Debt	4.47%
Combined Total Debt	4.68%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

Source: California Municipal Statistics, Inc.

The Community Facilities District No. 88-1 of the City of Oxnard (Oxnard Town Center) 2005 Special Tax Refunding Bonds (the "CFD No. 88-1 Bonds"), described in the table above under the heading "DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT," will mature on September 2, 2013. All special taxes necessary to pay debt service on the CFD No. 88-1 Bonds through September 2, 2012, have been collected.

The Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds, Series 2005 (the "Rio CFD No. 1 Bonds"), described in the table above under the heading "DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT," will mature on September 1, 2035. All special taxes necessary to pay debt service on the Rio CFD No. 1 Bonds through September 1, 2012, have been collected.

See also "RISK FACTORS RELATED TO THE BONDS – Direct and Overlapping Indebtedness."

RISK FACTORS RELATED TO THE BONDS

Although the Series A Bonds (but not the Series B Bonds) will be insured, the following information should be considered by prospective investors in evaluating the Bonds. However, it does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal of or interest on the Bonds.

The Bonds are Limited Obligations of the Authority

Funds for the payment of the principal of and interest on the Bonds are derived from debt service payments on the Acquired Obligations, which are derived only from annual Reassessment installments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes, as applicable. While a coverage factor has been established in structuring the annual debt service on the Acquired Obligations (see “THE DISTRICTS – Debt Service Coverage”), the amount of annual Reassessment installments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes that are collected by the City could be insufficient to pay principal of and interest on the applicable Acquired Obligations due to non-payment of such annual Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, or due to insufficient proceeds received from a judicial foreclosure sale of land within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, following a delinquency. The obligation of the Authority to advance the amount of delinquencies to the Trustee is strictly limited to funds on deposit in the Senior Reserve Fund and the Subordinate Reserve Fund established and held by the Trustee pursuant to the Indenture. The City’s legal obligations with respect to any delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes are limited to the institution of judicial foreclosure proceedings under certain circumstances with respect to any parcels for which the Reassessment installment, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Tax, as applicable, is delinquent. The City has determined that it will not obligate itself to advance funds from its treasury to cover any delinquency on the Reassessments, CFD No. 1 Special Taxes, CFD No. 2000-3 Special Taxes, or payments on the Acquired Obligations. CFD No. 1 has no obligation to advance available funds to make up any deficiencies in the amount of CFD No. 1 Special Taxes. CFD No. 2000-3 has no obligation to advance available funds to make up any deficiencies in the amount of CFD No. 2000-3 Special Taxes. The Bonds cannot be accelerated in the event of any default.

The AD Bonds are Limited Obligations of the City

Pursuant to Section 8769(b) of the California Streets and Highways Code, the City has expressly elected not to obligate itself to advance available funds from the City’s treasury to make up deficiencies in the amount of Reassessment installments collected.

Sustained failure by property owners to pay Reassessment installments when due and the inability of the City to sell parcels which have become subject to judicial foreclosure proceedings for amounts sufficient to cover the delinquent Reassessment installments will likely result in the inability of the City to make full or punctual payments of principal of or interest on the AD Bonds, which could deplete the Senior Reserve Fund and the Subordinate Reserve Fund securing the Bonds and result in a default on the Bonds.

Under the provisions of the 1915 Act, Reassessment installments will be billed to the owner of each parcel in the Assessment District against which there is an unpaid Reassessment, with such billing to be made on the regular property tax bills sent to such owners. The Reassessment installments are due and payable at the same time and bear the same late charges and penalties as for non-payment of regular property tax installments.

The obligation to pay Reassessment installments does not constitute a personal obligation of the current or subsequent owners of the respective parcels in the Assessment District that are subject to the Reassessment liens. Enforcement of Reassessment payment obligations by the City is limited to judicial foreclosure in the County Superior Court pursuant to Sections 8830 *et seq.* of the California Streets and Highways Code. There is no assurance that any current or subsequent owner of a parcel subject to an Reassessment lien will be able to pay the Reassessment installments or that such owner will choose to pay such installments even though financially able to do so.

The CFD No. 1 Bonds are Limited Obligations of CFD No. 1

Neither the City nor CFD No. 1 is obligated to advance available funds from the City's treasury to make up deficiencies in the amount of CFD No. 1 Special Taxes collected. Sustained failure by property owners within CFD No. 1 to pay CFD No. 1 Special Taxes when due and the inability of the City to sell parcels which have become subject to judicial foreclosure proceedings for amounts sufficient to cover the delinquent CFD No. 1 Special Taxes will likely result in the inability of CFD No. 1 to make full or punctual payments of principal of or interest on the CFD No. 1 Bonds, which could deplete the Senior Reserve Fund and Subordinate Reserve Fund securing the Bonds and result in a default on the Bonds.

The Mello-Roos Act provides that if any property within CFD No. 1 not otherwise exempt from the CFD No. 1 Special Taxes is acquired by a public entity through a negotiated transaction, or by gift or devise, the CFD No. 1 Special Taxes will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Mello-Roos Act provides that if property subject to the CFD No. 1 Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay the CFD No. 1 Special Taxes with respect to that property is to be treated as if it were a special assessment and paid from the eminent domain award. The constitutionality and operative effect of these provisions of the Mello-Roos Act have not been tested in the courts. If, for any reason, property subject to the CFD No. 1 Special Taxes becomes exempt from taxation by reason of ownership by the federal government, subject to the limitation of the maximum authorized CFD No. 1 Special Taxes and any other limitation on the CFD No. 1 Special Tax rate imposed by CFD No. 1 or the City, the maximum CFD No. 1 Special Tax that could be levied upon the remaining taxable property within CFD No. 1 might not be sufficient to make the payments required to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

The obligation to pay CFD No. 1 Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels in CFD No. 1. Enforcement of CFD No. 1 Special Tax payment obligations by the City, for and on behalf of CFD No. 1, is limited to judicial foreclosure in the County Superior Court pursuant to Section 53356.1 *et seq.* of the California Government Code. There is no assurance that any current or subsequent owner of a parcel subject to a CFD No. 1 Special Tax lien will be able to pay the CFD No. 1 Special Taxes or that such owner will choose to pay such installments even though financially able to do so.

The CFD No. 2000-3 Bonds are Limited Obligations of CFD No. 2000-3

Neither the City nor CFD No. 2000-3 is obligated to advance available funds from the City's treasury to make up deficiencies in the amount of CFD No. 2000-3 Special Taxes collected. Sustained failure by property owners within CFD No. 2000-3 to pay CFD No. 2000-3 Special Taxes when due and the inability of the City to sell parcels which have become subject to judicial foreclosure proceedings for amounts sufficient to cover the delinquent CFD No. 2000-3 Special Taxes will likely result in the inability of CFD No. 2000-3 to make full or punctual payments of principal of or interest on the CFD No. 2000-3 Bonds, which could deplete the Senior Reserve Fund and Subordinate Reserve Fund securing the Bonds and result in a default on the Bonds.

The Mello-Roos Act provides that if any property within CFD No. 2000-3 not otherwise exempt from the CFD No. 2000-3 Special Taxes is acquired by a public entity through a negotiated transaction, or by gift or devise, the CFD No. 2000-3 Special Taxes will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Mello-Roos Act provides that if property subject to the CFD No. 2000-3 Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay the CFD No. 2000-3 Special Taxes with respect to that property is to be treated as if it were a special assessment and paid from the eminent domain award. The constitutionality and operative effect of these provisions of the Mello-Roos Act have not been tested in the courts. If, for any reason, property subject to the CFD No. 2000-3 Special Taxes becomes exempt from taxation by reason of ownership by the federal government, subject to the limitation of the maximum authorized CFD No. 2000-3 Special Taxes and any other limitation on the CFD No. 2000-3 Special Tax rate imposed by CFD No. 2000-3 or the City, the maximum CFD No. 2000-3 Special Tax that could be levied upon the remaining taxable property within CFD No. 2000-3 might not be sufficient to make the payments required to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

The obligation to pay CFD No. 2000-3 Special Taxes does not constitute a personal obligation of the current or subsequent owners of the respective parcels in CFD No. 2000-3. Enforcement of CFD No. 2000-3 Special Tax payment obligations by the City, for and on behalf of CFD No. 2000-3, is limited to judicial foreclosure in the County Superior Court pursuant to Section 53356.1 *et seq.* of the California Government Code. There is no assurance that any current or subsequent owner of a parcel subject to a CFD No. 2000-3 Special Tax lien will be able to pay the CFD No. 2000-3 Special Taxes or that such owner will choose to pay such installments even though financially able to do so.

Potential Early Redemption of Bonds from Prepayments

Property owners within the Assessment District, CFD No. 1, and CFD No. 2000-3 are permitted to prepay their Reassessments, CFD No. 1 Special Taxes, and CFD No. 2000-3 Special Taxes, as applicable. Prepayments of Reassessments will result in redemption of all or a portion of the AD Bonds (depending on the size of the prepayments), and the proceeds of the AD Bonds so redeemed will then be used to make an extraordinary redemption of the Bonds. Prepayments of CFD No. 1 Special Taxes will result in redemption of all or a portion of the CFD No. 1 Bonds (depending on the size of the prepayments), and the proceeds of the CFD No. 1 Bonds so redeemed will then be used to make an extraordinary redemption of the Bonds. Prepayments of CFD No. 2000-3 Special Taxes will result in redemption of all or a portion of the CFD No. 2000-3 Bonds (depending on the size of the prepayments), and the proceeds of the CFD No. 2000-3 Bonds so redeemed will then be used to make an extraordinary redemption of the Bonds. The Series A Bonds and the Series B Bonds will be called on a *pro rata* basis from the proceeds of the AD Bonds, CFD No. 1 Bonds, and/or CFD No. 2000-3 Bonds redeemed from such prepayments. See "THE BONDS – Redemption – Extraordinary Redemption from Prepayments."

Concentration of Ownership

The top five property owners own property in the Assessment District that is responsible for the payment of approximately 52.10% of the Reassessments and the top five property owners in CFD No. 2000-3 own property that is responsible for the payment of approximately 43.90% of the CFD No. 2000-3 Special Taxes. The timely payment of the principal of and interest on the Bonds depends upon the willingness and ability of the current and future property owners in the Assessment District, CFD No. 1, and CFD No. 2000-3 to pay the Reassessment installments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes, as applicable, when due. General and local economic conditions and governmental requirements or restrictions may affect the willingness of the current property owners, or any successor property owners, to pay the Reassessment installments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes, as applicable, and there is no assurance that the current property owners, or any successor property owners, will pay such Reassessment installments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes, as applicable, even if financially able to do so. Due to the concentration of ownership of the property within the Assessment District, CFD No. 1, and CFD No. 2000-3, a failure by the current property owners or successor property owners to pay the Reassessment installments, CFD No. 1 Special Taxes and CFD No. 2000-3 Special Taxes, as applicable, may result in a default in the payment of debt service on the Bonds. See "THE DISTRICTS."

Direct and Overlapping Indebtedness

The ability of a property owner within the Assessment District, CFD No. 1, or CFD No. 2000-3 to pay the Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, could be adversely affected by the existence of other taxes and assessments imposed upon such owner's property. In addition, other public agencies whose boundaries overlap those of the Assessment District, CFD No. 1, or CFD No. 2000-3 could, without the consent of the City or CFD No. 1 or CFD No. 2000-3, as applicable, and in certain cases without the consent of property owners, impose additional taxes or assessment liens on the property within the Assessment District, CFD No. 1, or CFD No. 2000-3 to finance public improvements to be located inside or outside the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable. See "THE DISTRICTS – Direct and Overlapping Debt" for a discussion of the direct and overlapping indebtedness pertaining to the Districts.

The lien of the Assessment District is currently the only City-sponsored assessment lien in the Assessment Districts. There currently are five City-sponsored special tax liens in the Districts: (i) the lien of CFD No. 1 (applicable to the taxable property therein), (ii) the lien of CFD No. 2000-3 (applicable to the taxable property therein), (iii) the lien of Community Facilities District No. 2 (Westport at Mandalay Bay) of the City of Oxnard (applicable to 100% of the taxable property in CFD No. 1) for special taxes levied to provide ongoing maintenance services, but which lien does not and cannot secure the payment of any bonded indebtedness, (iv) the lien of Community Facilities District No. 5 (RiverPark) of the City of Oxnard (applicable to 93% of the taxable property in CFD No. 2000-3) for special taxes levied to provide ongoing maintenance services, but which lien does not and cannot secure the payment of any bonded indebtedness, and (v) the lien of Community Facilities District No. 88-1 (Oxnard Town Center) of the City of Oxnard (applicable to 2% of the taxable property in CFD No. 2000-3) for special taxes that secure the payment of the outstanding CFD No. 88-1 Bonds, which will mature on September 2, 2013. In addition, a lien of special taxes that secure the payment of the outstanding Rio CFD No. 1 Bonds overlaps a portion of the taxable property within CFD No. 2000-3. See "THE DISTRICTS – Direct and Overlapping Debt."

Risks of Real Estate Secured Investments Generally

The Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, the supply of or demand for competitive properties in such area, and the market value of commercial and industrial buildings and sites in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws and laws relating to threatened and endangered species) and fiscal policies, and (iii) natural disasters (including, without limitation, earthquakes and floods), which may result in uninsured losses.

Failure to Develop Property; Future Land Use Regulations and Growth Control Initiatives

All of the property within CFD No. 1 is developed. However, approximately 12% of the Reassessments is secured by liens on undeveloped property within the Assessment District, and the assessed value-to-lien ratio for such property is approximately 10.1:1. In addition, approximately 33% of the CFD No. 2000-3 Special Taxes is secured by liens on taxable undeveloped property within CFD No. 2000-3, and the assessed value-to-lien ratio for such property is approximately 22.8:1. If a developer, merchant builder, or subsequent purchaser or owner of undeveloped property in the Assessment District or CFD No. 2000-3, as applicable, experiences financial difficulties and is unwilling or unable to pay the annual Reassessment installments or CFD No. 2000-3 Special Taxes, as applicable, when due, such nonpayment could result in a default in the payments of principal of and interest on the related issue of Acquired Obligations, which could result in the total depletion of the Senior Reserve Fund and the Subordinate Reserve Fund prior to the replenishment thereof from the resales of property upon a foreclosure. In that event, there could be a default in payment of the principal of and interest on the Bonds.

