DATE: October 2, 2014

TO: City Council
City of Oxnard Financing Authority

FROM: James Cameron, Chief Financial Officer
Finance Department

SUBJECT: Issuance of Lease Revenue Project and Refunding Bonds, Series 2014

RECOMMENDATION

That City Council:

1. Adopt a resolution authorizing the sale, issuance and delivery of not more than $27 million in City of Oxnard Financing Lease Revenue Project and Refunding Bonds, Series 2014 (“2014 Bonds”), and approving certain documents and authorizing certain action in connection therewith.

2. Approve a special budget appropriation in the amount of $20 million for various neighborhood street resurfacing projects.

That the City of Oxnard Financing Authority adopt a resolution authorizing the sale, issuance and delivery of not more than $27 million of its Lease Revenue Project and Refunding Bonds, Series 2014, and approving certain documents and authorizing certain action in connection therewith.

DISCUSSION

On June 17, 2014, City Council received a report concerning the reconstruction of various streets throughout the City through a bond issuance utilizing Measure ‘O’ funds as a repayment source. Measure ‘O’ funds were approved to provide $20 million of a total of $31 million needed to fund the neighborhood resurfacing projects (Attachment No. 10).

On September 16, 2014, City Council adopted Resolution No. 14,688 declaring its intent to reimburse the City for capital expenditures related to the improvement and construction of portions of streets and roadways in the City from proceeds of taxable or tax-exempt indebtedness. As a result, any expenditure incurred on these street projects prior to the issuance of bonds could be reimbursed with bond proceeds.

Through the City’s financial advisor, staff issued a Request for Proposals (RFP) to six investment banking firms qualified in the City’s investment banking pool to provide proposals to issue the 2014...
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October 8, 2014
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Bonds. The firm that provided the best proposal at the lowest cost was determined to be J.P. Morgan.

**Financing Structure**

The 2014 Bonds are proposed to raise $20 million for the projects listed on Attachment No. 10. The bonds will be structured as lease revenue bonds, in which the City will make lease payments on an existing asset as security for the bond payments. Staff has identified the following assets to be leased under the 2014 Bonds:

- Downtown Library (251 South A Street)
- Administrative Annex (300 West Third Street)

Both the Downtown Library and Administrative Annex buildings are currently encumbered as leased assets under the City’s Lease Revenue Refunding Bonds 2003, Series A (the “2003A Bonds”). In order to make the Downtown Library and Administrative Annex available as leased assets for the 2014 Bonds, the 2003A Bonds will be refunded as part of the 2014 Bonds. The 2003A Bonds are scheduled to mature on June 1, 2016. The 2014 Bonds are being structured in a manner that maintains the same amortization of the remaining $3.6 million principal of the 2003A Bonds in Fiscal Years 2015 and 2016. As a result, payments on the 2014 Bonds are higher in FY 2015 and FY 2016, consistent with the refunded principal of the 2003A Bonds. After 2016, the debt service on the 2014 Bonds are level through maturity in Fiscal Year 2029, at approximately $1.7 million annually.

While refunding the 2003A Bonds provides net present value savings estimated at $76,000, the primary purpose of the refunding is to free up the leased assets to finance the street replacement projects.

The not-to exceed bond issuance amount of $27 million is detailed as follows:

<table>
<thead>
<tr>
<th>Streets Project Fund</th>
<th>$20,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding of 2003A Lease Revenue Bonds</td>
<td>3,565,630</td>
</tr>
<tr>
<td>Cost of Issuance</td>
<td>310,000</td>
</tr>
<tr>
<td>Contingency for Reserve Fund (Estimate)</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Contingency for Market Conditions (Estimate)</td>
<td>724,370</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$27,000,000</strong></td>
</tr>
</tbody>
</table>

**Resolutions**

The attached resolutions accomplish the following:

- Approve the form of the following documents:
  - Contract of Purchase (Attachment No. 3)
  - Escrow Agreement (Attachment No. 4)
  - Preliminary Official Statement (Attachment No. 5)
  - Continuing Disclosure Agreement (Appendix E to Attachment No. 5)
• Trust Agreement (Attachment No. 6)
• Master Lease (Attachment No. 7)
• Property Lease (Attachment No. 8)
• Termination, Reconveyance, and Quitclaim (Attachment No. 9)

○ For the Authority, authorizes the Chairman, the Vice Chairman, the Controller, and the Secretary to execute and deliver the above documents, and such other documents and certifications that may be necessary to consummate the transaction.

○ For the City, authorizes the Mayor, the Mayor Pro Tem, the City Clerk, and the Chief Financial Officer to execute and deliver the above documents, and such other documents and certifications that may be necessary to consummate the transaction.

FINANCIAL IMPACT

The approval of the attached documents will result in the issuance of the Lease Revenue Project and Refunding Bonds, Series 2014. The debt service for the $20 million in new money for street projects will be approximately $1.7 million annually through 2029, which will be paid from the Measure ‘O’ Funds. The debt service on the refunded 2003A Bonds is approximately $1.8 million in each of 2015 and 2016.

MM

Attachments

#1 - City Resolution
#2 - COFA Resolution
#3 - Contract of Purchase
#4 - Escrow Agreement
#5 - Preliminary Official Statement
#6 - Trust Agreement
#7 - Master Lease
#8 - Property Lease
#9 - Termination, Reconveyance, and Quitclaim
#10 - Neighborhood Resurfacing Projects
#11 - Special Budget Appropriation
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE
THAN $27,000,000 IN PRINCIPAL AMOUNT OF CITY OF OXNARD
FINANCING AUTHORITY LEASE REVENUE PROJECT AND REFUNDING
BONDS, SERIES 2014, AND APPROVING CERTAIN DOCUMENTS AND
AUTHORIZING CERTAIN ACTIONS IN CONNECTION THERewith

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers entity
organized and existing under the laws of the State of California (the “Authority”), has the
authority, among other things, to assist the City of Oxnard, a municipal corporation organized
and existing under and by virtue of the constitution and laws of the State of California (the
“City”), in financing and refinancing certain lease obligations; and

WHEREAS, the Authority has issued its Lease Revenue Refunding Bonds, 2003 Series
A, in the aggregate principal amount of $18,640,000 (the “2003 Bonds”), pursuant to that certain
Trust Agreement, dated as of May 1, 2003 (the “2003 Trust Agreement”), by and among the
Authority, the City, and Wells Fargo Bank, National Association, as trustee (the “2003 Trustee”),
to refund, on a current refunding basis, and prepay certain outstanding obligations of the
Authority and the City, as further described in the 2003 Trust Agreement; and

WHEREAS, pursuant to that certain Property Lease, dated as of May 1, 2003, by and
between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the
property described therein (the “2003 Leased Property”); and

WHEREAS, the 2003 Bonds were secured by the payments to be made by the City
pursuant to that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the
“2003 Lease”), by and between the Authority, as lessor, and the City, as lessee, pursuant to
which the City leased from the Authority the 2003 Leased Property; and

WHEREAS, the City and the Authority desire to refund the 2003 Bonds on a current
refunding basis; and

WHEREAS, the City further desires to finance the construction and improvement of
certain street and roadway facilities, as more particularly described in Exhibit D to the Trust
Agreement (as defined below) (collectively, the “Project”); and

WHEREAS, the Authority desires to assist the City in financing the construction and
improvement of the Project; and

WHEREAS, the City proposes to enter into a Trust Agreement (the “Trust Agreement”),
by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee
(the “Trustee”), to provide for the issuance of not more than $27,000,000 in aggregate principal
amount of the Authority’s Lease Revenue Project and Refunding Bonds, Series 2014 (the
“Bonds”), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2003
Bonds, (2) construct and improve the Project, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the Bonds will be issued pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the “Law”) and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”); and

WHEREAS, this City Council of the City (this “City Council”) has determined that the issuance of the Bonds pursuant to the Law and the Act does not require approval of the qualified electors of the City; and

WHEREAS, the City proposes to enter into a Property Lease (the “Property Lease”) by and between the City, as lessor, and the Authority, as lessee, pursuant to which the City will lease to the Authority certain property described therein (the “Property”); and

WHEREAS, the City proposes to enter into a Master Lease and Option to Purchase (the “Lease”) by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City will lease the Property from the Authority; and

WHEREAS, the Bonds will be secured by certain rental payments (the “Base Rental”) for the lease of the Property to be made by the City pursuant to the Lease, which Base Rental payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

WHEREAS, the City proposes that, in connection with the entering into of the Property Lease and the Lease, the Authority and the City terminate the 2003 Property Lease and the 2003 Lease and the Authority and the 2003 Trustee reconvey, release, transfer, and quitclaim to the City all of their right, title, and interest in and to the 2003 Property pursuant to a Termination, Reconveyance, and Quitclaim (the “Termination, Reconveyance, and Quitclaim”) by and among the Authority, the City, and the 2003 Trustee; and

WHEREAS, this City Council has determined that it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, J.P. Morgan Securities LLC, as underwriter (the “Underwriter”), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the “Purchase Contract”) by and among the Authority, the City, and the Underwriter; and

WHEREAS, the sole members of the Authority are the City, the Oxnard Community Development Commission Successor Agency, and the Housing Authority of the City of Oxnard, which members are located entirely within the City, and the Project is located within the geographic boundaries of the City; and
WHEREAS, on this date, the City held a public hearing in accordance with Section 6586.5 of the Act, which public hearing was held at the City Council Chambers, 305 West Third Street, Oxnard, California 93030; and

WHEREAS, in accordance with Section 6586.5 of the Act, notice of such public hearing was published once at least five days prior to the public hearing in the “Ventura County Star” and “VIDA,” a newspaper of general circulation in the City; and

WHEREAS, this City Council has appointed First Southwest Company as financial advisor (the “Financial Advisor”) to, among other things, advise the City and the Authority with respect to Bond interest rates, underwriting fees, and other financing matters relating to the issuance of the Bonds; and