The motivation of the present or future owners of the assessed property in the Assessment District or of taxable property in CFD No. 1 or CFD No. 2000-3 to pay the Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, when due may be diminished in the event significant delays are experienced in development efforts in the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable. Further development of property in the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, may also be affected by changes in general economic conditions, fluctuations in the real estate market, changes in the ownership of the applicable land, changes in the income tax treatment of real property ownership, availability of utilities at a reasonable cost, and other factors. In addition, any proposed development is subject to existing and future federal, state, and local regulations. Approval will be required from various public agencies in connection with the design, nature, and extent of the required public improvements, and such matters as land use and zoning. Failure to meet any such future regulations or obtain any such approvals in a timely manner could delay or adversely affect any proposed development of the parcels of land in the Assessment District, CFD No. 1, or CFD No. 2000-3.

Under current California law, it is generally accepted that proposed development is not exempt from future land use regulations until building permits have been properly issued and substantial work has been performed and substantial liabilities have been incurred in good faith reliance on such permits. There can be no assurance that land development within the Assessment District, CFD No. 1, or CFD No. 2000-3 will not be adversely affected by future governmental policies or growth control initiatives, including, but not limited to, governmental policies or initiatives to restrict or control development or further governmental regulation and protection.

In the past, a number of communities in southern California have placed on the ballot initiative measures intended to control the rate of future development. It is possible that future initiatives could be enacted, could become applicable to proposed development within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, and could negatively impact the ability of developers and merchant builders, or their successors, to complete development within the Assessment District or the taxable CFD property, as applicable. The application of future land use regulations to the proposed development could cause significant delays and cost increases in the completion of such development and could cause the land values of the undeveloped parcels, if any, within the Assessment District, CFD No. 1, or CFD No. 2000-3, as applicable, to decrease substantially.

Factors Which May Affect Land Development

Future development in the Districts may be affected by changes in general economic conditions, fluctuations in the real estate market, and other factors. In addition, development may be subject to future federal, state, and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of any proposed development in the Districts, the nature and extent of public improvements, land use, zoning, and other matters. Although no such delays are anticipated, failure to meet any such future regulations or obtain any such approvals in a timely manner could delay or adversely affect any proposed development in the Districts. The development of property within the Districts could be adversely affected if lawsuits or other actions were commenced to restrict or prevent further development within the Districts.

Bankruptcy and Foreclosure Delays

The payment of Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, and the ability of the City to foreclose the lien of a delinquent Reassessment, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Tax, as applicable, is normally delayed by and may be limited in other ways by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by State laws relating to judicial foreclosure. In addition, the prosecution of a judicial foreclosure may be delayed due to congested local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments, including the Bonds and the Acquired Obligations, by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally, by the application of equitable principles, and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Reassessments or the CFD No. 1 Special Taxes or CFD No. 2000-3 Special Taxes, as applicable, to become extinguished, bankruptcy of a property owner or of a partner or other equity owner of a property owner could result in a stay of enforcement of the lien for the Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, a delay in prosecuting Superior Court foreclosure proceedings, or adversely affect the ability or willingness of a property owner to pay the Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, and could result in the possibility of delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes could be reduced if the value of the applicable property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of the delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, not being paid in full. Moreover, amounts received upon foreclosure sales may not be sufficient to fully discharge delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable. To the extent that a significant percentage of the property in the Assessment District or the taxable CFD property, as applicable, is the subject of bankruptcy proceedings, the payment of the Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, and the ability of the City to foreclose the lien of a delinquent unpaid Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, could be extremely curtailed by bankruptcy, insolvency, or other laws generally affecting creditors' rights, or by the laws of the State relating to judicial foreclosure.

FDIC/Federal Government Interests in Properties

The ability of the City to foreclose the lien of delinquent unpaid Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC") has an interest. In the event that any financial institution making any loan which is secured by real property within the Assessment District or the taxable CFD property is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure, or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad *valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special assessments due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity.

Based on the records of the County Assessor, the FDIC does not currently own any of the property in the Assessment District, CFD No. 1, or CFD No. 2000-3.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes on a parcel within the Assessment District or the taxable CFD property, as applicable, in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Senior Reserve Fund and the Subordinate Reserve Fund and perhaps, ultimately, a default in payment on the Bonds.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority has covenanted in the Indenture not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds under Section 103 of the Code. In addition, each of the City, CFD No. 1, and CFD No. 2000-3 has covenanted under the AD Bonds Fiscal Agent Agreement, the CFD No. 1 Bonds Fiscal Agent Agreement, and the CFD No. 2000-3 Bonds Fiscal Agent Agreement, respectively, not to take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the AD Bonds, the CFD No. 1 Bonds, or the CFD No. 2000-3 Bonds, as applicable, under Section 103 of the Code. If interest on the AD Bonds, the CFD No. 1 Bonds, or the CFD No. 2000-3 Bonds becomes includable in gross income for purposes of federal income taxation, interest on the Bonds could also become so includable, as well. Interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of acts or omissions of the Authority, the City, CFD No. 1, or CFD No. 2000-3 in violation of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the extraordinary redemption provisions of the Indenture from Reassessment prepayments.

No Acceleration

There is no provision in the Indenture for acceleration of the payment of principal of or interest on the Bonds in the event of default or in the event interest on the Bonds becomes included in gross income for federal income tax purposes.

Limitations on Remedies

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the Bonds or to preserve the tax-exempt status of interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Authority, the City, CFD No. 1, and CFD No. 2000-3, may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, usual equitable 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 federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of such rights. See "RISK FACTORS RELATED TO THE BONDS – Bankruptcy and Foreclosure Delays," and "– FDIC/Federal Government Interests in Properties."

Land Values

The value of property within the Assessment District and the taxable property within CFD No. 1 and CFD No. 2000-3 is an important factor in evaluating the investment quality of the Bonds. In the event that a property owner defaults in the payment of an Reassessment installment, CFD No. 1 Special Tax, or CFD No. 2000-3 Special Tax, as applicable, the only remedy available to the City, CFD No. 1, or CFD No. 2000-3, as applicable, is to judicially foreclose on the subject property. Prospective purchasers of the Bonds should not assume that the property within the Assessment District or the taxable property within CFD No. 1 and CFD No. 2000-3 could be sold for the assessed value described herein at a foreclosure sale for delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable, or for an amount adequate to pay delinquent Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable. Reductions in property values within the Assessment District or the taxable property within CFD No. 1 and CFD No. 2000-3 due to a downturn in the economy or the real estate market, events such as earthquakes, droughts, or floods, stricter land use regulations, threatened or endangered species, or other events may adversely impact the security underlying the Reassessments, the CFD No. 1 Special Taxes, or the CFD No. 2000-3 Special Taxes, as applicable.

The actual market value of the property within the Districts is subject to future events such as downturn in the economy, occurrences of certain acts of nature and the decisions of various governmental agencies as to land use, all of which could adversely impact the value of the property in the Districts that is the security for the Acquired Obligations, which secure the Bonds. As discussed herein, many factors could adversely affect property values or prevent or delay development of property within the Districts.

Hazardous Substances

A reduction in the value of a parcel within any of the Districts could occur as a result of a claim with regard to a hazardous substance. In general, the owners and operators of a parcel within any of the Districts may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Districts be affected by a hazardous substance, will be to reduce the marketability and value of such parcel by the costs of remedying the condition, since the current owner, as well as any prospective purchaser, upon becoming an owner, will be obligated to remedy the condition.

Further, it is possible that liabilities may arise in the future with respect to a parcel as a result of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future as a result of the current existence on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of a parcel within the Districts that is realizable upon a delinquency.

Seismic and Flood Hazards

California has historically been subject to periodic seismic activity. None of the property within the Districts is located within any Special Studies Zone, as defined in the Alquist-Priolo Special Studies Zone Act. Nevertheless, it may still be subject to moderate and severe ground shaking in the event of a major seismic occurrence on any of the active faults in the southern California area. The occurrence of seismic activity in the Districts could result in substantial damage to properties in the Districts which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable.

Relevant Federal Emergency Management Agency maps indicate that the Districts are located outside of the 100-year flood plain and are therefore not considered to be subject to significant flood hazard.

Limited Secondary Market

As stated herein, investment in the Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the Bonds should consider such investment. There can be no guarantee that there will be a secondary market for purchase or sale of the Bonds or, if a secondary market exists, that the Bonds can or could be sold for any particular price. From time to time there may be no market for the Bonds, depending upon prevailing market conditions, the financial condition or market positions of firms who may make the secondary market, the financial condition and results of operations of the owners of property located within the boundaries of the Districts, and the extent of the development of property within the Districts.

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 changes may also adversely affect the value of property within the Districts and the willingness or ability of the owners of land within the Districts to pay their Reassessment installments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes, as applicable. 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.

Articles XIIIA and XIIIB of the California Constitution

On June 6, 1978, California voters approved an amendment to the California Constitution, commonly known as Proposition 13 (the Jarvis/Gann Initiative), which added Article XIIIA to the California Constitution. The effect of Article XIIIA is to significantly limit the imposition of new *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. On November 7, 1978, California voters approved Proposition 8, which made certain clarifications to Article XIIIA.

Article XIIIA of the California Constitution limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% per year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and allows local governments to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. Article XIIIA requires a vote of two-thirds of the qualified electorate to impose special taxes on real property, while otherwise generally precluding the imposition of any additional *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. In addition, Article XIIIA requires the approval of two-thirds of all members of the State Legislature to change any State laws resulting in increased tax revenues.

Enactment of Article XIIIA has reduced the amount of general property tax revenues received by the City. This reduction in such revenues makes it less likely that the City, CFD No. 1, or CFD No. 2000-3 will have surplus funds, other than the Senior Reserve Fund and the Subordinate Reserve Fund, with which to advance funds to make any payments or to cure any deficiency in the AD Bonds Redemption Fund or the CFD Bond Services Fund, as applicable, should the City, CFD No. 1, or CFD No. 2000-3, as applicable, in the exercise of its discretion, choose to do so. If there are additional delinquencies after exhaustion of funds in the Senior Reserve Fund and the Subordinate Reserve Fund, none of the City, CFD No. 1, or CFD No. 2000-3 has any obligation to transfer into the AD Bonds Redemption Fund or the CFD Bond Service Fund, as applicable, the amount of any such delinquencies out of any surplus moneys of the City.

On July 2, 1979, the Fifth District Court of Appeal rendered a 3-0 decision in the case of *County of Fresno v. Malmstrom* (94 Cal. App. 3d 1974) that determined that special assessments are not subject to the limitations of Article XIIIA (Proposition 13). The Court held the one percent tax limitation imposed by California Constitution Article XIIIA on *ad valorem* taxes does not apply to special assessments levied pursuant to the Improvement Act of 1911 (Streets and Highways Code, Section 5000 *et seq.*, the relevant portions of which are incorporated in the 1915 Act) and the 1913 Act. The Court further held that because special assessments pursuant to such acts are not within the definition of "special taxes" in Article XIIIA, the Constitution does not require the levy of assessments and the issuance of bonds to be approved by a two-thirds vote of the qualified electors in an assessment district. On September 12, 1979, the California Supreme Court refused to hear an appeal of the lower court's decision.

At the November 6, 1979, general election, Proposition 4 (the Gann Initiative) was approved by the voters of California. Such proposition added Article XIIIB to the California Constitution.

Article XIIIB of the California Constitution 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 appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Appropriations subject to Article XIIIB generally include 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. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to an entity of government from (i) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), and (ii) the investment of tax revenues. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be allocated to fund schools or be returned by revising tax rates or fee schedules over the subsequent two years.

On December 17, 1980, the Third District Court of Appeal rendered a 3-0 decision in the case *County of Placer v. Corin* (113 Cal. App. 3d 443) that determined that special assessments are not subject to the limitation of Article XIIIB (Proposition 4). The Court held that the definition of "proceeds of taxes" imposed by California Constitution Article XIIIB does not apply to special assessments and improvement bonds issued pursuant to the 1915 Act and the 1913 Act. The decision of the Court was not appealed.

The enactment of Article XIIIA of the California Constitution (Proposition 13) and subsequent legislative enactments effectively repeal the otherwise mandatory duty on the part of the City, under the 1915 Act, to levy and collect a special tax (in an amount necessary to meet delinquencies, but not to exceed ten cents on each $100 of assessable property within the City in any one year) if other funds are not available to cover delinquencies.

In early 1990, the U.S. Supreme Court struck down as a violation of equal protection certain property tax assessment practices in West Virginia, which had resulted in vastly different assessments of similar properties. Since Article XIIIA provides that property may only be assessed up to 2%, per year, except upon change of ownership or new construction, recent purchasers may pay substantially higher property taxes than long-time owners of comparable property in a community. The Supreme Court in the West Virginia case expressly declined to comment in any way on the constitutionality of Article XIIIA.

Based on this decision, however, property owners in California brought three suits challenging the acquisition value assessment provisions of Article XIIIA. Two cases involve residential property and one case involves commercial property. In all three cases, State trial and appellate courts have upheld the constitutionality of Article XIIIA's assessment rules and concluded that the West Virginia case did not apply to California's laws. On June 3, 1991, the U.S. Supreme Court agreed to hear the appeal in the challenge relating to commercial property, but the plaintiff subsequently decided to drop the case.

On October 7, 1991, the U.S. Supreme Court granted the plaintiff's petition for a writ of certiorari and agreed to hear the *Nordlinger v. Lynch* case. On June 18, 1992, the U.S. Supreme Court affirmed the Nordlinger decision (112 U.S. 2326) of the California Court of Appeal, Second Appellate District, which previously held that Article XIIIA does not violate the U.S. Constitution.

The City cannot predict whether any other pending or future challenges to the State's present system of property tax assessment will be successful, when the ultimate resolution of any challenge will occur, or the ultimate effect any decision regarding the State's present system of property tax assessment will have on the City's revenues or on the State's financial obligations to local governments.

Articles XIIIC and XIIID of the California Constitution

Proposition 218, a state ballot initiative known as the "Right to Vote on Taxes Act," was approved by California voters on November 6, 1996. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, and, with the exception of certain provisions, Articles XIIIC and XIIID became effective on November 6, 1996.

Among other things, Proposition 218 imposed certain voting requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. Under Proposition 218 (i) all taxes imposed by local governments are deemed to be either general taxes, or special taxes, (ii) no local government may impose, extend, or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote, and (iii) no local government may impose, extend, or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote. Special purpose districts, including community facilities districts and assessment districts, have no power to levy general taxes. The City believes that the issuance of the AD Bonds and the CFD Bonds, as applicable, does not require the conduct of further proceedings under the Refunding Act, the 1915 Act, the 1913 Act, the Mello-Roos Act, or Proposition 218, as applicable, other than as described herein.

Proposition 218 provides that the initiative power shall "not be prohibited or otherwise limited in matters reducing or repealing any local tax, assessment, fee or charge..." Thus, Proposition 218 removes limitations on the initiative power in matters of, among other things, the Reassessments, the CFD No. 1 Special Taxes, and the CFD No. 2000-3 Special Taxes. Consequently, it is conceivable that the voters of the City or the Districts could, by future initiative, repeal, reduce, or prohibit the future imposition or increase of any Reassessment, CFD No. 1 Special Tax, or CFD No. 2000-3 Special Tax, subject to overriding federal constitutional principles relating to impairment of contracts.

Although the provisions of Article XIIIC have not been interpreted by the courts, the City believes that the initiative power cannot be used to reduce or repeal the unpaid Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes that are pledged as security for payment of the Acquired Obligations or to otherwise interfere with the mandatory, statutory duty of the City and the Ventura County Auditor with respect to the unpaid Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes that are pledged as security for payment of the Acquired Obligations.

Article XIIID, entitled "Assessment and Property Related Fee Reform," contains several new provisions making it generally more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. Article XIIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the City under the 1913 Act (including, if applicable, any increase in such assessment or any supplemental assessment under the 1913 Act) must be conducted in conformity with the provisions of Section 4 of Article XIIID. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property. Article XIIID additionally provides that in levying "assessments" a local government must separate the "general benefits" from the "special benefits" conferred on a parcel and may not impose on any parcel an assessment which exceeds the "reasonable cost of the proportional special benefit conferred on that parcel." Article XIIID also contains various notice requirements and a public hearing requirement and prohibits the imposition of an assessment if ballots submitted by property owners, weighted according to the proportional financial obligation of the affected property, in opposition to the assessment exceed the ballots submitted in favor of the assessment. The City believes that it has complied with all provisions of Article XIIID applicable to the Assessment District proceedings described herein.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC, and XIIID of the Constitution were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, which may affect the ability of the City, CFD No. 1, or CFD No. 2000-3 to levy and maintain Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes.

RISK FACTORS RELATED TO THE SERIES B BONDS

In addition to the risks described under the heading "RISK FACTORS RELATED TO THE BONDS," there are several additional risks that are relevant to an investment in the Series B Bonds. The Series B Bonds are subordinate in right of payment to the Series A Bonds. The Series B Bonds are not rated and are not insured by the Series A Bond Insurer. For this reason, investments in the Series B Bonds involve a high degree of risk and are not appropriate for all investors.

Subordination of Series B Bonds

The Series B Bonds are subordinate to the Series A Bonds in right of payment. Revenues will be available to pay obligations on the Series B Bonds only after all payments and deposits with respect to the Series A Bonds have been made and the replenishment of the Senior Reserve Fund has occurred as set forth herein and in the Indenture. In the event of delinquencies in the payment of Reassessments, CFD No. 1 Special Taxes, or CFD No. 2000-3 Special Taxes that exceed the expected amount of debt service coverage from the Revenues, there may not be sufficient Revenues available to pay principal or interest due with respect to any or all of the Series B Bonds then outstanding.

No Rating of Series B Bonds

The Series B Bonds are not rated by any rating agency, and the Authority does not presently intend to seek any rating of the Series B Bonds nor does the Authority anticipate that the Series B Bonds would qualify for an investment grade rating.

No Bond Insurance for the Series B Bonds

The Series A Bond Insurance Policy does not apply to the Series B Bonds.

Remedies Controlled by Series A Bond Insurer

The Indenture provides that, upon the occurrence of a default with respect to the Series B Bonds, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the Series B Bonds; provided, however, that the Trustee shall take no action that would impair the receipt of Revenues necessary to pay the Series A Bonds unless the Owners of a majority in aggregate principal amount of the outstanding Series A Bonds and the Series A Bond Insurer shall have consented to such action. Given this provision, so long as the Series A Bonds are outstanding, the exercise of remedies for any default under the Indenture will be controlled by the Series A Bond Insurer and not by the Owners of the Series B Bonds.

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 Exercise of Powers Agreement, dated as of October 8, 1991, as amended on April 21, 1992, by and among the City, the Oxnard Community Development Commission (as successor to the Redevelopment Agency of the City of Oxnard), and the Housing Authority of the City of Oxnard. The Authority was created to finance the cost of any capital improvements, working capital, 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 "Board"). There is currently one vacancy on the Board. The current members of the Board are:

Name	Office
Dr. Thomas E. Holden	Chairman
Dr. Irene G. Pinkard	Vice Chairman
Bryan A. MacDonald	Board Member
Tim Flynn	Board Member
Carmen Ramirez	Board Member

The Authority is also served by the officers listed below who, in the case of the General Counsel, serves in this capacity by virtue of his duties as City Attorney, or, in the case of the Secretary and Assistant Controller, are appointed by officers of the Authority and serve at the pleasure of the Board. The Authority officers are:

Name	Position
James Cameron	Controller
Michael J. More	Assistant Controller
Alan Holmberg	General Counsel
Daniel Martinez	Secretary

Neither the Authority nor the members of the Board have any obligations or liability to the owners of the Bonds with respect to the payment of debt service for the Bonds or with respect to the performance by the City, CFD No. 1, or CFD No. 2000-3 of other covenants made by them in the Indenture or the Fiscal Agent Agreements.

TAX MATTERS

Bond Counsel Opinion

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded from gross income for United States 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. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the United States federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. A copy of the proposed form of opinion of Bond Counsel with respect to each of the Series A Bonds and the Series B Bonds is set forth in Appendix C attached hereto and will accompany the applicable series of Bonds..

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for United States federal income tax purposes of interest received by persons such as the Owners of the Bonds. The Authority has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to assure that interest on the Bonds will not be included in gross income for United States federal income tax purposes. Inaccuracy of these representations or failure to comply with those covenants may result in interest on the Bonds being included in gross income for United States federal income tax purposes, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of those representations and 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 Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for United States federal and State personal income tax purposes, a U.S. holder's United States federal and State tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of such other tax consequences will depend upon the U.S. holder's particular circumstances, including other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors concerning collateral tax consequences with respect to the Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the United States federal or State tax status of interest on the Bonds or the tax consequences of ownership of the Bonds. No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, will not contain provisions that could directly or indirectly reduce the benefit of the excludability of the interest on the Bonds from gross income for United States federal income tax purposes.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration recently announced a legislative proposal which, for tax years beginning on or after January 1, 2013, generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The Obama Administration has also included a substantially identical proposal as part of its proposed fiscal year 2013 budget. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includable in the gross income of the Owners thereof for United States federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Authority as the taxpayer and the Owners of the Bonds 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 Bonds. Neither the Authority nor Bond Counsel is responsible to pay or reimburse the costs of any Owner with respect to any audit or litigation relating to the Bonds.

Original Issue Discount and Premium

If the Bonds' "stated redemption price at maturity" (generally the sum of all payments required under the Bonds other than payments of stated interest payable at least annually over the term of such Bonds) exceeds their issue price by more than a de minimis amount, the difference constitutes "original issue discount" or "OID" the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Bonds that is excluded from gross income for United States federal income tax purposes. OID with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). Any accruing OID is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. U.S. holders of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount.

In general, if the Bonds are issued for an amount greater than the stated principal amount of the Bonds, the Bonds will be considered to have "amortizable bond premium." No deduction is allowable for the amortizable bond premium in the case of bonds, like the Bonds, the interest on which is excluded from gross income for United States federal income tax purposes. However, the amount of tax-exempt interest received, and a U.S. holder's basis in a Bond issued with acquisition premium, would be reduced by the amount of amortizable bond premium properly allocable to such U.S. holder. U.S. holders of Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor, with a Form W-9 "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, dba Stone & Youngberg, a Division of Stifel Nicolaus, as Underwriter. The Underwriter has agreed to purchase the Series A Bonds at a price of $______________ (which represents the aggregate principal amount of the Series A Bonds of $____________*, less an Underwriter's discount of $__________, [less/plus] a net original issue [discount/premium] of $________). The Underwriter has agreed to purchase the Series B Bonds at a price of $___________ (which represents the aggregate principal amount of the Series B Bonds of $__________*, less an Underwriter's discount of $__________, [less/plus] a net original issue [discount/premium] of $________). The contract of purchase pursuant to which the Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Bonds if any are purchased. Simultaneously with the purchase of the Bonds by the Underwriter, the Authority has agreed to purchase the AD Bonds from the City, the CFD No. 1 Bonds from CFD No. 1, and the CFD No. 2000-3 Bonds from CFD No. 2000-3. The Underwriter's obligation to purchase the Bonds is contingent upon the Authority's purchase of the Acquired Obligations, the approval of certain legal matters by counsel, and certain other conditions.

RATING[S] OF SERIES A BONDS

[CONFIRM INSURANCE:] Standard & Poor's Credit Markets Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "___" to the Series A Bonds, with the understanding that, upon delivery of the Series A Bonds, the Series A Bond Insurer will issue the Series A Bond Insurance Policy. In addition, S&P has assigned an underlying rating of "___" to the Series A Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same at the following address: Standard & Poor's Credit Markets Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series A Bonds.

No application has been made for any rating on the Series B Bonds.

CONTINUING DISCLOSURE

The Authority will covenant in a Continuing Disclosure Agreement to provide certain financial information and operating data relating to the City, the Authority, and the Districts and notices of certain events listed therein. The specific nature of the information to be provided, the applicable deadlines for filing such information, and the entities to which such information must be provided will be set forth in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix D. This covenant is being made by the Authority in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12, as amended. The Authority has never failed to provide any previous continuing disclosure or notices of material events. See "APPENDIX D –Form of Continuing Disclosure Agreement."

NO LITIGATION

The City, CFD No. 1, CFD No. 2000-3, and the Authority will certify, and the City Attorney will render separate opinions on behalf of the City, CFD No. 1, CFD No. 2000-3, and the Authority upon the issuance of the Bonds to the effect that, there is no action, suit, or proceeding known to the City, CFD No. 1, CFD No. 2000-3, or the Authority, as applicable, to be pending or threatened, restraining or enjoining the execution or delivery of the Bonds, the Acquired Obligations, the Indenture, or the Fiscal Agent Agreements, as applicable, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City, CFD No. 1, CFD No. 2000-3, or the Authority taken with respect to any of the foregoing, as applicable.

CERTAIN LEGAL MATTERS

Goodwin Procter LLP, Los Angeles, California, Bond Counsel, will render opinions with respect to the Series A Bonds and the Series B Bonds in substantially the forms set forth in Appendix C attached hereto. Copies of such opinions will be furnished to the Underwriter and the Authority at the time of delivery of the Bonds. Certain

* Preliminary; subject to change.

legal matters will be passed upon for the City, the Authority, and the Districts by the City Attorney and by Goodwin Procter LLP, Los Angeles, California, serving as Bond Counsel or as Disclosure Counsel.

FINANCIAL ADVISOR

First Southwest Company is employed as Financial Advisor to the Authority and the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

VERIFICATION

Causey, Demgen & Moore Inc., Denver, Colorado, a firm of independent certified public accountants, will verify the accuracy of the mathematical computations of the adequacy of the amounts held under the CFD No. 1 Escrow Agreement by the Escrow Holder and held under the CFD No. 2000-3 Escrow Agreement by the Escrow Holder, together with other available funds held by the Escrow Holder, without reinvestment, to provide for the refunding and defeasance of the Refunded 2002 CFD No. 1 Bonds and the Refunded 2003 CFD No. 2000-3 Bonds, as applicable.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds and other documents contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions.

Appropriate City, CFD No. 1, CFD No. 2000-3, and Authority officials, acting in their official capacities, have reviewed this Official Statement and have determined that as of the date thereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The appropriate City, CFD No. 1, CFD No. 2000-3, and Authority officials will execute certificates to this effect upon delivery of the Bonds. This Official Statement and its distribution have been duly authorized and approved by the City, CFD No. 1, CFD No. 2000-3, and the Authority.

CITY OF OXNARD FINANCING AUTHORITY

By:____
Controller

APPENDIX A

INFORMATION REGARDING THE CITY OF OXNARD

The Bonds do not constitute a general obligation debt of the City of Oxnard and the City has not pledged its full faith and credit to the repayment of the Bonds. 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 largest city in the County, with a population estimated at 199,722 in 2011, accounting for approximately 24% of the County's population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

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 199,722 in 2011. 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 2011.

Population of
City, County, State, and U.S.
2000 through 2011 (1)

Year	City	Percent Change	County	Percent Change	State (000)	Percent Change	United States (000)	Percent Change
2000	160,300	--	756,902	--	34,001	--	282,172	--
2001	177,700	10.85%	768,991	1.60%	34,513	1.51%	285,082	1.03
2002	182,027	2.44	779,894	1.42	34,938	1.23	287,804	0.95
2003	181,800	(0.12)	789,367	1.21	35,389	1.29	290,326	0.88
2004	186,122	2.38	795,046	0.72	35,753	1.03	293,046	0.94
2005	188,941	1.51	796,867	0.23	35,986	0.65	295,753	0.92
2006	189,990	0.56	801,225	0.55	36,247	0.73	298,593	0.96
2007	192,997	1.58	805,911	0.58	36,553	0.84	301,580	1.00
2008	194,905	0.99	812,028	0.76	36,856	0.83	304,375	0.92
2009	197,067	1.10	818,546	0.80	37,077	0.60	307,007	0.86
2010	200,004	1.50	825,378	0.83	37,318	0.65	309,330	0.76
2011	199,722	(0.14)	830,215	0.60	37,579	0.70	311,591	0.73

(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, 2011; for State and County: California Department of Finance (Report E-2: Table 2 (California County Population Estimates and Percent Change Revised July 1, 2010 through Preliminary July 1, 2011) and Table 12 (California County Population Estimates and Percent Change Revised June 1, 2000 through Provisional July 1, 2010); 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 XIIIA to the California Constitution. Article XIIIA 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 2002 through 2011

Fiscal Year Ended June 30	Article XIIIA Basic Tax Rate	City District (Public Safety Retirement Debt)	School Districts	Water Districts	Total Tax Rates
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
2009	1.00	0.19334	0.11160	0.01290	1.31784
2010	1.00	0.20384	0.11470	0.01290	1.33144
2011	1.00	0.22054	0.11990	0.01110	1.35154

Source: City’s Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2011.

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 2002 through 2011

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Tax Levy
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	100.14
2004	35,432,169	35,281,916	99.58	344,390	35,626,306	100.55
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
2009	69,147,624	76,681,392	110.90	145,945	76,827,337	111.11
2010	75,929,128	71,755,189	94.50	136,565	71,891,754	94.68
2011	72,434,536	71,118,203	98.18	105,158	71,223,361	98.33

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2011.