WHEREAS, this City Council has appointed Goodwin Procter LLP as bond counsel (“Bond Counsel”) and disclosure counsel (“Disclosure Counsel”) to prepare proceedings for the issuance, sale, and delivery of the Bonds and to prepare and review the form and content of initial and continuing disclosure materials, including, without limitation, a preliminary official statement (the “Preliminary Official Statement”) and a final official statement, in connection with the issuance of the Bonds; and

WHEREAS, the City proposes that the Authority enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) by and between the Authority and the Trustee, as dissemination agent (the “Dissemination Agent”), to provide for the Authority’s continuing disclosure obligations with respect to the Bonds under Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); and

WHEREAS, the City proposes that the Authority enter into an Escrow Agreement (the “Escrow Agreement”) by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the “Escrow Agent”), to provide for the payment and redemption of all outstanding 2003 Bonds on or about November 24, 2014; and

WHEREAS, the forms of the following documents are on file with the City Clerk of the City (the “City Clerk”) and have been submitted to this City Council, and the Chief Financial Officer of the City, acting as such on behalf of the City (the “Chief Financial Officer”) and acting as the Controller of the Authority (the “Controller”) on behalf of the Authority, in consultation with Bond Counsel, Disclosure Counsel, the Financial Advisor, and the Underwriter, has examined and approved each document and has recommended that this City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

1. the Purchase Contract;
2. the Preliminary Official Statement;
3. the Property Lease;
4. the Lease;
5. the Trust Agreement;
6. the Termination, Reconveyance, and Quitclaim;
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals, and each of them, are true and correct.

SECTION 2. The Authority's issuance of the Bonds pursuant to the Act and the Law, a portion of the proceeds of which Bonds will finance the construction and improvement of the Project, will provide "significant public benefits" (as such term is defined in Government Code section 6586) to the residents of the City because the City expects that such use will provide demonstrable savings in effective interest rate costs, employment benefits from undertaking the construction and improvement of the Project in a timely manner, or more efficient delivery of City services to residential and commercial development.

SECTION 3. The Property Lease is approved in substantially the form on file with the City Clerk. The Mayor of the City (the "Mayor") and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Property Lease with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The Lease is approved in substantially the form on file with the City Clerk. The Mayor and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Lease with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The Trust Agreement is approved in substantially the form on file with the City Clerk. The Mayor and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Trust Agreement with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Termination, Reconveyance, and Quitclaim is approved in substantially the form on file with the City Clerk. The Mayor and the City Clerk are authorized and directed, for and in the name of the City, to execute and deliver the Termination, Reconveyance, and Quitclaim with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. The City understands, acknowledges, and agrees that the Continuing Disclosure Agreement and the Escrow Agreement, in the form on file with the City Clerk, is subject to such changes, insertions, and omissions as the Controller shall require or approve.

SECTION 8. The Purchase Contract is approved in substantially the form on file with the City Clerk. The Chief Financial Officer is authorized and directed, for and in the name of the City, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver
the Purchase Contract with such changes, insertions, and omissions as the Chief Financial Officer or the Financial Advisor shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed $27,000,000, the interest rates or yields to maturity on the Bonds are such that the true interest cost does not exceed four and one-quarter of one percent (4.250%), and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed four tenths of one percent (0.40%), excluding any original issue discount or premium.

SECTION 9. The Preliminary Official Statement is approved in substantially the form on file with the City Clerk, with such modifications to the Preliminary Official Statement, whether by corrections or additions thereto or by supplement or amendment thereof, as shall be approved by Disclosure Counsel and by the Controller. The Underwriter is authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds. Such final Official Statement shall be in the form of the Preliminary Official Statement with such changes, insertions, and omissions as may be approved by the Controller.

SECTION 10. The Bonds, in an aggregate principal amount not to exceed $27,000,000 (which aggregate amount shall be finally determined by the Chief Financial Officer, acting as the Controller), designated “Lease Revenue Project and Refunding Bonds, Series 2014,” are authorized to be issued, sold, and delivered by the Authority in accordance with the terms and provisions of the Trust Agreement and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Trust Agreement.

SECTION 11. The City understands, acknowledges, and agrees that the Controller has been or will be authorized by the Governing Board of the Authority to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance.

SECTION 12. The Mayor, the Mayor Pro-Tem of the City (the “Mayor Pro-Tem”), the City Clerk, the Chief Financial Officer, and any other proper officer of the City are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Property Lease, the Lease, the Trust Agreement, the Purchase Contract, Termination, Reconveyance, and Quitclaim, the Continuing Disclosure Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, tax certificates, and certificates concerning the preliminary or final Official Statement describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 13. Any document the execution of which by the Mayor is authorized by this Resolution shall, in the absence or inability to act of the Mayor, be executed by the Mayor Pro-Tem or by any authorized designee of the Mayor or the Mayor Pro-Tem. Any document the execution of which by the City Clerk is authorized by this Resolution shall, in the absence or
inability to act of the City Clerk, be executed by any person so designated in writing by the City Clerk or by any other proper officer of the City acting on behalf of the City Clerk. Any document the execution of which by the Chief Financial Officer is authorized by this Resolution shall, in the absence or inability to act of the Chief Financial Officer, be executed by the Financial Services Manager of the City or, in the absence or inability to act of such Financial Services Manager, by any person so designated in writing by the Chief Financial Officer or by any other proper officer of the City acting on behalf of the Chief Financial Officer.

SECTION 14. All actions previously taken by this City Council and by the officers and staff of the City with respect to the matters addressed by this Resolution are approved, ratified, and confirmed.

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SECTION 15. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 21st day of October, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer,
Interim City Attorney

APPROVED AS TO CONTENT:

James Cameron, Chief Financial Officer
RESOLUTION NO. ___

RESOLUTION OF THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE THAN $27,000,000 IN PRINCIPAL AMOUNT OF ITS LEASE REVENUE PROJECT AND REFUNDING BONDS, SERIES 2014, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers entity organized and existing under the laws of the State of California (the “Authority”), has the authority, among other things, to assist the City of Oxnard, a municipal corporation organized and existing under and by virtue of the constitution and laws of the State of California (the “City”), in financing and refinancing certain lease obligations; and

WHEREAS, the Authority has issued its Lease Revenue Refunding Bonds, 2003 Series A, in the aggregate principal amount of $18,640,000 (the “2003 Bonds”), pursuant to that certain Trust Agreement, dated as of May 1, 2003 (the “2003 Trust Agreement”), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the “2003 Trustee”), to refund, on a current refunding basis, and prepay certain outstanding obligations of the Authority and the City, as further described in the 2003 Trust Agreement; and

WHEREAS, pursuant to that certain Property Lease, dated as of May 1, 2003, by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described therein (the “2003 Leased Property”); and

WHEREAS, the 2003 Bonds were secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the “2003 Lease”), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the 2003 Leased Property; and

WHEREAS, the City and the Authority desire to refund the 2003 Bonds on a current refunding basis; and

WHEREAS, the City further desires to finance the construction and improvement of certain street and roadway facilities, as more particularly described in Exhibit D to the Trust Agreement (as defined below) (collectively, the “Project”); and

WHEREAS, the Authority desires to assist the City in financing the construction and improvement of the Project; and

WHEREAS, the Authority proposes to enter into a Trust Agreement (the “Trust Agreement”), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the “Trustee”), to provide for the issuance of not more than $27,000,000 in aggregate principal amount of the Authority’s Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2003 Bonds, (2) construct and improve the Project, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and
WHEREAS, the Bonds will be issued pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the “Law”) and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”); and

WHEREAS, this Governing Board of the Authority (this “Board”) has determined that the issuance of the Bonds pursuant to the Law and the Act does not require approval of the qualified electors of the City; and

WHEREAS, the City has determined that “significant public benefits,” as such term is defined in Section 6586 of the California Government Code, will be derived by the City from the issuance by the Authority of the Bonds; and

WHEREAS, the sole members of the Authority are the City, the Oxnard Community Development Commission Successor Agency, and the Housing Authority of the City of Oxnard, which members are located entirely within the City, and the Project is located within the geographic boundaries of the City; and

WHEREAS, the Authority proposes to enter into a Property Lease (the “Property Lease”) by and between the City, as lessor, and the Authority, as lessee, pursuant to which Property Lease the City will lease to the Authority certain property described therein (the “Property”); and

WHEREAS, the Authority proposes to enter into a Master Lease and Option to Purchase (the “Lease”) by and between the Authority, as lessor, and the City, as lessee, pursuant to which Lease the City will lease the Property from the Authority; and

WHEREAS, the Bonds will be secured by certain rental payments (the “Base Rental”) for the lease of the Property to be made by the City pursuant to the Lease, which Base Rental payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

WHEREAS, the Authority proposes that, in connection with the entering into of the Property Lease and the Lease, the Authority and the City terminate the 2003 Property Lease and the 2003 Lease and the Authority and the 2003 Trustee reconvey, release, transfer, and quitclaim to the City all of their right, title, and interest in and to the 2003 Property pursuant to a Termination, Reconveyance, and Quitclaim (the “Termination, Reconveyance, and Quitclaim”) by and among the Authority, the City, and the 2003 Trustee; and

WHEREAS, this Board has determined that it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, J.P. Morgan Securities LLC, as underwriter (the “Underwriter”), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the “Purchase Contract”) by and among the Authority, the City, and the Underwriter; and
WHEREAS, the City Council of the City (the "City Council") has appointed First Southwest Company as financial advisor (the "Financial Advisor") to, among other things, advise the City and the Authority with respect to Bond interest rates, underwriting fees, and other financing matters relating to the issuance of the Bonds; and