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 Values and Estimated Value of Taxable Property
Fiscal Years 2002 through 2011

Year Ended June 30	Assessed Value of Land	Assessed Value of Improvements	Assessed Value of Personal Property	Less: Tax Exempt Real Property	Estimated Total Assessed Value of Taxable Property
2002	$2,900,656,137	$5,131,100,929	$431,425,298	$ 905,863,935	$ 7,557,318,429
2003	3,189,299,331	5,584,524,376	444,095,624	1,110,078,014	8,107,841,317
2004	3,613,674,889	6,152,956,699	580,195,155	1,346,099,223	9,000,727,520
2005	4,320,681,588	6,818,196,522	484,878,479	1,537,114,090	10,086,642,499
2006	5,266,423,145	7,510,814,807	564,046,351	1,835,609,239	11,505,675,064
2007	6,122,287,297	8,427,981,083	598,530,800	2,126,175,049	13,022,624,131
2008	7,043,458,754	8,801,081,711	608,929,391	2,299,830,016	14,153,639,840
2009	7,364,501,802	8,753,745,455	637,023,113	2,692,759,267	14,062,511,103
2010	6,699,090,916	8,441,834,476	648,608,797	654,220,264	15,135,313,925
2011	6,524,818,244	8,540,793,743	618,870,116	654,216,502	15,090,265,601

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2011.

Principal Taxable Property Owners

The following table lists the principal taxable property owners in the City as of June 30, 2011.

City of Oxnard
Principal Property Taxpayers

Property Owner	Assessed Valuation	Percentage of Total Assessed Valuation
Procter & Gamble Paper Products	$ 266,561,813	1.76%
SOCM I LLC	88,715,141	0.58
Haas Automation Inc.	78,230,500	0.52
Essex Arbors LP	77,354,636	0.51
RRI Energy Mandalay Inc.	74,418,584	0.49
Essex Tierra Vista LP	72,312,800	0.48
GS Paz Mar LP	68,962,228	0.44
MEF Realty LLC	67,257,103	0.44
Capri of KW Serenade LLC	66,869,817	0.44
Duesenberg Investment Company	66,402,857	0.44
Other Taxpayers	14,247,795,565	93.90
Totals	$15,174,881,044	100.00%

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2011.

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
2002 through 2011

	Governmental Activities				Business-Type Activities		
Fiscal Year	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Total Outstanding Debt
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
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572
2011	37,359,198	32,820,000	45,155,000	2,552,594	383,230,810	3,623,668	504,741,270

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2011.

Measure O Sales Tax

On November 4, 2008, the voters in the City approved Measure O, which imposed a one-half cent sales tax increase to be used to expand services within the City (the "Measure O Sales Tax"). Sales tax revenues currently comprise approximately 23% of the City's annual General Fund revenues, 33% of which is comprised of Measure O Sales Taxes. The City began collecting the Measure O Sales Tax in April 2009. In Fiscal Year 2010-11, approximately $11,161,453 in Measure O Sales Taxes were collected, and approximately $4,794,492 of such Measure O Sales Taxes were expended for various authorized City purposes, including parks and open spaces, traffic and road improvements, public safety and gang prevention/intervention, and recreation and youth programs.

Taxable Retail Sales

Consumer spending in calendar year 2010 resulted in $1,944,728,000 in taxable sales in the City, which is approximately 4.8% higher than calendar year 2009. The following table provides a summary of taxable sales in the City for calendar years 2006 through 2010.

City of Oxnard
Taxable Retail Sales by Type of Business
2006 – 2010
(000s)

	2006	2007	2008	2009	2010
Retail Outlets	1,893,276	1,809,324	1,648,461	$1,436,959	$1,507,987
All Other Outlets	496,311	507,784	517,015	419,475	436,741
Total All Outlets	**$2,389,587**	**$2,317,108**	**$2,165,477**	**$1,856,434**	**$1,944,728**

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
(2007 through 2011)

	City		County	
Year	**Labor Force**	**Unemployment Rate**	**Labor Force**	**Unemployment Rate**
2007	87,300	6.7%	423,700	4.9%
2008	88,900	8.6	429,400	6.3
2009	90,400	13.3	430,300	9.8
2010	91,700	14.6	434,800	10.8
2011	91,900	13.6	437,000	10.1

Source: State of California, Employment Development Department. These data may differ from amounts reflected in the City's Comprehensive Annual Financial Report for the applicable Fiscal Year, which amounts are reported as an average rate on a fiscal year basis.

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. Union Pacific Railroad provides freight rail service through 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 Union 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 United States 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 and covers approximately 310 acres. 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. 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. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

There are 35 elementary, 8 junior high, and 5 senior high schools located in and immediately around the City, plus eight parochial and private schools. The City is served by Oxnard College, a California community college. 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. 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.

LAIF. 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.

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.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the principal legal documents relating to the issuance of the Bonds and the Acquired Obligations, including the Indenture, the AD Bonds Fiscal Agent Agreement, and the CFD Bonds Fiscal Agent Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.

[TO FOLLOW:]

APPENDIX C

PROPOSED FORMS OF BOND COUNSEL OPINIONS REGARDING THE SERIES A BONDS AND THE SERIES B BONDS

[OPINION FOR SERIES A BONDS]

[Closing Date]

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

Re: FINAL OPINION
$_________ City of Oxnard Financing Authority
Local Obligation Revenue Bonds
(2012 Special District Bond Refinancings)
Series A Senior Lien Bonds

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 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Bonds"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, and the provisions of an Indenture of Trust, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

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

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 Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion letter. 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. 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 Indenture 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 Bonds 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 Bonds, the Indenture, and the Tax Certificate and their enforceability 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 joint powers authorities in the State of California. We express no opinion with respect to any indemnification, arbitration, contribution, penalty, choice of law, choice of forum, choice of venue, severability, or waiver provisions contained in the documents mentioned in the previous sentence.

We undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement for the Bonds dated __________, 2012, or other offering material relating to the Bonds and express no opinion with respect thereto. We express no opinion regarding the perfection or priority of the lien on the Revenues.

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

1. The Bonds constitute the valid and binding limited obligations of the Authority.

2. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues.

3. Interest on the Bonds is excluded 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 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income.

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 Bonds. We also express no opinion regarding any other tax consequences with respect to the acquisition, ownership, or disposition of, or the accrual or receipt of interest on, the Bonds.

Respectfully submitted,

[OPINION FOR SERIES B BONDS]

[Closing Date]

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

Re: FINAL OPINION
$___________ City of Oxnard Financing Authority
Local Obligation Revenue Bonds
(2012 Special District Bond Refinancings)
Series B Subordinate Lien Bonds

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 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Bonds"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, and the provisions of an Indenture of Trust, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

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

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 Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion letter. 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. 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 Indenture 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 Bonds 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 Bonds, the Indenture, and the Tax Certificate and their enforceability 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 joint powers authorities in the State of California. We express no opinion with respect to any indemnification, arbitration, contribution, penalty, choice of law, choice of forum, choice of venue, severability, or waiver provisions contained in the documents mentioned in the previous sentence.

We undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement for the Bonds dated __________, 2012, or other offering material relating to the Bonds and express no opinion with respect thereto. We express no opinion regarding the perfection or priority of the lien on the Revenues.

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

1. The Bonds constitute the valid and binding limited obligations of the Authority.

2. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues.

3. Interest on the Bonds is excluded 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 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income.

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 Bonds. We also express no opinion regarding any other tax consequences with respect to the acquisition, ownership, or disposition of, or the accrual or receipt of interest on, the Bonds.

Respectfully submitted,

APPENDIX D

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 $_____________ aggregate principal amount of the City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series A Bonds"), and City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds"). The Bonds are being issued pursuant to the provisions of an Indenture of Trust, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, in order to provide funds to purchase the following outstanding obligations: (i) the City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations"). The Authority and the Dissemination Agent hereby 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 Bonds 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 Indenture, which apply to any capitalized terms 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 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 Bonds.

"*Participating Underwriter"* shall mean Stifel, Nicolaus & Company, Incorporated dba Stone & Youngberg, a Division of Stifel Nicolaus, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*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. Provisions of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2013, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (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 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 Authority is unable to provide to MSRB an Annual Report by the date required in subsection (a), the Dissemination Agent 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:

1. provide any Annual Report received by it to MSRB by the date required in subsection (a); and

2. file a report with the Authority and the Trustee (if the Dissemination Agent is other than the Trustee) 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 Indenture. 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 City, the Authority, and the Bonds:

1. Principal amount of the Bonds (including principal amount and years of maturity of Bonds, if any, called for redemption in advance of maturity) outstanding as of the September 3 preceding the filing of the Annual Report.

2. Balance in the funds and accounts established under the Indenture as of the September 3 preceding the filing of the Annual Report.

3. If the amount on deposit in the Senior Reserve Fund (taking into account any reserve fund surety bond or insurance policy) is less than the Senior Reserve Requirement, the amount of such delinquency.

4. If the amount on deposit in the Subordinate Reserve Fund is less than the Subordinate Reserve Requirement, the amount of such deficiency.

5. A discussion of the status of any foreclosure proceedings commenced against parcels in the City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) (the "Assessment District"), Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard ("CFD No. 1"), or Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) ("CFD No. 2000-3") and, together with the Assessment District and CFD No. 1, the "Districts").

(c) An update of the information included in the following tables in the Official Statement for the fiscal year preceding the filing of the Annual Report:

- TABLE 1 – Summary of Assessed Values of Property in Assessment District;
- TABLE 4 – Summary of Assessed Values of Property in CFD No. 1;
- TABLE 7 – Summary of Assessed Values of Property in CFD No. 2000-3;
- TABLE 11 – Levies and Delinquencies in Assessment District;
- TABLE 13 – Levies and Delinquencies in CFD No. 1; and
- TABLE 15 – Levies and Delinquencies in CFD No. 2000-3.

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 City, the Authority, or related public entities, which are available to the public on MSRB's Internet website 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, not in excess of 10 business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on any reserve fund for the Bonds reflecting financial difficulties.

4. Unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties.

5. Substitution of any credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security or other material events affecting the tax status of the security.

7. Modifications to rights of owners of the Bonds, if material.

8. Bond calls, if material, and tender offers for the Bonds.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Authority, the City, CFD No. 1, or CFD No. 2000-3 [this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority, the City, CFD No. 1, or CFD No. 2000-3 in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, the City, CFD No. 1, or CFD No. 2000-3, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, the City, CFD No. 1, or CFD No. 2000-3].

13. Consummation of a merger, consolidation, or acquisition involving the Authority, the City, CFD No. 1, or CFD No. 2000-3, or the sale of all or substantially all of the assets of the Authority, the City, CFD No. 1, or CFD No. 2000-3, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Authority determines that knowledge of the occurrence of such 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.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(2), (a)(7), (a)(8), (a)(10), (a)(13), or (a)(14) above), 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 file a notice of such occurrence with MSRB not in excess of 10 business days after the occurrence of such Listed Event. 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)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture. 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 obligations of the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

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. Agent. The

Dissemination Agent may resign by providing thirty 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. If at any time there is no designated Dissemination Agent, the Authority shall act as the Dissemination Agent.

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 relates 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 Bonds, 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 Bonds in the manner provided in the Indenture for amendments to such Indenture 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 owners of the Bonds.

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 owner of a Bond, 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 Indenture, 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 all of the Bonds. 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 City, the Authority, the Dissemination Agent, the Trustee, the Participating Underwriter, and the owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. 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

By: ____________________________________
James Cameron, Controller

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Dissemination Agent

By: ____________________________________
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Oxnard Financing Authority
Names of Bond Issues:	City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds, and
City of Oxnard Financing Authority	Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds
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 Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated [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

[APPENDIX E]

[SERIES A BOND INSURANCE POLICY SPECIMEN]

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information concerning DTC set forth herein has been supplied by The Depository Trust Company ("DTC"), and the Authority assumes no responsibility for the accuracy thereof:

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as my be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in a principal amount of such maturity, and will be deposited with DTC. 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 City or the Authority, and neither the City nor the Authority shall have any liability with respect thereto. Neither the City nor the Authority 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 Bonds.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, 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 is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only and the information on the internet site is not a part of this Official Statement or incorporated by reference into the Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information included in such internet site.*

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 notices be provided directly to them.

REDEMPTION NOTICES SHALL BE SENT TO DTC. IF LESS THAN ALL OF THE BONDS 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 any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City or the Authority 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest with respect to the Bonds 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, 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 depository with respect to the Bonds at any time by giving reasonable notice to the City, the Authority, or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The City or the Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

APPENDIX G-1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR CFD NO. 1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR COMMUNITY FACILITIES DISTRICT NO. 1 (WESTPORT AT MANDALAY BAY) OF THE CITY OF OXNARD

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard ("CFD No. 1") and collected each Fiscal Year commencing in Fiscal Year 2002-03, in an amount determined by the Council through the application of the appropriate Special Tax for "Developed Property," "Property Owner Association Property," "Taxable Public Property," and "Undeveloped Property" as described below. All of the real property in CFD No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"**Acre or Acreage**" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final Map, parcel map, condominium plan, or other recorded County parcel map. The square footage of an Assessor's parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"**Administrative Expenses**" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 1 or any designee thereof complying with City, CFD No. 1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 1 for any other administrative purposes of CFD No. 1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"**Assigned Special Tax**" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"**Backup Special Tax**" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 1 under this Act.

"**CFD Administrator**" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 1" means Community Facilities District No. 1 (Westport at Mandalay Bay) of the City.

"City" means the City of Oxnard.

"**Condominium Property**" means all Assessor's Parcels of Residential Property which are designated as CVC in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to the Rate and Method of Apportionment.

"Council" means the City Council of the City, acting as the legislative body of CFD No. 1.

"County" means the County of Ventura.

"**Developed Property**" means, for each Fiscal Year, all Taxable Property, exclusive of Property Owner Association Property, or Taxable Public Property, for which a building permit for new construction was issued as of January 1 of the previous Fiscal Year.

"**Duplex Property**" means all Assessor's Parcels of Residential Property which are designated as R-2-C in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to the Rate and Method of Apportionment.

"**Fiscal Year**" means the period from July 1 of any calendar year through June 30 of the following calendar year.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, modified, amended and/or supplemented from time to time.

"**Land Use Codes**" means any classes listed in Table 1.

"**Lot Size**" for any Assessor's Parcel of Single Family Property means the Acreage multiplied by 43,560.

"**Maximum Special Tax**" means the maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"**Non-Residential Floor Area**" for any Non-Residential Property means the total of the gross area of the floor surfaces within the exterior wall of the building, not including space devoted to stairwells, basement storage, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades, and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The determination of Non-Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"**Non-Residential Property**" means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"**Property Owner Association Property**" means, for each Fiscal year, any Assessor's Parcel within the boundaries of CFD No. 1 that was owned by or irrevocably offered for dedication to a property owner association, including any master or sub-association, as of January 1 of the previous Fiscal Year. However, any property which constitutes the "pad-area" under a residential or non-residential building shall not be considered Property Owner Association Property.

"**Proportionately**" means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped

Property, “Proportionately” means that the ration of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor’s Parcels of Undeveloped Property.

“**Public Property**” means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 1 that was owned by or irrevocably offered for dedication to the federal government, the State, the City or any other public agency as of January 1 of the previous Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use; or (ii) any property within the boundaries of CFD No. 1 that was encumbered, as of January 1 of the previous Fiscal Year, but an unmanned utility easement making impractical its utilization for other than the purpose set forth in the easement.

“**Residential Property**” means all Assessor’s Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

“**Single Family Property**” means all Assessor’s Parcels of Residential Property which are designated as R-W-1 in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A to the Rate and Method of Apportionment.

“**Special Tax**” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property, Undeveloped Property, Property Owner Association Property, and Taxable Public Property to fund the Special Tax Requirement.

“**Special Tax Requirement**” means that amount required in any Fiscal Year for CFD No. 1 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 1 facilities eligible under the Act; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

“State” means the State of California.

“**Taxable Property**” means all of the Assessor’s Parcels within the boundaries of CFD No. 1 which are not exempt from the Special Tax pursuant to law or Section E below.

“**Taxable Public Property**” means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E below.

“**Townhouse Property**” means all Assessor’s Parcels of Residential Property which are designated as R-3-C in the Oxnard Local Coastal Program as depicted in the zoning map included as Exhibit A of the Rate and Method of Apportionment.

“Trustee” means the trustee or fiscal agent under the Indenture.

“**Undeveloped Property**” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Property Owner Association Property, or Taxable Public Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within CFD No. 1 shall be classified as Developed Property, Taxable Public Property, Property Owner Association Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Section C and D below. Residential Property shall be assigned to Land Use Classes 1 through 6 based on the type of use and the Lot Size, as applicable. Non-Residential Property shall be assigned to Land Use Class 7.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

b. Assigned Special Tax

The Assigned Special Tax for Fiscal Year 2002-03 for each Land Use Class is shown below in Table 1.

TABLE 1

Assigned Special Taxes for Developed Property
For Fiscal Year 2002-03
Community Facilities District No. 1

Land Use Class	Land Use	Description	Assigned Special Tax
1	Single Family Property	Lot Size > 5,500 s.f.	$4,025.57 per unit
2	Single Family Property	Lot Size 4,500 – 5,500 s.f.	$3,817.92 per unit
3	Single Family Property	Lot Size < 4,500 s.f.	$3,001.48 per unit
4	Duplex Property	NA	$1,868.85 per unit
5	Townhouse Property	NA	$1,359.16 per unit
6	Condominium Property	NA	$1,156.23 per unit
7	Non-Residential Property	NA	$0.6993 per s.f. of Non-Residential Floor Area

c. Backup Special Tax

The Fiscal Year 2002-03 Backup Special Tax for an Assessor's Parcel of Developed Property shall equal $0.6576 per square foot of the Assessor's Parcel.

d. Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2003, the Assigned Special Tax and the Backup Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

e. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Tax for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains both Residential Property and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

2. Undeveloped Property, Property Owner Association Property, and Taxable Public Property

a. Maximum Special Tax

The Fiscal Year 2002-03 Maximum Special Tax for Undeveloped Property, Property Owner Association Property, and Taxable Public Property shall be $28,646 per Acre.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2003, the Maximum Special Tax for Undeveloped Property, Property Owner Association Property, and Taxable Public Property, shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing with Fiscal Year 2002-03 and for each following Fiscal Year, the Council shall levy the Special Tax until the amount of Special Taxes equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased Proportionately from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Property Owner Association Property and Taxable Public Property at up to the Maximum Special Tax for Property Owner Association Property or Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency of default by the owner of any other Assessor's Parcel within CFD No. 1.

E. EXEMPTIONS

No Special Tax shall be levied on up to 30.72 acres of Public Property. Tax-Exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Public Property. However, should an Assessor's Parcel no longer be classified as Public Property its tax-exempt status will be revoked.

Public Property that is not exempt from Special Taxes under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.

F. APPEALS AND INTERPRETATIONS

Any landowner or resident may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"**CFD Public Facilities**" means either $6.9 million in 2001 dollars, which shall increase by the Construction Inflation Index on July 1, 2002, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 1 under the authorized bonding program for CFD No. 1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"**Construction Fund**" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"**Construction Inflation Index**" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"**Future Facilities Costs**" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance public facilities costs.

"**Outstanding Bonds**" means all previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"**Previously Issued Bonds**" means all Bonds that have been issued by CFD No. 1 prior to the date of prepayment.

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property or Undeveloped Property for which a building permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
Total:	equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

<u>Paragraph No.:</u>

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.

2. (a) Divide the Assigned Special Tax computed pursuant to paragraph 1 by the total estimated Assigned Special Taxes for the entire CFD No. 1 based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 1, excluding any Assessor's Parcels which have been prepaid, and

   (b) Divide the Backup Special Tax computed pursuant to paragraph 1 by the total estimated Backup Special Taxes at buildout for the entire CFD No. 1, excluding any Assessor's Parcels which have been prepaid.

3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").

4. Multiply the Bond Redemption Amount computed pursuant to paragraph 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").

5. Compute the current Future Facilities Costs.

6. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the amount determined pursuant to paragraph 5 to compute the amount of the Future Facilities Costs to be prepaid (the "Future Facilities Amount").

7. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

8. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

11. Add the amounts computed pursuant to paragraphs 7 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").

12. Verify the administrative fees and expenses of CFD No. 1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.

14. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 3, 4, 6, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Prepayment Amount").

16. From the Prepayment Amount, the amounts computed pursuant to paragraphs 3, 4, 11, 13 and 14 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 6 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 1.

The Prepayment Amount may be sufficient to redeem other than a $5,000 increment of Bonds. In such cases, the increment above $5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

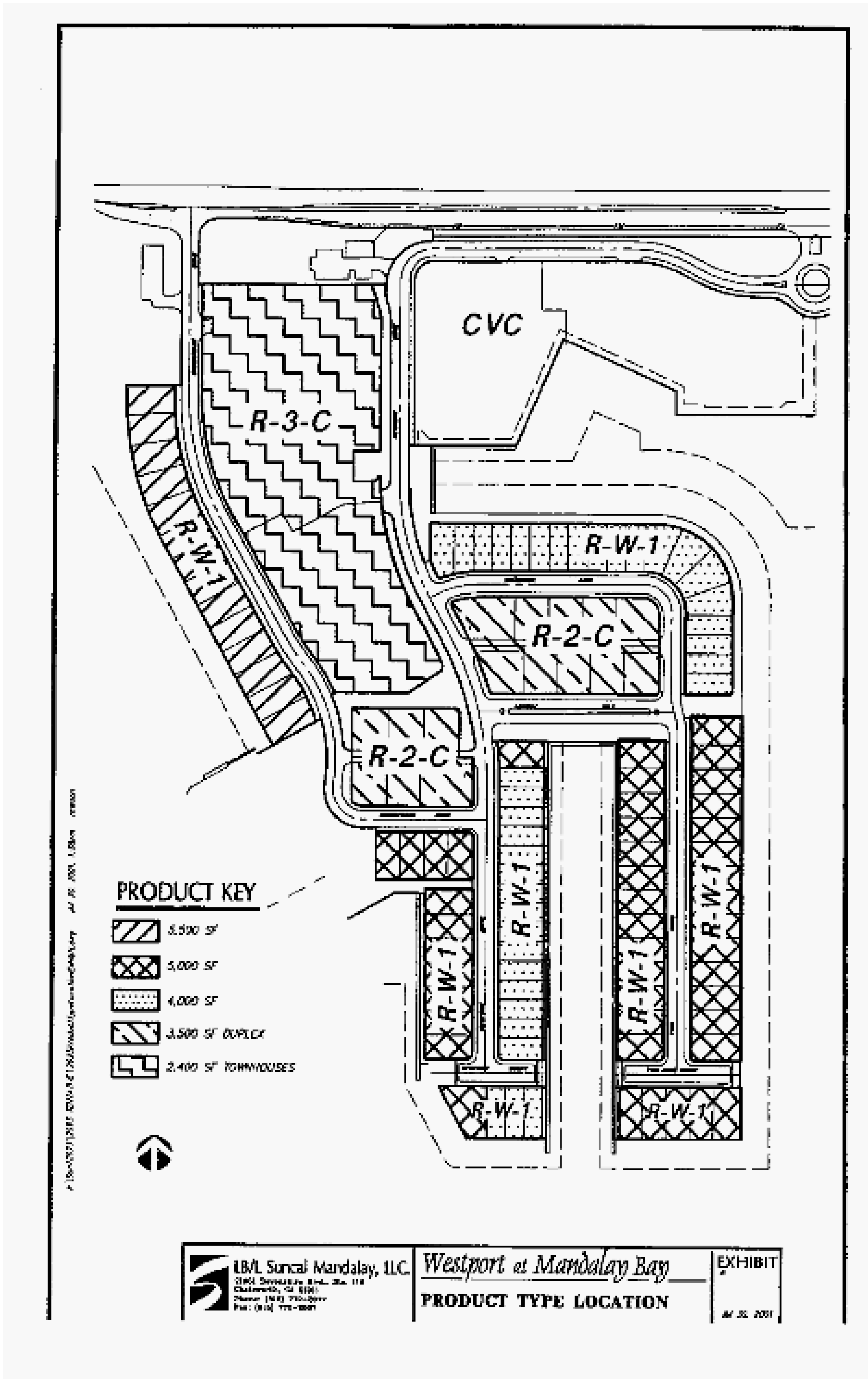
Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of the Assigned Special Taxes that may be levied on Taxable Property within CFD No. 1 both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERMS OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed forty years, commencing in Fiscal Year 2002-2003.

EXHIBIT A

OXNARD LOCAL COASTAL PROGRAM ZONING MAP



APPENDIX G-2

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR CFD NO. 2000-3

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2000-3 (Oxnard Blvd./Highway 101 Interchange), City of Oxnard, Ventura County, California (herein CFD No. 2000-3), shall be levied and collected according to the tax liability determined by the City Council of the City of Oxnard or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in CFD No. 2000-3, unless exempted by law, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

"Acre or Acreage" means the land of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds of CFD No. 2000-3, and the expenses of the City in carrying out its duties for such Bonds, including, but not limited to, the levying and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and/or Treasurer's Office, amounts needed to pay rebate to the federal government with respect to any of such bonds, costs associated with complying with continuing disclosure requirements, and all other costs and expenses of the City in any way related to the establishment or administration of CFD No. 2000-3.

"Administrator" shall mean the person or firm designated by the City to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

"**Annual Special Tax**" means an amount levied in any Fiscal Year to pay the Special Tax Requirement.

"**Assessor's Parcel**" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the County Assessor of the County of Ventura designating parcels by Assessor's Parcel Number.

"Bond Year" means the period from October 2 of any calendar year through October 1 of the following calendar year.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2000-3 under the Act.

"CFD No. 2000-3" means Community Facilities District No. 2000-3 (Oxnard Blvd./Highway 101 Interchange), City of Oxnard, County of Ventura, State of California.

"Council" means the City Council, City of Oxnard, County of Ventura, State of California.

"District" means CFD No. 2000-3.

"Fiscal Year" means the period from July 1st of any calendar year through June 30th of the following calendar year.

"Interest Payment Dates" means April 1 and October 1 of each Bond Year during the term of the Bonds.

“Maximum Annual Special Tax” means the Maximum Annual Special Tax as defined in Section III.

“Prepayment Parcel” means any Parcel in the District on which the entire Special Tax Obligation is paid prior to the maturity of the Bonds.

“Property” means legal parcels (as of January 1 of the previous Fiscal Year, or later if adjustments are made after that date by the Ventura County Assessor and Treasurer/Tax Collector) of real property in private ownership within CFD No. 2000-3.

“Reserve Requirement” means the amount required for a fully funded Reserve Fund which is equal to the maximum annual debt service on the Bonds.

“Special Tax” means the special tax that may be levied on any Property for any Fiscal Year, and may be levied as long as necessary to discharge authorized Bond obligations of CFD No. 2000-3 or forty years after Fiscal Year 2001-2002 whichever comes earlier.

“Special Tax Obligation” means the total obligation of a Parcel or Parcels of Property to pay Special Taxes for the remaining life of CFD No. 2000-3.

“Special Tax Rate” means a parcel’s portion of the total Special Tax Obligation as shown in Section III.

“Special Tax Requirement” is an amount to be determined annually by the Administrator for each Fiscal Year until the Special Tax Obligation is satisfied. It shall be comprised of the amount necessary to pay the authorized costs and expenses of CFD No. 2000-3 including Administrative Expenses of CFD No. 2000-3, to pay debt service on the bonds for the Bond Year commencing during such Fiscal Year, less all other amounts, from any lawful source, available for payment of these costs.

“Subsequent Parcel” means an Assessor’s Parcel of Taxable Property created by the reconfiguration or subdivision of an existing Assessor’s Parcel within CFD No. 2000-3.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2000-3 which are not exempt from the Special Tax pursuant to law.

B. DETERMINATION OF TAXABLE PARCELS

On May 1 of each Fiscal Year, the Administrator shall determine whether the Assessor’s Parcel Numbers are valid Parcel numbers for the current Fiscal Year. If any Parcel numbers are no longer valid, the Administrator shall determine the new Parcel number or numbers that are in effect for the Fiscal Year. To the extent a Parcel or Parcels are subdivided, consolidated or otherwise reconfigured, the Special Tax Rate shall be reallocated to the new Assessor’s Parcels based upon net acreage. At no time shall a reconfiguration of any Assessor’s Parcel in CFD No. 2000-3 result in a reduction of the total Maximum Annual Special Tax within CFD No. 2000-3.

C. MAXIMUM ANNUAL SPECIAL TAX – METHOD OF APPORTIONMENT

All property shall be subject to a Maximum Annual Special Tax defined in the following Table.