WHEREAS, the City Council has appointed Goodwin Procter LLP as bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel") to prepare proceedings for the issuance, sale, and delivery of the Bonds and to prepare and review the form and content of initial and continuing disclosure materials, including, without limitation, a preliminary official statement (the "Preliminary Official Statement") and a final official statement, in connection with the issuance of the Bonds; and

WHEREAS, the Authority proposes to enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") by and between the Authority and the Trustee, as dissemination agent (the "Dissemination Agent"), to provide for the Authority's continuing disclosure obligations with respect to the Bonds under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"); and

WHEREAS, the Authority proposes to enter into an Escrow Agreement (the "Escrow Agreement") by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), to provide for the payment and redemption of all outstanding 2003 Bonds on or about November 24, 2014; and

WHEREAS, the forms of the following documents are on file with the Secretary of this Board (the "Secretary") and have been submitted to this Board, and the Chief Financial Officer of the City, acting as the Controller of the Authority (the "Controller"), in consultation with Bond Counsel, Disclosure Counsel, the Financial Advisor, and the Underwriter, has examined and approved each document and has recommended that this Board direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

(1) the Purchase Contract;
(2) the Preliminary Official Statement;
(3) the Property Lease;
(4) the Lease;
(5) the Trust Agreement;
(6) the Termination, Reconveyance, and Quitclaim;
(7) the Continuing Disclosure Agreement; and
(8) the Escrow Agreement;

NOW, THEREFORE, THE GOVERNING BOARD OF THE CITY OF OXNARD FINANCING AUTHORITY DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals, and each of them, are true and correct.

SECTION 2. The Property Lease is approved in substantially the form on file with the Secretary. The Chairman of this Board (the "Chairman") and the Secretary are authorized and
directed, for and in the name of the Authority, to execute and deliver the Property Lease with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The Lease is approved in substantially the form on file with the Secretary. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Lease with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The Continuing Disclosure Agreement is approved in substantially the form on file with the Secretary. The Controller is authorized and directed, for and in the name of the Authority, to execute and deliver the Continuing Disclosure Agreement with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The Trust Agreement is approved in substantially the form on file with the Secretary. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Trust Agreement with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The Termination, Reconveyance, and Quitclaim is approved in substantially the form on file with the Secretary. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute and deliver the Termination, Reconveyance, and Quitclaim with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 7. The Escrow Agreement is approved in substantially the form on file with the Secretary. The Controller is hereby authorized and directed, for and in the name of the Authority, to execute and deliver the Escrow Agreement with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 8. The Purchase Contract is approved in substantially the form on file with the Secretary. The Controller is authorized and directed, for and in the name of the Authority, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Controller or the Financial Advisor shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed $27,000,000, the interest rates or yields to maturity on the Bonds are such that the true interest cost does not exceed four and one-quarter of one percent (4.250%), and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed four tenths of one percent (0.40%), excluding any original issue discount or premium.
SECTION 9. (a) The Preliminary Official Statement is approved and authorized in substantially the form on file with the Secretary. The Preliminary Official Statement shall be deemed final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate denominational amount and maturity value, denominational amount and maturity value per maturity, delivery date, rating(s), and other terms of the Bonds that depend upon the foregoing as provided in and pursuant to the Rule, and the Controller, as the Authority officer to be authorized and directed to execute the final Official Statement for the Bonds, is authorized to execute and deliver a certificate in the customary form respecting such finality.

(b) This Board authorizes such modifications to the Preliminary Official Statement, whether by corrections or additions thereto or by supplement or amendment thereof, as shall be approved by Disclosure Counsel and by the Controller, such approval to be conclusively established by delivery thereof to the Underwriter. The Underwriter is authorized to distribute the Preliminary Official Statement in connection with its public offering of the Bonds to persons who may be interested in the initial purchase of the Bonds, and the Controller, in coordination with the Underwriter and Disclosure Counsel, shall cause sufficient copies of the Preliminary Official Statement to be printed and made available to the Underwriter for said purpose.

(c) The Controller is further authorized and directed to approve, execute, and deliver the final Official Statement with respect to the Bonds, which final Official Statement shall be in the form of the Preliminary Official Statement with such changes, insertions, and omissions as may be approved by the Controller, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds.

SECTION 10. The Bonds, in an aggregate principal amount not to exceed $27,000,000 (which aggregate amount shall be finally determined by the Controller), designated “City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014,” are authorized to be issued, sold, and delivered in accordance with the terms and provisions of the Trust Agreement and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Trust Agreement and the Escrow Agreement. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute (manually or by facsimile) and deliver the Bonds with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 11. The Controller is hereby authorized and directed to give or cause to be given notice of redemption of the 2003 Bonds, pursuant to the terms of the 2003 Trust Agreement and the Escrow Agreement.

SECTION 12. Wells Fargo Bank, National Association, is appointed as Trustee under and pursuant to the Trust Agreement, as Escrow Agent under the Escrow Agreement, and as Dissemination Agent under the Continuing Disclosure Agreement, with the respective powers and duties of each of said office as set forth therein. The Trustee is requested and directed to authenticate and deliver the Bonds to the Underwriter in accordance with written instructions to be executed on behalf of the Authority by the Controller.
SECTION 13. The Controller is authorized to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance.

SECTION 14. The Chairman, the Vice Chairman of this Board (the “Vice Chairman”), the Secretary, the Controller, and any other proper officer of the Authority are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Property Lease, the Lease, the Trust Agreement, the Purchase Contract, the Continuing Disclosure Agreement, the Termination, Reconveyance, and Quitclaim, the Escrow Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, tax certificates, and certificates concerning the preliminary or final Official Statement describing the Bonds, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 15. Any document the execution of which by the Chairman is authorized by this Resolution shall, in the absence or inability to act of the Chairman, be executed by the Vice Chairman or by any authorized designee of the Chairman or the Vice Chairman. Any document the execution of which by the Secretary is authorized by this Resolution shall, in the absence or inability to act of the Secretary, be executed by any person so designated in writing by the Secretary or by any other proper officer of the Authority acting on behalf of the Secretary. Any document the execution of which by the Controller is authorized by this Resolution shall, in the absence or inability to act of the Controller, be executed by the Assistant Controller of the Authority or, in the absence or inability to act of such Assistant Controller, by any other person so designated in writing by the Controller or by any other proper officer of the Authority acting on behalf of the Controller.

SECTION 16. All actions previously taken by this Board and by the officers and staff of the Authority with respect to the matters addressed by this Resolution are approved, ratified, and confirmed.

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SECTION 17. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 21st day of October, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

Stephen M. Fischer,
Interim General Counsel

APPROVED AS TO CONTENT:

James Cameron, Controller
CONTRACT OF PURCHASE

City of Oxnard Financing Authority
300 West Third Street
Oxnard, California 93030
Attention: Finance Department

City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: Finance Department

Ladies and Gentlemen:

J.P. Morgan Securities LLC (the "Underwriter") offers to enter into this Contract of Purchase (this "Purchase Contract") with the City of Oxnard (the "City") and the City of Oxnard Financing Authority (the "Authority") with regard to the Bonds described below, which Purchase Contract, upon the acceptance hereof by the City and the Authority, will be binding upon the Authority, the City, and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the Authority and the City and the delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., Pacific time, on the date hereof, and, if it is not so accepted, such offer may be withdrawn by the Underwriter upon written notice to the City and the Authority by the Underwriter at any time before its acceptance.

Each of the Authority and the City acknowledges and agrees that (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Authority and the City, collectively, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Authority or the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority or the City with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority or the City on other matters) and the Underwriter has no obligation to the Authority or the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, and (iv) the Authority and the City have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for reoffering to the public, and the Authority hereby agrees to sell to the
Underwriter for such purpose, all (but not less than all) of the $[PRINCIPAL AMOUNT]
aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Project
and Refunding Bonds, Series 2014 (the “Bonds”). The purchase price of the Bonds shall be
$_________ (representing the par amount of the Bonds, [plus/less] a net original issue
[premium/discount] of $_________, and less an Underwriter’s discount of $_________).
The Preliminary Official Statement with respect to the Bonds, dated October__, 2014 (the
“Preliminary Official Statement”), as amended to conform to the terms of this Purchase
Contract, and dated the date hereof, and with such changes and amendments as are mutually
agreed to by the Authority, the City, and the Underwriter, including the cover page, the
appendices, and all information incorporated therein by reference, is herein collectively referred
to as the “Official Statement.” The Authority represents that it has deemed the Preliminary
Official Statement to be final as of its date, except for either revision or addition of the offering
price(s), yield(s) to maturity, selling compensation, aggregate denominational amount and
maturity value, denominational amount and maturity value per maturity, delivery date, rating(s),
and other terms of the Bonds that depend upon the foregoing as provided in and pursuant to
Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of
1934, as amended (the “Rule”), by delivering a certificate to the Underwriter substantially in the
form of Exhibit B attached hereto.

2. The Bonds shall mature on the dates and in the amounts, and will bear interest at
the rates, set forth in Exhibit A hereto and as further described in the Official Statement. The
Bonds shall be issued under and pursuant to the Trust Agreement, dated as of November 1, 2014
(the “Trust Agreement”), by and among the Authority, the City, and Wells Fargo Bank,
National Association (the “Trustee”). Capitalized terms used herein without definition shall
have the meanings given to such terms in the Trust Agreement.

3. The Underwriter shall make a bona fide public offering of all the Bonds at not in
excess of the respective initial public offering prices to be set forth on the inside cover page of
the Official Statement. The Underwriter reserves the right to change such initial offering prices
as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to
offer and sell the Bonds to certain dealers (including dealers depositing such bonds into
investment trusts) and others at prices lower than the initial offering prices set forth on the cover
page of the Official Statement. The Underwriter also reserves the right to (i) over-allot or effect
transactions that stabilize or maintain the market prices of the Bonds at levels above those which
might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced,
at any time. “Public offering” shall include an offering to a representative number of
institutional investors or registered investment companies, regardless of the number of such
investors to which the Bonds are sold.