The Special Tax shall be levied each Fiscal Year by the Administrator. The Special Tax Requirement shall be apportioned to each Parcel within the District by the Special Tax Rate multiplier in the table below:

APN	SPECIAL TAX RATE (%)	MAXIMUM SPECIAL TAX ($)
132-0-020-200	0.032595512	37,567.60
132 0 020 210	0.000550573	634.56
132 0 020 220	0.002010788	2,317.51
132 0 020 240	0.001093167	1,259.92
132 0 020 260	0.002425713	2,795.73
132 0 020 375	0.081021991	93,381.00
132 0 020 385	0.161948230	186,651.65
132 0 020 395	0.310507165	357,871.59
132 0 031 060	0.000941559	1,085.18
132 0 031 120	0.002345919	2,703.76
132 0 032 010	0.001484153	1,710.54
132 0 032 050	0.000941559	1,085.18
132 0 032 080	0.000598449	689.74
132 0 032 090	0.000598449	689.74
132 0 032 100	0.000550573	634.56
132 0 032 120	0.000781973	901.25
132 0 032 130	0.000055855	64.38
132 0 032 145	0.001699595	1,958.85
132 0 032 155	0.000055855	64.38
132 0 060 050	0.000207462	239.11
132 0 060 145	0.001069229	1,232.33
132 0 060 155	0.000430883	496.61
132 0 100 045	0.004213080	4,855.74
132 0 100 055	0.007045737	8,120.49
132 0 100 085	0.002274106	2,621.00
132 0 100 095	0.005122722	5,904.14
132 0 100 105	0.009615078	11,081.75
132 0 100 115	0.002657113	3,062.43
132 0 100 145	0.000207462	239.11
132 0 100 155	0.013309502	15,339.72
139 0 050 140	0.000478759	551.79
139 0 050 225	0.000239380	275.89
139 0 250 035	0.014442565	16,645.62
142 0 010 065	0.000255338	294.29
142 0 010 205	0.005593502	6,446.73
142 0 010 215	0.001460215	1,682.95
142 0 010 255	0.000143628	165.54
142 0 010 275	0.019708914	22,715.29
142 0 010 295	0.000622387	717.33
142 0 010 305	0.004667901	5,379.94
142 0 010 325	0.042681370	49,191.94

APN	SPECIAL TAX RATE (%)	MAXIMUM SPECIAL TAX ($)
142 0 010 345	0.016421436	18,926.35
142 0 010 375	0.000167566	193.13
142 0 010 385	0.000534614	616.16
142 0 010 395	0.002896492	3,338.32
142 0 010 405	0.005202515	5,996.10
142 0 010 415	0.000199483	229.91
142 0 010 425	0.002896492	3,338.32
142 0 010 435	0.034702052	39,995.47
142 0 010 455	0.042657432	49,164.35
142 0 010 475	0.001069229	1,232.33
142 0 021 010	0.010405030	11,992.20
142 0 021 070	0.005202515	5,996.10
142 0 021 080	0.002641154	3,044.03
142 0 021 100	0.000111710	128.75
142 0 021 120	0.003742300	4,313.15
142 0 021 160	0.003710383	4,276.36
142 0 021 170	0.007364910	8,488.35
142 0 022 535	0.019389742	22,347.43
142 0 022 575	0.048673837	56,098.50
142 0 235 140	0.004691839	5,407.53
142 0 235 150	0.006646772	7,660.66
142 0 235 160	0.004691839	5,407.53
142 0 235 170	0.001524050	1,756.53
215 0 030 040	0.024097539	27,773.35
215 0 010 100	0.011705659	13,491.23
66 PARCELS	**1.000000000%**	**$1,152,539.00**

D. REALLOCATION OF THE MAXIMUM SPECIAL TAX

If a Parcel subdivides in future Fiscal Years, the Special Tax Rate of such Subsequent Parcels shall be determined by combining (if applicable) the Special Tax Rate of all affected Parcels and prorating the total Special Tax Rate of all affected Parcels to each Subsequent Parcel according to net acreage.

If a parcel prepays the Special Tax Obligation, the Special Tax Rate for the remaining parcels shall be recalculated prorata so that the total Special Tax Rate for all remaining parcels equals exactly 1 (one).

E. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The entire Special Tax Obligation for a Parcel may be prepaid on any interest date by following the procedure set forth below: (There is no provision for a partial prepayment)

a. The Parcel must not be delinquent in any payment of Special Tax. Prepayment hereunder shall not relieve any property owner from paying those Special Taxes which have already become due and payable, and the Notice of Cancellation of Special Tax Lien shall not be recorded until those Special Taxes have been paid.

b. A special Tax prepayment must be made at least sixty (60) days prior to the next Bond Interest Payment Date, or the payoff calculation will be adjusted to the following Interest Payment Date.

c. Determine the Parcel's prorated share of its Special Tax responsibility by calculating the following, as of the payoff date.

(STR x P) + (STR x I) + C + AE - LC - RC = Payoff Amount

STR	=	Special Tax Rate per Section III
P	=	Total outstanding CFD No. 2000-3 Bond principal
I	=	Total Interest to the next bond call date
C	=	Call premium on the parcel's prepaid principal
AE	=	Administrative expenses related to the Bond call
LC	=	Levy Credit for Special Taxes paid on the current tax roll (includes Capitalized Interest funds)
RC	=	Reserve Fund Credit

d. The percentage under "c" above regarding outstanding bond principal shall be applied to the total amount of outstanding bonded indebtedness of CFD No. 2000-3. The total amount of outstanding bonded indebtedness of CFD No. 2000-3 shall be calculated as of the date through which principal has already been paid (do not include Special Taxes which have already become due and payable).

e. The Parcel's share of interest to the next call date on the outstanding bonds as calculated in "c" above shall be determined by calculating the Parcel's prorated share of the total outstanding bond issue's interest for the applicable six (6) month interest period as determined in "b" above.

f. A levy credit shall be given for Special Taxes paid on the current property tax roll in payment of the Parcel's prorated share of one half of that year's Special Tax levy (principal and interest) for the applicable prepayment interest period.

g. A reserve fund credit shall be given to the extent that the maximum annual debt service on the bonds is reduced due to a bond call resulting from the parcel's prepayment. Bonds shall be called in such a way as to maintain the ratio of outstanding bonds to originally issued bonds in each annual series insofar as possible.

F. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Annual Special Tax shall be levied on Public Property, except as otherwise provided in the "Engineer's Report for Financing Districts" prepared by Penfield and Smith.

G. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The Council reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportioning the Maximum Annual Special Tax. In addition, the interpretation and application of any Section of this document shall be left to the Council's discretion.

H. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section F above and provided further than the City may directly bill the Special Tax, may collect the Annual Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2000-3, and may collect delinquent Annual Special Taxes through foreclosure or other available methods.

A Special Tax shall be levied and collected within CFD No. 2000-3 until the Bonds have been fully repaid, however, not to exceed forty years, commencing in Fiscal Year 2001-2002.

APPENDIX H

ASSESSMENT DISTRICT PARCELS

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
144-0-120-125	GASPROM INC	0.719	631,036	546,171	1,177,207	11,466.38	102.67
144-0-120-145	2300 AUTO CENTER DR LP	3.850	1,087,558	4,150,492	5,238,050	35,765.99	146.45
144-0-120-175	2300 AUTO CENTER DR LP	0.620	180,133	694,764	874,897	5,945.70	147.15
144-0-150-025	DRAINE R CAMERON & CYNTHIA K & ODELL DON	2.336	662,252	0	662,252	37,265.65	17.77
144-0-150-065	GIBBS EDWARD A & PATTI D TRUST	6.000	1,422,517	1,749,426	3,171,943	51,695.45	61.36
144-0-150-075	GIBBS EDWARD A & PATTI D	2.730	765,730	1,529,594	2,295,324	43,476.61	52.79
144-0-150-095	WELLS & CECO LP & WELLS LLOYD H TR 1	1.630	45,386	0	45,386	14,138.19	3.21
144-0-150-105	O	4.340	3,238,201	672,877	3,911,078	37,644.01	103.90
149-0-082-040	GLASBY ROBERT R	0.460	50,686	0	50,686	7,484.98	6.77
149-0-100-415	SCHALTINAT KLAUS D & ELLI TR	0.344	40,005	69,170	109,175	2,949.07	37.02
149-0-100-420	SCHALTINAT KLAUS D & ELLI TR	0.511	100,850	12,332	113,182	8,281.25	13.67
213-0-051-015	SOLAR DRIVE BUSINESS LLC	3.430	2,375,000	5,541,000	7,916,000	42,106.40	188.00
213-0-051-025	SOLAR DRIVE BUSINESS LLC	2.469	1,760,000	4,525,000	6,285,000	30,321.51	207.28
213-0-051-035	SOLAR DRIVE BUSINESS LLC	3.250	2,265,000	5,750,000	8,015,000	39,896.74	200.89
213-0-052-025	KATSENES DIANA L SURV TR	1.707	970,000	2,810,000	3,780,000	19,764.14	191.26
213-0-052-085	SOLAR DRIVE BUSINESS LLC	1.200	522,700	168,000	690,700	12,644.15	54.63
213-0-052-095	OUTBACK INVESTORS LLC	1.380	887,151	1,033,991	1,921,142	15,099.31	127.23
213-0-052-105	SUNBELT ENTERPRISES LLC	1.180	324,604	3,339,150	3,663,754	12,889.66	284.24
213-0-052-125	SUNBELT ENTERPRISES LLC	7.400	2,350,000	12,445,000	14,795,000	82,493.90	179.35
213-0-052-135	MIAN EXTENDED STAY INC	3.760	1,235,060	11,815,567	13,050,627	46,146.05	282.81
213-0-052-145	WYCHE OAK PARK APARTMENTS	2.710	894,349	11,859,178	12,753,527	33,279.15	383.23
213-0-070-045	GENERAL TELEPHONE CO LESSEE & FLAG PROPE	7.669	0	0	0	94,156.31	0.00
213-0-070-055	FLAG PROPERTIES LESSOR & GTE CALIFORNIA	3.689	0	0	0	45,298.14	0.00
213-0-070-075	VENTURA COUNTY COASTAL ASSOC	1.230	467,866	1,797,094	2,264,960	15,099.39	150.00
213-0-070-085	CHANNEL ISLANDS SURGICENTER	1.369	696,315	2,623,200	3,319,515	16,818.00	197.38
213-0-070-115	COFAT VENTURE LP	2.640	1,950,000	4,470,000	6,420,000	32,408.44	198.10
213-0-070-125	SUNBELT ENTERPRISES LLC	2.900	795,626	5,867,708	6,663,334	35,600.01	187.17
213-0-070-135	SUNBELT ENTERPRISES LLC	3.120	756,219	5,309,619	6,065,838	38,300.71	158.37
213-0-083-165	ESSEX TIERRA VISTA LP	16.570	8,136,743	56,007,716	64,144,459	105,879.43	605.83
213-0-084-055	WANKEL WAY ASSOCIATES	0.689	233,460	1,669,072	1,902,532	8,470.40	224.61
213-0-084-065	VENTURA COUNTY OF	3.010	0	0	0	36,950.52	0.00
213-0-084-075	VENTURA COUNTY OF	2.960	0	0	0	36,336.72	0.00
213-0-084-085	KARSIN OXNARD CO LLC	2.810	1,813,328	6,187,662	8,000,990	34,495.35	231.94
213-0-084-095	SAN WALL PROPERTIES LLC	1.580	517,154	4,888,473	5,405,627	19,395.87	278.70
213-0-084-105	BONES BUILDERS LLC	1.500	753,416	0	753,416	18,413.90	40.92
213-0-090-185	VENTI A JR TR & 7 & ELEVEN INC LESSEE	1.020	971,036	177,558	1,148,594	12,506.73	91.84
213-0-090-195	BODY SHAPING INVESTMTS LLC	3.190	1,357,501	3,725,477	5,082,978	39,114.23	129.95
213-0-090-215	MEF REALTY LLC	13.380	14,535,000	21,920,000	36,455,000	164,496.61	221.62
214-0-011-025	PARKHOUSE JAMES TR	1.250	876,115	904,377	1,780,492	11,612.33	153.33