4. The Authority hereby authorizes the use by the Underwriter of (i) the Trust
Agreement, (ii) the Property Lease, dated as of November 1, 2014 (the “Property Lease”), by
and between the Authority and the City, (iii) the Master Lease and Option to Purchase, dated as
of November 1, 2014 (the “Lease”), by and between the Authority and the City, (iv) the
Continuing Disclosure Agreement, dated as of the Closing Date (the “Continuing Disclosure
Agreement”), by and between the Authority and the Trustee, as dissemination agent, (v) the
Escrow Agreement, dated as of November 1, 2014 (the “Escrow Agreement”), by and between
the Authority and Wells Fargo Bank, National Association, as escrow agent (the “Escrow

ATTACHMENT NO. 3
PAGE 4 OF 25
Agent"), relating to the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, 2003 Series A, and (vi) the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Bonds. The Authority consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

The Authority will deliver to the Underwriter, within seven (7) business days after the date of this Purchase Contract and in sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, copies of the Official Statement in final form (including all documents incorporated by reference therein) and any amendment or supplement thereto in such quantities as the Underwriter may reasonably request in order to comply with the obligations of the Underwriter pursuant to the Rule and the rules of the Municipal Securities Rulemaking Board. As soon as practicable following receipt thereof from the Authority, the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board.

5. At 8:00 a.m., Los Angeles time, on November 20, 2014, or at such other time or on such other business day as shall have been mutually agreed upon by the Authority and the Underwriter (the "Closing Date"), the Authority will cause the Trustee to authenticate and deliver to the Underwriter at the office of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the Authority and the Underwriter may mutually agree upon, the Bonds in fully-registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds by wire transfer payable in immediately available funds to or upon the order of the Authority at such place in Los Angeles, California, or New York, New York, as shall have been mutually agreed upon by the Authority and the Underwriter. Such delivery of and payment for the Bonds is referred to herein as the "Closing." The Bonds shall be made available for inspection by DTC at least one business day before the Closing.

6. The Authority represents, warrants, and covenants to the Underwriter that:

(A) The Authority is a joint powers authority under Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code duly organized and validly existing under and by virtue of the Constitution and the laws of the State of California (the "State").

(B) The Authority has the legal right and power to issue and deliver the Bonds and to execute and deliver, and to perform its obligations under, the Trust Agreement, the Property Lease, the Lease, the Continuing Disclosure Agreement, the Escrow Agreement, and this Purchase Contract (collectively, the "Authority Documents"). The Authority has duly authorized the issuance and delivery of the Bonds and the execution and delivery of, and performance of its obligations under, the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the
application of equitable principles relating to or affecting creditors' rights generally, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(C) The Bonds will be paid from Base Rental (as defined in the Lease) payments pursuant to the Lease, which payments have been duly and validly authorized pursuant to applicable law.

(D) The Bonds will be issued in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Base Rental payments.

(E) The information in the Official Statement (excluding any information with respect to DTC, the book-entry only system, [CONFIRM GLOBALLY:][the Bond Insurer (as hereinafter defined), and the Bond Insurance Policy (as hereinafter defined)], is true and correct in all material respects, and the information in the Official Statement does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) To assist the Underwriter in complying with the Rule, the Authority will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. During the last five years, the Authority has never failed to comply with any previous undertaking to provide annual continuing disclosure reports and notices of material events.

(G) The Authority covenants with the Underwriter that for twenty-five days after the Closing Date (the "Delivery Period"), if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter and the City in the preparation of an amendment or supplement to the Official Statement, at the expense of the Authority and the City, in a form and in a manner approved by the Underwriter.

(H) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any
governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds.

(I) If the Official Statement is supplemented or amended, the Official Statement, as so supplemented or amended, as of the date of such supplement or amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(J) The Authority is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Authority is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(K) The authorization, execution, and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the Authority under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected.

(L) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the Authority of its obligations under, the Authority Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, or issuance of the Bonds. All authorizations, consents, or approvals of, or filings or registrations with, any Governmental Authority or court necessary for the valid issuance of, and performance by the Authority of its obligations under, the Bonds will have been duly obtained or made prior to the issuance of the Bonds (and disclosed to the Underwriter). As used herein, the term “Governmental Authority” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body, or public benefit corporation.

(M) The Authority shall furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and shall use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.
(N) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the Authority, threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to pledge the Base Rental payments; (iii) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority’s ability to apply Pledged Assets to pay the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(O) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the Authority will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Base Rental payments.

(P) Any certificate signed by any official or other representative of the Authority and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein made.

7. The City represents, warrants, and covenants to the Underwriter that:

(A) The City is a municipal corporation of the State duly organized and validly existing under and by virtue of the Constitution and laws of the State and has the legal right and power to execute, deliver, and perform its obligations under the Trust Agreement, the Property Lease, the Lease, and this Purchase Contract (collectively, the “City Documents”).

(B) The City has the legal right and power to execute and deliver, and to perform its obligations under, the City Documents. The City has duly authorized the execution and delivery of, and the performance of its obligations under, the City Documents and as of the date hereof such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the City Documents will constitute legal, valid, and binding obligations of the City in accordance with their respective terms, except as enforcement
may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the application of equitable principles relating to or affecting creditors’ rights generally, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against cities in the State. The City has complied, and will at the Closing be in compliance in all respects, with its obligations under the City Documents.

(C) The Bonds will be paid from Base Rental payments pursuant to and as defined in the Lease, which payments have been duly and validly authorized pursuant to applicable law.

(D) The Bonds will be issued in accordance with the Trust Agreement and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Trust Agreement creates a valid pledge of, first lien upon, and security interest in, the pledged Base Rental payments.

(E) The information in the Official Statement (excluding any information with respect to DTC, the book-entry only system, the Bond Insurer, and the Bond Insurance Policy) is true and correct in all material respects, and the information in the Official Statement does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(F) The City covenants with the Underwriter that, during the Delivery Period, if any event occurs that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter and the Authority in the preparation of an amendment or supplement to the Official Statement, at the expense of the Authority and the City, in a form and in a manner approved by the Underwriter.

(G) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds.

(H) If the Official Statement is supplemented or amended, the Official Statement as so supplemented or amended, as of the date of such supplement or amendment, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
(I) The City is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the City is a party, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

(J) The authorization, execution, and delivery by the City of the City Documents, and compliance by the City with the provisions thereof, do not and will not conflict with or constitute a breach of or default by the City under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which it is bound or by which its properties may be affected.

(K) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority or court is, or under existing requirements of law will be, necessary for the valid execution and delivery of, or performance by the City of its obligations under, the City Documents, other than any authorization, consent, approval, filing, or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale, or issuance of the Bonds.

(L) The City will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(M) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the City, threatened (i) in any way questioning the existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the City Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or any proceeding of the City taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the City and its authority to pledge the Base Rental payments; (iii) that may result in any material adverse change relating to the City that will materially adversely affect the City’s ability to pay Base Rental when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the
Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(N) Other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Purchase Contract and the Closing Date the City will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Base Rental payments.

(O) The financial statements of, and other financial information regarding, the City contained in the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth, and, to the best of the City’s knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that effect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the City’s audited financial statements included in the Official Statement.

(P) During the last five years, the City has never failed to comply with any previous undertaking to provide annual continuing disclosure reports and notices of material events.

(Q) Any certificate signed by any official or other representative of the City and delivered to the Underwriter pursuant to this Purchase Contract shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein made.

8. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties, and covenants of the Authority and the City contained herein and in the Authority Documents and City Documents to which each of the Authority or the City, as applicable, is a party, and the performance by the Authority and the City of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following further conditions:

(A) The representations and warranties of the Authority and the City contained herein shall be true, complete, and correct in all material respects on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete, and correct in all material respects at the Closing; the Authority and the City shall be in compliance with each of the agreements made by it in this Purchase Contract (unless such agreements are waived by the Underwriter); there shall not have occurred an adverse change in the financial position, results of operations,
or financial condition of the City that materially adversely affects the ability of the City to pay Base Rental when due or otherwise perform any of its obligations under the City Documents; and there shall not have occurred an adverse change in the financial position of the Authority that materially adversely affects the ability of the Authority to make payments of principal of and interest on the Bonds when due or otherwise perform any of its obligations under the Authority Documents.

(B) At the time of the Closing, the Authority Documents and the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented (except as may be agreed to in writing by the Underwriter); all actions that, in the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and the City shall perform or shall have performed its obligations required under or specified in the City Documents to be performed at or prior to the Closing and the Authority shall perform or shall have performed its obligations required under or specified in the Authority Documents to be performed at or prior to the Closing.

(C) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(D) Except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no decision, ruling, or finding shall have been entered by any court or Governmental Authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside) that has any of the effects described in Section 8(F) hereof.

(E) (i) No default by the City or the Authority shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note, or other evidence of indebtedness issued by the City or the Authority, respectively, and (ii) no bankruptcy, insolvency, or other similar proceeding in respect of the City or the Authority shall be pending or, to the knowledge of the City or the Authority, contemplated.

(F) The Underwriter may terminate this Purchase Contract by written notification to the Authority and the City if at any time after the date hereof and prior to the Closing:

(i) legislation shall have been enacted by the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation, or a temporary regulation shall have been published in the Federal Register or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service,
with respect to Federal or State taxation upon revenues or other income or payments of the general character to be derived by the City or upon interest received on obligations of the general character of the Bonds, which, in the reasonable opinion of the Underwriter (after consultation with, and receipt of advice from, the City), materially adversely affects the market for the Bonds; or

(ii) in the reasonable opinion of the Underwriter (after consultation with, and receipt of advice from, the City or its financial advisor), any of the following events materially adversely affects the market for the Bonds: (a) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or the President of the United States of America shall have committed the armed forces of the United States of America to combat so as to adversely affect the financial markets in the United States of America, (b) any other calamity or crisis in the financial markets of the United States or elsewhere, (c) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (d) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county, or other political subdivision located in the United States having a population of over 500,000; or

(iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other Governmental Authority having jurisdiction, or a general banking moratorium shall have been declared by Federal, California, or New York authorities having jurisdiction and being in force; or

(iv) there shall have occurred an adverse change in the financial position, results of operations, or financial condition of the City that, in the reasonable opinion of the Underwriter (after consultation with, and receipt of advice from, the City), materially adversely affects the market for the Bonds; or

(v) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by, any governmental body, department, or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(vi) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation, or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of
obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(vii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which restrictions materially adversely affect the ability of underwriters to trade obligations of the general character of the Bonds; or

(viii) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Authority’s or the City’s obligations secured in a like manner or any rating of the Bond Insurer, which, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit, or proceeding described in Section 6(N) or 7(M) that, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) any event occurring, or information becoming known that, in the reasonable judgment of the Underwriter, makes any statement or information contained in the Official Statement, as of its date, untrue in any material adverse respect, or has the effect that the Official Statement, as of its date, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(G) At or prior to the Closing, the Underwriter shall receive the following documents:

(1) the opinion of Bond Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix D, addressed to the Authority (and accompanied by reliance letters to the Underwriter, the City, the Trustee, and the Bond Insurer);

(2) a supplemental opinion of Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Underwriter, to the effect that:

ATTACHMENT NO. 3
PAGE 12 OF 25
(i) the Bonds are not subject to registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(ii) the statements contained in the Official Statement under the captions “INTRODUCTION,” “THE BONDS,” “SECURITY FOR THE BONDS,” “TAX MATTERS,” “APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS,” “APPENDIX D - FORM OF BOND COUNSEL OPINION,” and “APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT,” insofar as such statements expressly summarize certain provisions of the Trust Agreement, the Property Lease, the Lease, the Continuing Disclosure Agreement, the Bonds, and the opinion of Bond Counsel concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(3) an opinion of the City Attorney of the City, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the Authority, the Underwriter, and the Bond Insurer, to the effect that:

(i) the City is a municipal corporation and general law city duly organized and validly existing under and by virtue of the laws of the State;

(ii) the City has full legal power and lawful authority to enter into the City Documents and to perform its obligations thereunder;

(iii) the resolution of the City approving and authorizing the execution and delivery of the City Documents (the “City Resolution”) was duly adopted at a meeting of the City Council of the City that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Resolution is in full force and effect and has not been modified, amended, or rescinded as of the Closing Date;

(iv) the City Documents have been duly authorized, executed, and delivered by the City and, assuming due authorization, execution, and delivery by the other parties thereto, such documents constitute the legal, valid, and binding agreements of the City enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors’ rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against cities in the State;

(v) to the best knowledge of such counsel, the execution and delivery by the City of the City Documents, and compliance by the City with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the City is subject to or by which it is bound;
(vi) to the best knowledge of such counsel, the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement, and any information with respect to DTC, the book-entry only system, the Bond Insurer, and the Bond Insurance Policy, as to which no view need be expressed) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) except as otherwise disclosed in the Official Statement, to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened (a) in any way questioning the existence of the City or the titles of the officers of the City to their respective offices; (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the City Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Base Rental or the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or any proceeding of the City taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the City and its authority to pledge the Base Rental payments; (c) that may result in any material adverse change relating to the City that will materially adversely affect the City’s ability to perform its obligations under the City Documents; or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(viii) no authorization, approval, consent, or other order of the State or any other governmental authority or agency within the State having jurisdiction over the City is required for the valid authorization, execution, and delivery by the City of the City Documents;

(4) an opinion of the City Attorney of the City, serving as General Counsel to the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, addressed to the City, the Underwriter, and the Bond Insurer, to the effect that:

(i) the Authority is a joint powers authority under Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code duly organized and validly existing under and by virtue of the Constitution and the laws of the State;
(ii) the Authority has full legal power and lawful authority to enter into the Authority Documents and to perform its obligations thereunder;

(iii) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents and approving the Official Statement (the “Authority Resolution”) was duly adopted at a meeting of the governing board of the Authority that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, or rescinded as of the Closing Date;

(iv) the Authority Documents have been duly authorized, executed, and delivered by the Authority and, assuming due authorization, execution, and delivery by the other parties thereto, such documents constitute the legal, valid, and binding agreements of the Authority enforceable in accordance with their terms, subject to laws relating to bankruptcy, insolvency, or other laws affecting the enforcement of creditors’ rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against joint powers authorities in the State;

(v) to the best knowledge of such counsel, the execution and delivery by the Authority of the Authority Documents, and compliance by the Authority with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, or agreement to which the Authority is subject to or by which it is bound;

(vi) except as otherwise disclosed in the Official Statement, to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding, inquiry, or investigation at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened (a) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices, (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Base Rental or the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to make the pledges set forth in the Trust Agreement, (c) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority’s ability to perform its obligations under the Authority Documents, or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or
amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(vii) no authorization, approval, consent, or other order of the State or any other governmental authority or agency within the State having jurisdiction over the Authority is required for the valid authorization, execution, and delivery by the Authority of the Authority Documents;

(5) a letter from Goodwin Procter LLP, Los Angeles, California, disclosure counsel to the Authority ("Disclosure Counsel"), dated the Closing Date, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as counsel to the Authority and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, the information with respect to the Bond Insurer, and the Bond Insurance Policy, and the information included in the Appendices thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(6) a certificate of the City, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations and warranties of the City contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(ii) there has been no material adverse change in the financial condition or results of operations of the City from the date of the Official Statement to the Closing Date;

(7) a certificate of the Authority, in form and substance satisfactory to the Underwriter, dated the Closing Date, to the effect that;

(i) the representations and warranties of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and

(ii) there has been no material adverse change in the financial condition or results of operations of the Authority from the date of the Official Statement to the Closing Date;
(8) a certificate, dated the date of the Preliminary Official Statement, from the Authority addressed to the Underwriter, in the form attached hereto as Exhibit B;

(9) an opinion of counsel to the Trustee and the Escrow Agent (collectively, the “Bank”), dated the Closing Date, addressed to the Underwriter, the Authority, the City, and the Bond Insurer, to the effect that:

(i) the Bank is a national banking association and is validly existing, duly qualified to do business and in good standing under the laws of each jurisdiction in which the performance of its duties under the Trust Agreement, the Escrow Agreement, and the Continuing Disclosure Agreement (collectively, the “Bank Documents”) would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Bank Documents;

(ii) the Bank is duly eligible and qualified to act as Trustee under the Trust Agreement and as Escrow Agent under the Escrow Agreement;

(iii) the Bank has all requisite power, authority and legal right to execute and deliver the Bank Documents and to perform its obligations under the Bank Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Bank Documents;

(iv) the Bank has duly executed and delivered the Bank Documents. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Bank Documents are the legal, valid, and binding agreements of the Bank enforceable against the Bank in accordance with their terms, except to the extent enforceability thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights and remedies heretofore or hereafter enacted, and (B) the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(v) the Bonds have been duly authenticated by the Bank;

(vi) the execution, delivery and performance of the Bank Documents by the Bank and the consummation of the transactions contemplated thereby do not and will not (a) to the knowledge of such counsel, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Bank is a party or by which the Bank is bound or to which any of the property or assets of the Bank or any of its subsidiaries is subject, (b) result in any violation of the provisions of the charter, articles of association, by-laws, or applicable resolutions of the Bank, or (c) to the knowledge of such counsel, result in any violation of any statute or any order,
rule, or regulation of any court or government agency or body having jurisdiction
over the Bank or any of its properties or assets; and

(vii) to the knowledge of such counsel, there are no actions, proceedings
or investigations pending or threatened against the Bank before any court,
administrative agency or tribunal (a) asserting the invalidity of the Bank
Documents, (b) seeking to prevent the consummation of any of the transactions
contemplated thereby, or (c) that might materially and adversely affect the
performance by the Bank of its obligations under, or the validity or enforceability
of the Bank Documents;

(10) a certificate, dated the Closing Date, signed by a duly authorized
officer of the Bank, to the effect that;

(i) the Bank is a national banking association organized and existing
under and by virtue of the laws of the United States of America, having the
necessary power to enter into, accept, and administer the trusts created under the
Trust Agreement and to authenticate the Bonds;

(ii) the Bank Documents have been duly authorized, executed, and
delivered by a duly authorized officer of the Bank, and the execution, delivery,
and performance of the Bank Documents has been duly authorized by all
necessary action of the Bank;

(iii) the Bank Documents constitute the legal, valid, and binding
obligations of the Bank enforceable in accordance with their terms, except as
enforcement thereof may be limited by bankruptcy, insolvency, or other laws
affecting the enforcement of creditors' rights generally and by the application of
equitable principles, if equitable remedies are sought;

(iv) the Bonds have been duly authenticated by a duly authorized
officer of the Bank;

(v) no consent, approval, authorization, or other action by any
governmental or regulatory authority having jurisdiction over the Bank that has
not been obtained is or will be required for the execution and delivery of the Bank
Documents or the performance by the Bank of its duties and obligations under the
Bank Documents;

(vi) the execution and delivery by the Trustee of the Trustee
Documents and compliance with the terms thereof will not conflict with, or result
in a violation or breach of, or constitute a default under, any loan agreement,
indenture, bond, note, resolution, or any other agreement or instrument to which
the Trustee is a party or by which it is bound, or any law or any rule, regulation,
order, or decree of any court or governmental agency or body having jurisdiction
over the Trustee or any of its activities or properties (except that no
representation, warranty, or agreement need be made with respect to any federal
or State securities or blue sky laws or regulations);
(vii) the Trustee’s action in executing and delivering the Trustee Documents will not contravene the articles or bylaws of the Trustee and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Bank is a party or any administrative or judicial decision by which the Bank is bound; and