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
214-0-011-035	SIMPSON HOUSE MOVERS INC	1.050	200,389	104,361	304,750	9,754.35	31.24
214-0-011-065	MISSION LINEN SUPPLY	2.180	121,478	380,730	502,208	20,251.91	24.80
214-0-011-075	EHAC REALTY LLC	0.750	271,886	827,527	1,099,413	6,967.40	157.79
214-0-011-095	SKOBLICK KEVIN J & FRANCES J	0.750	227,739	600,415	828,154	6,967.40	118.86
214-0-011-125	TIME WARNER NY CABLE LLC	1.500	653,592	1,542,480	2,196,072	13,934.80	157.60
214-0-012-075	VANIOTIS WILLIAM & RICHARD	1.360	403,828	751,069	1,154,897	12,634.22	91.41
214-0-012-155	MAULHARDT JEANNE G	0.080	5,504	0	5,504	836.09	6.58
214-0-012-175	ROSENMUND PATTI	3.000	833,410	279,136	1,112,546	27,869.59	39.92
214-0-012-185	SKOBLICK KEVIN J & FRANCES J	0.970	249,497	0	249,497	9,011.17	27.69
214-0-012-195	BEARDSLEY AND SON	2.415	672,595	146,989	819,584	22,481.48	36.46
214-0-012-205	LIBERTY FINANCE PARTNERSHIP	1.190	1,025,243	1,212,280	2,237,523	11,054.95	202.40
214-0-012-215	LUNA JAVIER & HORTENSIA TR	0.970	159,071	30,587	189,658	9,011.17	21.05
214-0-012-225	MAULHARDT JEANNE G TRUST EST	3.530	204,634	534,474	739,108	32,700.33	22.60
214-0-030-015	AMS CRAIG LLC	0.237	186,664	0	186,664	2,229.57	83.72
214-0-031-025	BRAGG INVESTMENT CO	4.160	1,548,669	0	1,548,669	38,645.84	40.07
214-0-031-035	GULBRANSON RICHARD E JR & SERENE M	4.127	1,875,000	3,975,000	5,850,000	38,367.16	152.47
214-0-032-075	IPA PAULSON INVESTORS LLC	2.319	554,876	1,979,728	2,534,604	21,552.50	117.60
214-0-032-085	DAMART CHARLES E & SUSAN M TR	2.400	637,154	2,234,066	2,871,220	22,295.68	128.78
214-0-032-125	EYAL TALY & SHARON	0.850	211,252	828,016	1,039,268	7,896.38	131.61
214-0-032-165	VAINSTEIN CALVIN & SHEPHA TR	1.000	209,938	780,979	990,917	9,289.86	106.67
214-0-032-175	OXNARD MERCHANT III LTD	0.830	127,192	648,882	776,074	7,710.59	100.65
214-0-032-185	VAINSTEIN CALVIN TR	0.510	122,360	626,019	748,379	4,737.82	157.96
214-0-032-195	OXNARD MERCHANT V LTD	0.980	192,711	792,254	984,965	9,104.07	108.19
214-0-032-215	SUNBELT ENTERPRISES LLC	2.940	437,824	2,707,135	3,144,959	27,346.65	115.00
214-0-032-225	SUNBELT ENTERPRISES LLC	1.490	222,155	1,332,023	1,554,178	13,859.36	112.14
214-0-032-235	SUNBELT ENTERPRISES LLC	3.500	521,055	3,368,439	3,889,494	32,555.55	119.47
214-0-033-045	SUNBELT ENTERPRISES LLC	2.689	389,882	1,899,460	2,289,342	24,989.75	91.61
214-0-033-055	SUNBELT ENTERPRISES LLC	3.239	483,072	2,641,385	3,124,457	30,099.17	103.81
214-0-033-115	AMS CRAIG LLC	2.671	2,106,661	3,810,423	5,917,084	24,803.94	238.55
214-0-033-135	SUNBELT ENTERPRISES LLC	5.350	1,336,454	3,635,902	4,972,356	49,700.78	100.05
214-0-034-015	AUTOMATIC TRANS REBUILD ASSN	1.660	269,920	1,291,991	1,561,911	15,421.18	101.28
214-0-034-025	MAULHARDT JEANNE TR	3.300	317,216	2,447,435	2,764,651	30,656.54	90.18
214-0-034-045	PAULSON PARTNERS	1.660	91,038	228,971	320,009	15,421.18	20.75
214-0-041-015	SANTA MARIA INVESTMENTS LLC	0.850	386,925	0	386,925	7,896.38	49.00
214-0-041-025	SANTA MARIA INVESTMENTS LLC	0.760	346,141	0	346,141	7,060.30	49.03
214-0-041-045	MAULHARDT INDUSTRIAL CENTER	1.560	63,897	436,323	500,220	14,492.20	34.52
214-0-041-055	GULBRANSON RICHARD E JR	1.230	245,126	947,254	1,192,380	11,426.53	104.35
214-0-041-065	GULBRANSON RICHARD E JR	1.000	123,266	1,731,132	1,854,398	9,289.86	199.62
214-0-041-075	GULBRANSON RICHARD E JR	1.000	1,006,456	1,540,480	2,546,936	9,289.86	274.16
214-0-041-115	SANTA MARIA INVESTMENTS	2.230	532,143	441,051	973,194	20,716.41	46.98
214-0-041-125	IPA MAULHARDT INVESTORS LLC	1.880	273,718	1,665,903	1,939,621	17,464.95	111.06
214-0-041-145	IPA GRAVES INVESTORS	2.270	475,063	2,215,926	2,690,989	21,088.00	127.61
214-0-041-155	900 GRAVES PARTNERS LLC	0.000	94,436	329,033	423,469	3,590.41	117.94
214-0-041-165	900 GRAVES PARTNERS LLC	0.000	91,437	318,590	410,027	3,485.22	117.65

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
214-0-041-175	HUDNELL HOLDINGS LLC	0.000	398,600	597,901	996,501	4,350.89	229.03
216-0-030-075	SAKIOKA ARTHUR M & MARILYN TR & AMS CRAI	26.446	1,434,915	5,926	1,440,841	287,800.61	5.01
216-0-030-105	SAKIOKA ARTHUR M & MARILYN TR & AMS CRAI	25.763	1,242,519	4,816	1,247,335	239,306.96	5.21
216-0-030-110	ALICE RANCH CO	2.790	32,425	3,665,522	3,697,947	34,249.81	107.97
216-0-030-120	ALICE RANCH CO	40.570	471,736	0	471,736	498,034.10	0.95
216-0-030-130	ALICE RANCH CO	3.090	46,924	1,774,603	1,821,527	37,932.61	48.02
216-0-030-145	SAKIOKA ARTHUR M & MARILYN TR & AMS CRAI	200.780	9,210,065	43,543	9,253,608	2,163,814.56	4.28
216-0-030-155	SAKIOKA ARTHUR M & MARILYN TR & AMS CRAI	172.160	7,128,964	32,320	7,161,284	1,599,529.25	4.48
216-0-151-345	PROCTOR & GAMBLE PAPER PRODUCTS	27.998	553,757	0	553,757	260,282.95	2.13
216-0-151-355	PROCTOR & GAMBLE PAPER PROD	39.490	776,418	22,271,870	23,048,288	364,982.89	63.15
216-0-151-365	PROCTOR & GAMBLE PAPER PRODUCTS	74.322	2,027,564	32,578,533	34,606,097	703,928.30	49.16
216-0-151-385	BERDAN HOLDINGS LLC	6.400	1,972,677	7,235,185	9,207,862	78,688.64	117.02
216-0-151-395	H2 ENTERPRISES LLC	0.590	225,277	584,838	810,115	5,481.01	147.80
216-0-151-405	FUSCI STEPHEN	0.390	148,703	552,656	701,359	3,623.05	193.58
216-0-151-415	FUSCI STEPHEN	0.360	136,497	488,289	624,786	3,344.35	186.82
216-0-151-425	FUSCI STEVE	0.390	254,000	386,000	640,000	3,623.05	176.65
216-0-151-435	FMS OXNARD LLC	0.360	137,606	472,753	610,359	3,344.35	182.50
216-0-151-445	TPS ENTERPRISES	0.390	220,000	510,000	730,000	3,623.05	201.49
216-0-151-455	MRJ INVESTMENTS LLC	0.660	250,801	822,415	1,073,216	6,038.42	177.73
216-0-152-045	SEMINIS VEGETABLE SEEDS INC	32.790	11,967,977	22,396,234	34,364,211	304,614.73	112.81
216-0-153-015	300 ELEVAR LLC	2.889	1,021,884	2,895,662	3,917,546	26,847.71	145.92
216-0-153-025	200 ELEVAR LLC	2.730	949,470	3,639,367	4,588,837	25,361.33	180.94
216-0-153-115	CSI INVESTMENTS	5.680	916,265	0	916,265	52,766.44	17.36
216-0-153-125	CON & WAY TRANSP SERV INC	5.680	1,440,775	2,774,187	4,214,962	52,766.44	79.88
216-0-153-135	100 ELEVAR LLC	2.210	772,480	2,358,810	3,131,290	20,530.61	152.52
216-0-153-195	JAFROODI PROPERTIES L P	1.580	637,564	2,014,220	2,651,784	14,677.99	180.66
216-0-153-205	WOLF FAMILY SERIES LP	2.120	488,095	2,393,458	2,881,553	19,694.52	146.31
216-0-153-215	OXNARD CITY OF	2.860	0	0	0	26,569.01	0.00
216-0-160-045	SHELL WESTERN E & P INC	3.000	655,323	0	655,323	27,869.59	23.51
216-0-160-295	TENBY INC	25.160	334,204	76,328	410,532	233,733.04	1.76
216-0-160-335	A & S HOLDINGS LLC	1.760	1,000,000	796,722	1,796,722	16,350.17	109.89
216-0-160-345	OXNARD PRODUCE LLC	2.150	720,000	0	720,000	19,973.20	36.05
216-0-160-355	OXNARD PRODUCE LLC	6.660	2,280,000	6,265,000	8,545,000	61,870.51	138.11
216-0-182-405	CALVARY CHAPEL OF OXNARD	2.270	327,681	2,353,102	2,680,783	21,088.00	127.12
216-0-182-415	AUBERY FAM LTD PARTNER	2.980	2,255,537	2,942,858	5,198,395	27,683.80	187.78
216-0-182-425	HENRY HENRY & KOUDSI INC	3.380	827,170	4,238,853	5,066,023	31,399.76	161.34
216-0-183-105	SUNBELT ENTERPRISES LLC	0.630	87,281	768,200	855,481	5,852.60	146.17
216-0-183-115	SUNBELT ENTERPRISES LLC	0.632	87,281	322,041	409,322	5,852.60	69.94
216-0-183-125	SUNBELT ENTERPRISES LLC	1.205	166,512	1,180,151	1,346,663	11,240.73	119.80
216-0-191-095	UTTS CHARLIE S & CLARA R TR	1.700	663,675	2,139,955	2,803,630	15,792.77	177.53
216-0-191-105	CABOT LANE LLC & LEKO MARTIN & LORETTA M	0.569	158,436	0	158,436	5,295.22	29.92
216-0-191-115	CABOT LANE LLC & LEKO MARTIN & LORETTA M	0.594	162,534	0	162,534	5,481.02	29.65

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
216-0-191-125	CABOT LANE LLC & LEKO MARTIN & LORETTA M	0.580	161,619	0	161,619	5,388.11	30.00
216-0-191-155	GIOCAR AMERICA INC	0.631	240,813	824,546	1,065,359	5,852.60	182.03
216-0-191-165	IRVING DRIVE LLC	0.631	110,572	492,565	603,137	5,852.60	103.05
216-0-191-215	IRVING DRIVE LLC	1.660	231,761	713,473	945,234	15,421.18	61.29
216-0-191-225	LOMBARD 301 LLC	4.520	890,176	3,738,359	4,628,535	41,990.20	110.23
216-0-191-235	RAYPAK INC	10.670	2,328,770	15,997,071	18,325,841	99,122.88	184.88
216-0-192-055	NARANJO ROBERTO & MARIA	0.500	410,097	905,290	1,315,387	4,644.94	283.19
216-0-192-065	GULRAJANI ROMESH N & TARA R	0.366	97,418	196,544	293,962	3,437.25	85.52
216-0-192-075	GULRAJANI ROMESH N & TARA R	0.473	125,158	196,544	321,702	4,366.24	73.68
216-0-192-085	KDC, LLC	0.619	229,573	613,954	843,527	5,759.71	146.45
216-0-192-095	HECK TRUST	0.096	23,737	13,562	37,299	928.98	40.15
216-0-192-105	HECK TRUST	0.406	100,607	483,839	584,446	3,808.83	153.45
216-0-192-115	HECK GORDON TR	0.503	114,100	504,063	618,163	4,644.94	133.08
216-0-193-015	AHL EASTMAN	1.110	403,577	0	403,577	10,311.75	39.14
216-0-193-065	PTI ADVANCED FILTRATION INC	4.419	1,470,426	4,083,906	5,554,332	41,061.20	135.27
216-0-193-075	PTI ADVANCED FILTRATION INC	4.230	1,470,426	3,185,001	4,655,427	39,296.14	118.47
216-0-193-085	SUNBELT ENTERPRISES LLC	5.260	819,535	4,549,278	5,368,813	48,864.70	109.87
216-0-193-105	HIJI BROS & NISHIMORI BROS	3.900	763,269	2,359,363	3,122,632	36,230.48	86.19
216-0-193-125	HIJI BROS & NISHIMORI BROS	1.401	274,211	0	274,211	13,005.80	21.08
216-0-193-135	BURR WILLIAM C B & KIM A TR & BURR WILLI	2.754	614,353	846,951	1,461,304	25,547.14	57.20
216-0-193-185	AHL EASTMAN PARTNERSHIP	1.840	438,167	0	438,167	17,093.36	25.63
216-0-193-205	CENTRAL LOS ANGELES TRANSFER	1.200	226,873	223,463	450,336	11,147.84	40.40
216-0-193-245	CENTRAL LOS ANGELES TRANSFER	3.610	684,512	4,330,265	5,014,777	33,536.42	149.53
216-0-193-255	2150 EASTMAN LLC ET AL	2.280	539,846	2,039,341	2,579,187	21,180.91	121.77
216-0-193-265	DAVIDSON DAN & BILHA TR	2.530	493,978	2,329,023	2,823,001	23,503.35	120.11
216-0-193-275	ZAKI FAMILY PARTNERSHIP LP	2.430	581,060	2,621,295	3,202,355	22,574.38	141.86
216-0-193-285	YAKOPOS LLC	2.820	734,805	3,237,854	3,972,659	26,197.43	151.64
216-0-193-295	LOMBARD GRAVES LLC	2.620	1,009,876	2,364,034	3,373,910	24,339.45	138.62
216-0-193-305	NICHOLS DONNELL TRUST & DNB PROPS & INVE	3.100	1,198,535	2,885,368	4,083,903	28,798.59	141.81
216-0-194-025	SPEARS BILL & SANDRA TR	3.808	681,773	5,304,425	5,986,198	35,394.41	169.13
216-0-194-035	SPEARS BILL & SANDRA TR	0.229	39,791	183,041	222,832	2,136.67	104.29
216-0-194-105	SPEARS BILL & SANDRA TR	2.089	513,935	840,734	1,354,669	19,415.81	69.77
216-0-194-115	SPEARS BILL & SANDRA TR	1.680	351,134	1,616,760	1,967,894	15,606.98	126.09
216-0-194-125	SPEARS BILL & SANDRA TR	1.480	309,390	1,761,496	2,070,886	13,749.00	150.62
216-0-194-135	SPEARS BILL & SANDRA TRUST	2.000	419,879	917,413	1,337,292	18,579.73	71.98
216-0-194-205	SPEARS BILL & SANDRA TR	3.590	1,130,471	3,219,192	4,349,663	33,350.63	130.42
216-0-194-215	SUNBELT ENTERPRISES LLC	3.329	484,227	1,691,489	2,175,716	30,935.26	70.33
216-0-194-225	SPEARS BILL & SANDRA TR	3.753	1,389,901	3,060,070	4,449,971	34,837.00	127.74
216-0-194-245	ZAKI FAMILY PARTNERSHIP LP	0.710	515,000	660,000	1,175,000	6,673.63	176.07
216-0-194-255	JOSELOWSKY LAWRENCE TR	2.090	712,196	2,300,637	3,012,833	19,644.92	153.36
216-0-194-265	ABER INVESTMENTS LLC	0.590	492,682	411,413	904,095	5,545.70	163.03
216-0-194-275	COLIC SLOBODAN TR	0.680	280,700	633,211	913,911	6,270.76	145.74
216-0-194-285	BARDOS TOM	0.720	406,000	894,000	1,300,000	6,660.37	195.18
216-0-194-295	OXNARD MERCHANT VII LTD	1.340	369,360	1,552,944	1,922,304	12,430.21	154.65