(viii) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Bank, or to the best knowledge of the Bank, threatened against the Bank which in the reasonable judgment of the Bank would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bank Documents or contesting the powers of the Bank or its authority to enter into and perform its obligations thereunder;

(11) a letter from Polsinelli LLP, Los Angeles, California, counsel to the Underwriter ("Underwriter’s Counsel"), dated the Closing Date, addressed to the Underwriter, to the effect that:

(i) the Bonds are not subject to registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(ii) based upon its participation in the preparation of the Official Statement as Underwriter’s Counsel and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, the information with respect to the Bond Insurer, and the Bond Insurance Policy, and the information included in the Appendices thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(12) certified copies of the City Resolution, the Authority Resolution, and an incumbency resolution of the Trustee;

(13) copies each of the Authority Documents, the City Documents, and the Official Statement, duly executed and delivered by the respective parties thereto;

(14) a tax certificate with respect to the Bonds of the Authority and the City, in form satisfactory to Bond Counsel, signed by an appropriate officer of each of the Authority and the City;

(15) evidence satisfactory to the Underwriter that the Bonds shall be insured under a municipal bond insurance policy (the "Bond Insurance Policy") issued
by _______, a ________ insurance company (the "Bond Insurer"), that unconditionally guarantees the timely payments of all debt service on the Bonds;

(16) an opinion of counsel to the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;

(17) a certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;

(18) a no-default certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel;

(19) evidence that the underlying rating on the Bonds of "__" by Standard & Poor’s Ratings Services is in full force and effect on the Closing Date;

(20) evidence that the rating on the Insured Bonds of "__" by Standard & Poor’s Ratings Services as a result of the Bond Insurance Policy provided by the Bond Insurer is in full force and effect on the Closing Date;

(21) copies of the statements with respect to the sale of the Bonds required to be delivered to the California Debt and Investment Advisory Commission pursuant to Sections 8855 and 53583 of the California Government Code;

(22) a copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by the Authority;

(23) evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing; and

(24) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Underwriter’s Counsel, or Bond Counsel may reasonably request to evidence compliance by the City and the Authority with legal requirements, the accuracy, as of the time of Closing, of the Authority and the City’s representations herein contained, and the due performance or satisfaction by the City and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City and the Authority.

If the City or the Authority shall be unable to satisfy the conditions to the Underwriter’s obligations contained in this Purchase Contract or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the City, the Authority, or the Underwriter shall have any further obligation hereunder.

9. The performance by each of the Authority and the City of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder and
(ii) receipt by the Authority, the City, and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than Authority and the City.

10. No expenses and costs of the City or the Authority incident to the performance of the Authority's or the City's obligations in connection with the authorization, issuance, and sale of the Bonds to the Underwriter, such as the costs of preparation (including word processing, printing, and reproduction), distribution and delivery of the Preliminary Official Statement, the Official Statement, and this Purchase Contract, in reasonable quantities, fees of rating agencies, fees and expenses of any financial advisor to the City, and fees and expenses of Bond Counsel or Disclosure Counsel for the City, shall be paid by the Underwriter. Except as indicated above, all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, traveling, and other expenses and the fees and expenses of the Underwriter, including Underwriter's Counsel, shall be paid by the Underwriter.

11. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City of Oxnard, 300 West Third Street, Oxnard, California 93030, Attention: Chief Financial Officer, or to such other person as the Chief Financial Officer may designate in writing. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the City of Oxnard Financing Authority, 300 West Third Street, Oxnard, California 93030, Attention: Controller, or to such other person as the Controller may designate in writing. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to J.P. Morgan Securities LLC, 2029 Century Park East, Suite 4110, Los Angeles, California 90067, Attention: Shawn Dralle. The approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority.

12. For all purposes of this Purchase Contract, a default shall not be deemed to be continuing if it has been cured, waived, or otherwise remedied. This Purchase Contract shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed within the State.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. This Purchase Contract when accepted by the Authority and the City in writing shall constitute the entire agreement among the City, the Authority, and the Underwriter and is made solely for the benefit of the City, the Authority, and the Underwriter (including the successors or assigns of the Underwriter approved by the City and the Authority). No other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties, and agreements of the City and the Authority contained in this Purchase Contract shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of the Underwriter (but, if the Underwriter does discover by its investigation that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they...
were made, not misleading, the Underwriter shall so notify the City and the Authority; (b) the
delivery of and payment for the Bonds; and (c) any termination of this Purchase Contract.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
15. This Purchase Contract shall not be modified or amended without the prior written consent of the Underwriter, the City, and the Authority.

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: Shawn Dralle, Executive Director

The foregoing is hereby agreed to and accepted at ______ [a.m./p.m.] Pacific Standard Time this ___th day of November, 2014:

CITY OF OXNARD FINANCING AUTHORITY

James Cameron
Controller

CITY OF OXNARD

James Cameron
Chief Financial Officer
EXHIBIT A

$[PRINCIPAL AMOUNT]
City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014

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EXHIBIT B

"DEEMED FINAL CERTIFICATE"
FOR
PRELIMINARY OFFICIAL STATEMENT

[POS DATE], 2014

J.P. Morgan Securities LLC
2029 Century Park East
Suite 4110
Los Angeles, California 90067
Attention: Shawn Dralle, Executive Director

Re: City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014

Ladies and Gentlemen:

With respect to the proposed sale by the City of Oxnard Financing Authority (the "Authority") of its City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the "Bonds"), the Authority has delivered to you a Preliminary Official Statement, dated the date hereof (the "Preliminary Official Statement"). The Authority, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Bonds relating to such matters and any other information permitted to be omitted by the Rule.

CITY OF OXNARD FINANCING AUTHORITY

________________________________________
James Cameron, Controller
ESCROW AGREEMENT

CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, 2003 SERIES A

THIS ESCROW AGREEMENT, dated as of November 1, 2014 (this "Escrow Agreement"), by and between the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as Escrow Agent (the "Escrow Agent") hereunder with respect to the $18,640,000 in original principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, 2003 Series A (the "Prior Bonds"), is entered into in accordance with Resolution No. ___ of the Governing Board of the Authority (the "Board") adopted on October 21, 2014 (the "Resolution"), and the Trust Agreement dated as of November 1, 2014 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, pursuant to the Trust Agreement dated as of May 1, 2003 (the "Prior Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Prior Trustee"), the Authority issued the Prior Bonds; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Refunding Law") and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act"), the Authority is authorized to issue refunding bonds to refund the Prior Bonds; and

WHEREAS, pursuant to the Refunding Law and the Act, the proceeds of said refunding bonds, pending their application to the retirement at maturity or prior redemption of the Prior Bonds, may be placed in escrow and invested or reinvested in any obligations or securities, and any interest or other increment earned or realized on any such investment may be applied to the payment of the Prior Bonds; and

Pursuant to Section 15 of the Master Lease and Option to Purchase, dated as of May 1, 2003 (the "Prior Lease"), by and between the City, as lessee, and the Authority, as lessor, the City has given notice to the Prior Trustee and Ambac Assurance Corporation (the "Prior Bond Insurer") that the City intends to exercise its right and option to purchase all of the Authority’s right, title, and interest in the Property (as defined in the Prior Lease), by paying the Redemption Price (as defined below) to the Trustee on or before November 24, 2014 (the "Redemption Date") and that the City intends to exercise its option to purchase the Property on the Redemption Date; and

WHEREAS, the Authority has previously given the Prior Trustee irrevocable instructions to mail to the owners of the Prior Bonds, the Prior Bond Insurer, the Securities Depositories (as hereinafter defined), and the Information Services (as hereinafter defined) not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date in accordance with Section 4.03 of the Prior Trust Agreement, a conditional notice of the of redemption of the Prior Bonds,
which conditional notice was in substantially the form set forth in Exhibit A attached hereto; and

WHEREAS, the Authority has determined it is beneficial to itself and the City to refund, on a current refunding basis, all of the Prior Bonds currently outstanding in the principal amount of $3,500,000; and

WHEREAS, the Authority has determined that $_______ in aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”), shall be issued pursuant to the Resolution and the Trust Agreement, for, among other purposes, the purpose of providing all or a portion of the funds to pay, on the Redemption Date, the accrued interest on the Prior Bonds maturing on and after June 1, 2015, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2015; and

WHEREAS, the Trust Agreement provides that a portion of the proceeds from the sale of the Bonds, excluding accrued interest, if any, received by the Authority, shall be placed in an escrow hereunder, in part for the purpose of providing funds necessary to refund and redeem the Prior Bonds, all as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Authority and the Escrow Agent agree as follows:

Receipt of Documents. The Escrow Agent hereby acknowledges the receipt of copies of the Resolution, the Prior Trust Agreement, and the Trust Agreement. Any reference herein to, or citation herein of, any provision of said documents shall be deemed an incorporation of such provision as a part hereof in the same manner and with the same effect as if it were fully set forth herein.