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
216-0-195-055	WESTRIDGE VENTURE I	5.450	2,013,361	4,127,181	6,140,542	50,629.77	121.28
216-0-195-065	OLDE THOMPSON INC	1.880	1,062,000	3,263,000	4,325,000	17,440.13	247.99
216-0-195-095	ZAKI FAMILY PARTNERSHIP L P	0.850	580,000	990,000	1,570,000	7,885.17	199.11
216-0-195-105	SCAN 121 LLC	1.090	615,000	1,445,000	2,060,000	10,111.58	203.73
216-0-195-135	BOLDT ENTERPRISES LLC	1.630	638,655	2,224,001	2,862,656	15,120.97	189.32
216-0-195-145	PACIFIC LANDMARK LTD	1.590	573,947	1,579,840	2,153,787	14,749.91	146.02
216-0-201-015	ZAKI PARTNERSHIP LP	1.254	509,695	1,010,505	1,520,200	11,612.33	130.91
216-0-201-025	SEAGATE EQUITY LTD	1.264	427,466	1,047,282	1,474,748	11,705.23	125.99
216-0-201-035	SEAGATE EQUITY LTD	1.125	402,813	866,028	1,268,841	10,497.55	120.87
216-0-201-045	ZAKI PARTNERSHIP LP	1.235	509,299	977,086	1,486,385	11,519.45	129.03
216-0-201-055	DTG INVESTORS LLC	0.653	173,946	588,051	761,997	6,038.42	126.19
216-0-201-065	DTG INVESTORS	0.685	152,618	563,806	716,424	6,410.01	111.77
216-0-201-075	PITTMAN ALAN & MICHELE FAM TR	0.685	268,566	521,864	790,430	6,410.01	123.31
216-0-201-135	TAGLIAFERRI EDWARD JR	1.039	257,823	1,013,326	1,271,149	9,661.46	131.57
216-0-201-155	DTG INVESTORS	0.761	169,393	618,058	787,451	7,060.30	111.53
216-0-201-185	ZAKI FAMILY PARTNERSHIP LP	2.060	429,966	1,978,248	2,408,214	19,137.15	125.84
216-0-202-025	FERRARI DAVID & JEANNETTE TR	0.630	360,626	585,416	946,042	5,852.60	161.64
216-0-202-035	WIENER MELVIN & MIRIAM	0.630	225,254	588,118	813,372	5,852.60	138.98
216-0-202-045	DEHORTY JOESPH & GERALDINE TR & HINES FR	0.630	209,133	691,848	900,981	5,852.60	153.95
216-0-202-055	PERRY DENNIS & GEORGIA TRUST	0.630	186,943	709,202	896,145	5,852.60	153.12
216-0-202-065	FEIKLS THOMAS & LOGAN & FEIKLS CAROL	0.743	155,952	719,798	875,750	6,874.50	127.39
216-0-202-075	KEITH MICHAEL T	0.856	374,080	568,473	942,553	7,989.28	117.98
216-0-202-085	CINMARK CO LP	0.783	444,000	1,106,000	1,550,000	7,246.10	213.91
216-0-202-095	COX JEFFREY D & JILL C	0.783	373,330	1,101,364	1,474,694	7,246.10	203.52
216-0-202-105	THORN PROPERTIES LLC & MILLS TODD E & TR	0.783	445,000	755,000	1,200,000	7,246.10	165.61
216-0-202-115	CGR DEVELOPMENT	0.873	288,470	583,769	872,239	8,082.20	107.92
216-0-203-135	BUNSEN CELSIUS I LLC	0.264	94,008	0	94,008	2,415.36	38.92
216-0-203-185	BUNSEN CELSIUS I LLC	1.383	488,163	1,462,736	1,950,899	12,820.00	152.18
216-0-203-215	MOEN GREGORY J & DEBORAH J	1.300	287,941	1,658,662	1,946,603	12,076.83	161.18
216-0-203-225	MOEN GREGORY J & DEBORAH J	1.550	266,953	1,991,897	2,258,850	14,399.29	156.87
216-0-204-015	IPA & SEAGATE PARTNERS II	1.333	552,868	1,062,083	1,614,951	12,355.51	130.71
216-0-204-025	321 TODD CT LLC ET AL	1.543	486,100	1,351,063	1,837,163	14,306.41	128.42
216-0-204-035	SUNBELT ENTERPRISES LLC	0.633	95,508	0	95,508	5,852.60	16.32
216-0-204-055	321 TODD CT LLC ET AL	1.456	457,839	1,351,063	1,808,902	13,563.22	133.37
216-0-204-065	IPA & SEAGATE PARTNERS II	1.301	516,965	1,070,236	1,587,201	12,076.83	131.43
216-0-204-075	300 N GRAVES LLC	3.389	672,491	3,533,243	4,205,734	31,492.65	133.55
216-0-204-085	TODD COURT PARTNERS	2.589	629,235	2,076,344	2,705,579	24,060.75	112.45
216-0-204-095	CHEN SAMUEL & JANE	3.719	1,420,487	3,684,393	5,104,880	34,558.30	147.72
216-0-204-105	SUNBELT ENTERPRISES LLC	3.328	497,494	2,980,894	3,478,388	30,935.26	112.44
216-0-205-025	GRINBAUM PROPERTIES LTD PART	2.009	356,606	1,548,665	1,905,271	18,672.64	102.04
216-0-205-035	EARLE PROPERTIES	2.500	627,411	2,213,922	2,841,333	23,224.67	122.34
216-0-205-045	NEFF LIONEL B & DORIS L TR	4.419	743,880	3,323,467	4,067,347	41,061.20	99.06
216-0-205-055	SUNBELT ENTERPRISES LLC	2.169	340,101	1,721,387	2,061,488	20,159.02	102.26
216-0-205-065	SUNBELT ENTERPRISES LLC	2.910	470,357	1,993,902	2,464,259	27,033.51	91.16

Parcel No.	Owner	Acreage	Land Value	Structure Value	Total Value	Unbilled Principal	Value-to-Lien Ratio
216-0-205-115	MBL STURGIS LLC	1.989	587,963	1,830,011	2,417,974	18,486.84	130.79
216-0-205-125	ZAKI FAM PARTNERSHIP LP	2.000	423,092	1,410,395	1,833,487	18,579.73	98.68
216-0-205-135	SUNBELT ENTERPRISES LLC	4.713	3,069,944	2,958,412	6,028,356	43,755.27	137.77
216-0-205-155	NADIA OXNARD LLC	0.810	284,094	877,757	1,161,851	7,524.79	154.40
216-0-205-165	WU GEORGE K & SHEENA H	0.600	235,266	690,744	926,010	5,573.92	166.13
216-0-205-175	GONZALEZ JOSE H	0.600	227,495	640,638	868,133	5,573.92	155.75
216-0-205-185	HELLER SAMUEL J TRUST	0.600	338,000	662,000	1,000,000	5,573.92	179.41
216-0-205-195	BRC HOLDING LLC	0.600	235,266	674,645	909,911	5,573.92	163.24
216-0-205-205	HERBERT STEVEN L & DONNA F TR	0.810	309,618	911,107	1,220,725	7,431.90	164.25
216-0-211-015	701 DEL NORTE LLC	8.839	2,987,413	4,457,032	7,444,445	82,122.42	90.65
216-0-211-045	QUINN CO	7.860	2,433,719	0	2,433,719	73,018.34	33.33
216-0-211-055	QUINN CO	12.850	4,136,422	4,982,543	9,118,965	119,374.78	76.39
216-0-212-025	DOUBLE E INVESTMENTS LLC & WASSERMAN STE	2.889	1,183,994	2,975,993	4,159,987	26,847.71	154.95
216-0-212-055	LUNAR COURT LLC	3.419	764,491	3,000,909	3,765,400	31,771.34	118.52
216-0-212-075	OPPENHEIMER G&F FAMILY TR	2.639	1,025,000	3,075,000	4,100,000	24,525.25	167.17
216-0-212-085	6H DEL NORTE LLC	7.105	2,855,306	10,985,498	13,840,804	66,050.95	209.55
216-0-212-115	ELEVAR SEVEN LLC	2.150	881,566	2,046,530	2,928,096	19,973.20	146.60
216-0-212-125	OXNARD/DEL NORTE LLC	2.680	1,188,262	2,921,165	4,109,427	24,896.83	165.06
216-0-220-145	KEVAN INVESTMENTS LLC	0.000	308,000	478,000	786,000	2,015.89	389.90
216-0-220-155	KEVAN INVESTMENTS LLC	0.000	205,000	307,000	512,000	2,015.89	253.98
216-0-220-165	WHITE WILLIAM H & JOAN E	0.000	205,000	307,000	512,000	2,015.89	253.98
216-0-220-175	KEVAN INVESTMENTS LLC	0.000	205,000	307,000	512,000	2,015.90	253.98
216-0-220-185	KEVAN INVESTMENTS LLC	0.000	205,000	307,000	512,000	2,015.90	253.98
216-0-220-195	CAHILL ROBERT D & VIVIAN A TR	0.000	206,543	309,815	516,358	2,015.90	256.14
216-0-220-205	KEVAN INVESTMENTS LLC	0.000	196,583	278,302	474,885	2,015.90	235.57
216-0-220-215	KEVAN INVESTMENTS LLC	0.000	205,000	275,000	480,000	2,015.90	238.11
216-0-220-225	KEVAN INVESTMENTS LLC	0.000	205,000	275,000	480,000	2,015.90	238.11
216-0-220-235	KEVAN INVESTMENTS LLC	0.000	205,000	275,000	480,000	2,015.90	238.11
216-0-231-015	WALLACE LEONARD O & PAMELA J	1.730	0	0	0	16,071.46	0.00
216-0-231-035	LEEDS ENGINEERING CORP	2.362	0	0	0	21,924.09	0.00
216-0-232-035	PTI TECHNOLOGIES INC	10.990	0	0	0	102,095.64	0.00
216-0-232-045	HAGAN CAPITAL LLC	1.771	0	0	0	16,443.06	0.00
216-0-232-055	FORCE & ROYAL LLC	0.989	0	0	0	9,196.96	0.00
216-0-232-075	FORCE & ROYAL LLC	5.140	0	0	0	47,749.92	0.00
216-0-232-085	FORCE & ROYAL LLC	3.260	0	0	0	30,284.96	0.00
216-0-233-035	FUSCI STEPHEN	0.369	0	0	0	3,437.25	0.00
216-0-233-045	501 SPECTRUM CIRCLE LLC	0.673	0	0	0	6,224.21	0.00
216-0-233-055	A & P COMMERCIAL INV LLC	0.720	0	0	0	6,688.71	0.00
216-0-233-065	COOPER TED R PROP CA CORP	1.260	0	0	0	11,705.23	0.00
216-0-233-075	J	1.160	0	0	0	10,776.25	0.00
216-0-233-085	HAASE MICHAEL C & GINA L TR	0.790	0	0	0	7,339.00	0.00
216-0-234-015	MEISSNER PAUL J & JULIE J TR	0.576	0	0	0	5,388.11	0.00
216-0-234-025	MELGOZA SANTOS	0.372	0	0	0	3,437.25	0.00
216-0-234-035	A & P COMMERCIAL INVEST LLC	0.342	0	0	0	3,158.56	0.00

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216-0-234-045	FUSCI STEPHEN	0.339	0	0	0	3,158.56	0.00
216-0-234-055	RENO STEPHEN A TR	0.389	0	0	0	3,623.05	0.00
216-0-234-065	HIGGINS PATRICIA TR	0.830	0	0	0	7,710.59	0.00
216-0-234-075	WONG CALVIN	0.501	0	0	0	4,644.94	0.00
216-0-234-105	GRAMBERG CARL	0.560	0	0	0	5,202.32	0.00
216-0-234-115	DEL NORTE FARMS INC	0.419	0	0	0	3,901.75	0.00
216-0-234-125	GOODEN JOHN M & DENISE M W TR	2.560	0	0	0	23,782.06	0.00
216-0-234-135	DEL NORTE FARMS INC	1.819	0	0	0	16,907.55	0.00
216-0-234-145	PEGASUS PROPERTIES	2.069	0	0	0	19,230.02	0.00
216-0-234-155	PROPERTIES PEGASUS	2.933	0	0	0	27,219.30	0.00
216-0-234-165	FOXBOROUGH PARK INC & ATN ROBERT LUNLEY	5.500	0	0	0	51,094.26	0.00
216-0-234-175	WINDER WARREN W	0.460	0	0	0	4,273.46	0.00
216-0-234-185	ZOIDA SALVATORE & VINCENZA	0.510	0	0	0	4,737.97	0.00
216-0-234-195	ERIKSSON LEONARD & KELLY TR	0.590	0	0	0	5,481.18	0.00
216-0-234-205	MJ MCINTOSH LLC	0.420	0	0	0	3,901.75	0.00
216-0-234-215	ZINMARK INVESTMENTS LLC	0.550	0	0	0	5,109.44	0.00
216-0-235-015	JORDANOS INC	8.510	0	0	0	79,056.77	0.00
216-0-235-025	J	1.489	0	0	0	13,841.90	0.00
216-0-235-035	AT & T WIRELESS SERV OF CA INC	1.250	0	0	0	11,612.33	0.00
216-0-235-045	WILLIS HARLAN E TR	1.250	0	0	0	11,612.33	0.00
216-0-235-055	YOUNG ALFRED C TR	1.489	0	0	0	13,841.90	0.00
216-0-235-065	KJH PROPERTIES LLC	3.710	0	0	0	34,465.41	0.00
216-0-235-075	BLOIS PROPERTIES	1.960	0	0	0	18,208.14	0.00
216-0-235-085	BLOIS PROPERTIES	1.960	0	0	0	18,208.14	0.00
216-0-235-095	BARON INVESTMENTS LLC	3.180	0	0	0	29,541.78	0.00
216-0-235-105	LEEDS MOSHER LLC	4.416	0	0	0	74,133.15	0.00
216-0-235-135	QUATTRO & DEL NORTE LLC	0.810	0	0	0	13,470.33	0.00
216-0-235-145	BLT ALAMEDA/OXNARD LP LESSOR & KERR GROU	4.180	0	0	0	43,383.75	0.00
216-0-235-165	QUATTRO & DEL NORTE LLC	3.190	0	0	0	29,634.58	0.00
216-0-236-015	VALMAR PROPERTIES	1.489	0	0	0	13,841.90	0.00
216-0-236-025	SEACORD & COTE LLC	1.250	0	0	0	11,612.33	0.00
216-0-236-035	BRANCHEV LUBOMIR & LINDA M TR	0.710	0	0	0	6,595.80	0.00
216-0-236-045	FUSCI STEPHEN	0.540	0	0	0	5,016.53	0.00
216-0-236-055	WP REAL ESTATE INVESTMENTS	0.540	0	0	0	5,016.53	0.00
216-0-236-065	AMS MELINDA LLC	0.950	0	0	0	8,825.36	0.00