Deposit of Moneys. The Authority hereby directs that the Trustee deposit with the Escrow Agent $_______00 by federal funds wire (which deposit may also be made via federal funds wire of said amount directly from J.P. Morgan Securities LLC, as the underwriter of the Bonds), representing a portion of the net proceeds of the sale of the Bonds, to be held in an irrevocable escrow by the Escrow Agent separate and apart from other funds of the Authority, the Trustee, and the Escrow Agent, in a fund hereby created and established to be known as the “Escrow Fund” to be applied solely as provided in this Escrow Agreement. The Escrow Agent, in its capacity as Prior Trustee under the Prior Trust Agreement, shall transfer or caused to be transferred to the Escrow Agent for deposit into the Escrow Fund the following amounts: $68,285.00 from the Debt Service Fund established with respect to the Prior Bonds under the Prior Trust Agreement. All moneys in the Escrow Fund will be held uninvested as cash. The moneys set forth above shall be at least an amount sufficient (i) to refund and redeem the Prior Bonds and discharge the Prior Bonds and the Prior Trust Agreement in accordance with its terms and (ii) to pay on the Redemption Date the accrued interest on the Prior Bonds maturing on and after June 1, 2015, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2015.

No Investment of Moneys. The Escrow Agent acknowledges receipt of the
moneys described in Section 2 hereof and agrees that all amounts held in the Escrow Fund shall be held as cash.

[RESERVED]
[RESERVED]

Irrevocable Deposit; Express Trust. The escrow created hereby shall upon the issuance of the Bonds be irrevocable, and all moneys held in the Escrow Fund shall be subject to the express trust created by this Escrow Agreement until paid out, used, and applied in accordance with this Escrow Agreement.

The deposits made pursuant to Section 2 hereof shall, upon the issuance of the Bonds, constitute an irrevocable deposit for the benefit of the Prior Bonds, and the moneys shall be held in trust, and shall be applied solely by the Escrow Agent in accordance with the provisions of this Escrow Agreement. None of the moneys deposited with the Escrow Agent under this Escrow Agreement shall, except as provided in Sections 7 and 8 hereof, be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on the Prior Bonds.

Payment of Prior Bonds.

(a) Payment. From the moneys on deposit in the Escrow Fund, the Escrow Agent shall apply the amounts on deposit in the Escrow Fund to pay on the Redemption Date the accrued interest on the Prior Bonds maturing on and after June 1, 2015, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2015. THE AUTHORITY IRREVOCABLY WAIVES ITS RIGHTS TO REDEEM THE PRIOR BONDS ON ANY OTHER DATE. Any moneys remaining in the Escrow Fund after payment in full of the principal of, unpaid interest on, and premium, if any, on the Prior Bonds shall be repaid by the Escrow Agent to the Authority.

(b) Notice. The Authority has previously instructed the Escrow Agent to mail to the owners of the Prior Bonds, the Prior Bond Insurer, the Securities Depositories, and the Information Services in accordance with Section 4.03 of the Prior Trust Agreement, a conditional notice that the Prior Bonds will be redeemed in full on the Redemption Date. The form of the conditional notice mailed is attached hereto as Exhibit A.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 22nd Floor, New York, New York 10041-0099, Attn. Call Notification Department, Facsimile transmission: (212) 855-7232, or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may indicate in a certificate of the Authority delivered to the Escrow Agent.

"Information Services" means Financial Information, Inc.'s "Financial Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' " Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bonds Department; and
Standard & Poor’s “Called Bond Record,” 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or no such services, as the Authority may indicate in a certificate of the Authority delivered to the Escrow Agent.

(c) **Unclaimed Moneys.** To the extent permitted by law, any moneys which remain unclaimed for (i) two years after the principal of all of the Prior Bonds has become due and payable, if such moneys were so held at such date, or (ii) two years after the date of deposit of such moneys if such moneys were deposited after said date when all of the Prior Bonds become due and payable, shall be repaid by the Escrow Agent to the Authority; provided, however, that before being required to make any such payment to the Authority, the Escrow Agent shall at the expense of the Authority cause to be mailed to the owners of such Prior Bonds a notice that said money remains unclaimed and that, after a date named in such notice, the balance of such money then unclaimed will be returned to the Authority.

(d) **Priority of Payments.** The owners of the Prior Bonds shall have a first and exclusive lien on all moneys in the Escrow Fund until such moneys are used and applied as provided in this Escrow Agreement.

(e) **Termination of Obligation.** As provided in the Prior Trust Agreement, upon deposit with the Escrow Agent in the Escrow Fund of moneys in the amounts set forth in Section 2 hereof, all liability of the Authority with respect to such Prior Bonds shall cease, terminate, and be completely discharged, and the owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Escrow Agent as aforesaid for their payment, subject however, to Section 7(c) hereof.

**Application of Certain Terms of the Prior Trust Agreement.** All of the terms of the Prior Trust Agreement relating to the transfer and exchange and the making of payments of principal and interest on the Prior Bonds are incorporated in this Escrow Agreement as if set forth in full herein.

**Performance of Duties.** The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

**Escrow Agent’s Authority to Make Investments.** Except as provided in Sections 2 and 3 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer, or otherwise dispose of the moneys held hereunder.

**Indemnity.** To the extent permitted by law, the Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save, and keep harmless the Escrow Agent and its respective successors, assigns, agents, and employees, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses, and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also
indemnified against the same by the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery, and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer, or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective successors, assigns, agents, or employees. In no event shall the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

Responsibility of Escrow Agent. The Escrow Agent shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of such moneys to pay the Prior Bonds, or any payment, transfer, or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the “Whereas” clauses herein shall be taken as the statements of the Authority and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of amounts deposited in the Escrow Fund to accomplish the refunding of the Prior Bonds or to the validity of this Escrow Agreement as to the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Authority, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered, or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Authority.

Amendments. This Escrow Agreement is made for the benefit of the Authority and the owners from time to time of the Prior Bonds, and it shall not be repealed, revoked, altered, or amended without the written consent of all such owners, the Escrow Agent, and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such owners or the exclusion from gross income of interest payable on the Prior Bonds for purposes of federal income taxation, and as shall not be inconsistent with the terms and provisions of this Escrow Agreement or the Prior Trust Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the Prior Bonds, any additional rights, remedies, powers, or authority that may lawfully be granted to, or conferred upon, such
owners or the Escrow Agent; and (iii) to include under this Escrow Agreement additional funds, securities, or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition, or elimination affects the rights of the owners of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Insufficient Funds. If at any time the moneys in the Escrow Fund will not be sufficient to make all payments required by this Escrow Agreement, the Escrow Agent shall notify the Authority in writing, immediately upon its actual knowledge of such deficiency, of the amount thereof and if actually known to it the reason therefor. The Escrow Agent shall have no further responsibility regarding any such deficiency.

Notices. In the event that this agreement or any provision thereof is severed, amended, or revoked, the Authority shall provide written notice of such severance, amendment, or revocation to Standard & Poor’s Ratings Service, 55 Water Street, 38th Floor, New York, NY 10041 Attention: Public Finance Surveillance Group. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made to Wells Fargo Bank, National Association, 707 Wilshire Boulevard, 17th Floor, Los Angeles, California 90017, Attention: Corporate Trust Department. Any notice to the Prior Bond Insurer shall be sent to Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, Attention: Surveillance Department. Any notice to or demand upon the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Authority at City of Oxnard Financing Authority, 300 West Third Street, Oxnard, California 93030, Attention: Authority Controller.

Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Prior Bonds have been paid in accordance with this Escrow Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 7(c) hereof.

Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the Authority and any other reasonable fees and expenses approved by the Authority; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement.

Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement to be performed on the part of the Authority or the Escrow Agent should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Counterparts. This Escrow Agreement may be executed in several counterparts,
all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

**Governing Law.** This Escrow Agreement shall be construed under the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF OXNARD FINANCING AUTHORITY

By: [Signature]

James Cameron
Authority Controller

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

By: [Signature]

Authorized Officer
SCHEDULE A

On the date of issuance of the Bonds, Wells Fargo Bank, National Association, as Escrow Agent, shall receive and deposit the moneys referred to in Section 2 of the Escrow Agreement as follows:

**SOURCES OF FUNDS TO BE RECEIVED FOR DEPOSIT IN THE ESCROW FUND**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond proceeds</td>
<td>$________.00</td>
</tr>
<tr>
<td>Debt Service Fund of Prior Trust Agreement</td>
<td>$ 68,285.00</td>
</tr>
<tr>
<td><strong>TOTAL SOURCES</strong></td>
<td>$________</td>
</tr>
</tbody>
</table>

**USES OF FUNDS DEPOSITED IN ESCROW FUND**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash to be held in Escrow Fund</td>
<td>$________</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td>$________</td>
</tr>
</tbody>
</table>
Exhibit A

CONDITIONAL NOTICE OF FULL REDEMPTION

TO THE HOLDERS OF
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, 2003 SERIES A
CONDITIONAL NOTICE OF FULL REDEMPTION
TO THE HOLDERS OF
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, 2003 SERIES A

CONDITIONAL NOTICE is hereby given on behalf of the City of Oxnard Financing Authority (the “Authority”) that, pursuant to Section 4.01(a) of the Trust Agreement dated as of May 1, 2003 (the “Trust Agreement”), by and among the Authority, the City of Oxnard, and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the above-referenced bonds (the “Bonds”) in the aggregate principal amount of $3,500,000 as listed below are being called for redemption on November 24, 2014 (the “Redemption Date”), at the redemption price of 100% (expressed as a percentage of the principal amount of Bonds called for redemption) (the “Redemption Price”) plus accrued interest to the Redemption Date. On and after the Redemption Date, interest shall cease to accrue on the Bonds.

<table>
<thead>
<tr>
<th>Maturity Date (June 1)</th>
<th>Interest Rate</th>
<th>Redemption Price</th>
<th>Principal Amount Called</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.8000%</td>
<td>100%</td>
<td>$1,715,000</td>
<td>691875 AM8</td>
</tr>
<tr>
<td>2016</td>
<td>4.0000%</td>
<td>100%</td>
<td>$1,785,000</td>
<td>691875 AN8</td>
</tr>
</tbody>
</table>

This Conditional Notice will be withdrawn if the Authority fails to issue its City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014, on or before the Redemption Date. If this Conditional Notice is withdrawn by the Authority, this Conditional Notice shall be of no force or effect, and none of the Bonds shall be redeemed on the Redemption Date.

Payment of the Redemption Price on the Bonds called for redemption will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner.

By Registered or Certified Mail: Wells Fargo Bank Minnesota, N.A. Wells Fargo Bank Minnesota, N.A. Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Operations Northstar East Building Attn: Investor & Payment Services
P.O. Box 1517 608 Second Avenue South MAC Code: N9303-121
Minneapolis, MN 55480-1517 12th Floor-Corporate Trust Services Sixth and Marquette
Minneapolis, MN 55479

Our customer service number is 1-800-344-5128.

Registered or certified mail is suggested when submitting Bonds for payment.

When inquiring about this redemption, please have the Bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected Bonds.

Withholding of 30% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001, unless the Trustee has the correct taxpayer identification number (social
security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

The CUSIP numbers have been assigned by Standard & Poor's Corporation and are included solely for the convenience of the Bondholders. Neither the Authority nor the Trustee shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated in any redemption notice.

Dated: October __, 2014

Wells Fargo Bank, National Association
as Trustee
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE PROJECT AND REFUNDING BONDS
SERIES 2014

Dated: June 1, 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 Lease Revenue Project and Refunding Bonds, Series 2014 (the "Bonds"), are being issued in the aggregate principal amount of $ by the City of Oxnard Financing Authority (the "Authority") pursuant to the Marks-Roo Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the provisions of a Trust Agreement, dated as of November 1, 2014 (the "Trust Agreement"), by and among the Authority, the City of Oxnard, California (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Proceeds from the sale of the Bonds will be used to (i) refund the 2003 Bonds (as defined herein), (ii) finance the acquisition, construction, and improvement of certain public facilities constituting the Project (as defined herein), and (iii) pay the costs incurred in connection with the issuance, sale, and delivery of the Bonds. See "THE FINANCING PLAN," "THE PROJECT" and "APPENDIX A -- Summary of Certain Provisions of the Principal Legal Documents."

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 for Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchasers 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 interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent disbursement to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2015, 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 principal corporate office of the Trustee upon maturity or the earlier redemption thereof.

The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, mandatory redemption from excess moneys in the Project Fund, and mandatory sinking fund account redemption, as described herein. See "THE BONDS -- Redemption of Bond."

The Bonds are payable from Base Rental payments to be made by the City to the Authority pursuant to a Master Lease and Option to Purchase, dated as of November 1, 2014 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee, and from amounts held in certain funds and accounts established under the Trust Agreement. Pursuant to the Trust Agreement, the Authority's right to receive Base Rental payments will be assigned to the Trustee for the benefit of the registered owners of the Bonds. Pursuant to the Lease, the City will lease from the Authority the Components of the Project, as described herein, and the City will pay the Base Rental Payments in accordance with the terms of the Lease. The City will covenant in the Lease that, as long as the Property is available for the City's use, it will make all Base Rental payments and other payments provided for in the Lease, it will include all such payments in its annual budget, and it will make the necessary annual appropriations for such payments. The City's obligation to make Base Rental payments is subject to abatement in the event of damage to, destruction or condemnation of, or a title defect with respect to, any Component of the Property.


[Maturity Schedule set forth 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 Authority and the City by the Interim City Attorney and by Disclosure Counsel, Goodwin Procter LLP, Los Angeles, California, and for the Underwriter by Polsinelli LLP, Los Angeles, California. 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 November 20, 2014.

J. P. Morgan

Dated: __________, 2014.

* Preliminary; subject to change.
# MATURITY SCHEDULE

<table>
<thead>
<tr>
<th>Maturity Date (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price/Yield CUSIP(1) No.</th>
<th>Maturity Date (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price/Yield CUSIP(1) No.</th>
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<tbody>
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</tr>
</tbody>
</table>

$_______ ___% Term Bond due June 1, 20____ Price: _____ CUSIP(1) No. ________

$_______ ___% Term Bond due June 1, 2029 Price: _____ CUSIP(1) No. ________

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CITY OF OXNARD, CALIFORNIA

MAYOR AND CITY COUNCIL

Tim Flynn, Mayor
Carmen Ramirez, Mayor Pro Tem
Bryan A. MacDonald, Councilman
Dorina Padilla, Councilmember
Bert E. Perello, Councilmember

GOVERNING BOARD OF THE AUTHORITY

Tim Flynn, Chairman
Carmen Ramirez, Vice Chair
Bryan A. MacDonald, Board Member
Dorina Padilla, Board Member
Bert E. Perello, Board Member

CITY OFFICIALS

Greg Nyhoff, City Manager
Daniel Martinez, City Clerk
Danielle Navas, City Treasurer
James Cameron, Chief Financial Officer
Michael J. More, Financial Services Manager
Stephen Fischer, Interim City Attorney

PROFESSIONAL SERVICES

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

Trustee
Wells Fargo Bank, National Association
Los Angeles, California

Financial Advisor
First Southwest Company
Santa Monica, California
No dealer, broker, salesperson, or other person has been authorized by the City, the Authority, or J.P. Morgan Securities LLC (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the 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 (which includes the cover page, inside cover page, and the appendices) has been obtained from the Authority, the City, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Authority or the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

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

This Official Statement is submitted in connection with the sale of the 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. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS, AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.
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OFFICIAL STATEMENT

CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE PROJECT AND REFUNDING BONDS
SERIES 2014

INTRODUCTION

General

This Official Statement, which includes the cover page, inside cover page, Table of Contents, and Appendices (the "Official Statement"), provides certain information concerning the issuance of the City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014, in the aggregate principal amount of $__________ (the "Bonds"). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

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

Authorization

The Bonds are being issued by the City of Oxnard Financing Authority (the “Authority”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”), and the provisions of a Trust Agreement, dated as of November 1, 2014 (the “Trust Agreement”), by and among the Authority, the City of Oxnard (the “City”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

Purpose of Issuance

Proceeds from the sale of the Bonds will be used to (i) refund the 2003 Bonds (as defined herein), (ii) finance the acquisition, construction, and improvement of certain public facilities constituting the Project (as defined herein), and (iii) pay the costs incurred in connection with the issuance, sale, and delivery of the Bonds. See “THE FINANCING PLAN,” “SECURITY FOR THE BONDS,” “THE PROJECT,” and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents.”

Registration, Date, and Maturity of Bonds

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Bonds. The Bonds will be dated the date of

* Preliminary; subject to change.
their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof.

**Payment of the Bonds**

Interest on the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2015, and will be paid by check, mailed by first class mail to the registered owners thereof (each, an “Owner”) as of the applicable Record Date; provided, however, that any Owner of $1,000,000 or more aggregate principal amount of Bonds may request in writing payment of such interest by wire transfer in immediately available funds to a designated account. Principal and any redemption premium with respect to each Bond will be paid upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. See “THE BONDS – Authorization and Payment of Bonds.”

**Redemption of Bonds**

The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, mandatory redemption from excess moneys in the Project Fund, and mandatory sinking account redemption, as described herein. See “THE BONDS – Redemption of Bonds.”

**Security and Source of Payment for the Bonds**

The Bonds are payable from base rental (“Base Rental”) payments to be made by the City pursuant to a Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, and from amounts held in certain funds and accounts established under the Trust Agreement.

Pursuant to the Lease, the City will lease from the Authority the Components of the Property, as such terms are defined in the Lease and described herein under “THE PROPERTY.” Pursuant to the Trust Agreement, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, certain of its rights, title, and interest in and to the Lease and the Property Lease, dated as of November 1, 2014 (the “Property Lease”), by and between the City and the Authority, including, without limitation, the right to receive Base Rental payments and the right to enforce payment of Base Rental payments when due, but excluding certain rights to payment of expenses, to indemnification, and to receive notices under the Lease.

Pursuant to the Lease, the City will be required, subject to its abatement rights, to pay Base Rental and, as Additional Rental, any taxes, assessments, and insurance premiums with respect to the Property and the fees, costs, and expenses incurred by the Authority and the Trustee in connection with the Lease, the Trust Agreement, or the Property. See “SECURITY FOR THE BONDS – Base Rental.” Base Rental payments are payable five business days prior to each June 1 and December 1, commencing five business days prior to June 1, 2015. Each Base Rental payment shall apply to the immediately preceding six month period. Upon the issuance of the Bonds, the City will certify as to the fair rental value of the Components of the Project as of the date of such issuance.

Base Rental payments are subject to abatement during any period in which, by reason of a material title defect or material damage, destruction, or condemnation, there is substantial interference with the City’s right to use and occupancy of the Property or any portion thereof.

Under the Lease, the City is required to maintain rental interruption insurance covering a period of 24 months, in an amount equal to two times the maximum annual Base Rental payments coming due and payable. In addition, the Property will be insured, through insurers meeting certain requirements set
forth in the Lease, against loss or damage. Any net insurance proceeds and condemnation awards will be applied to repair or replace the Property or to redeem all or a portion of the Bonds. See “THE BONDS – Redemption of Bonds – Extraordinary Redemption From Insurance or Condemnation Proceeds” and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease.”

The City has covenanted in the Lease to take such action as may be necessary to include and maintain all Base Rental payments and Additional Rental payments due under the Lease in its annual budget, and to make the necessary annual appropriations for all such payments, as long as a portion of the Property with fair rental value sufficient to support such Base Rental payments and Additional Rental payments is available for the City’s use. See “SECURITY FOR THE BONDS – Base Rental,” “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIIB of the California Constitution,” and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents.”

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Bond Insurance

The Authority has applied for a policy of municipal bond insurance with respect to the Bonds. If bond insurance is purchased, payment of the principal of and interest on any insured Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the issuance of the Bonds.

Continuing Disclosure

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

Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County of Ventura (the “County”), 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. The obligation of the City to make Base Rental payments under the Lease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

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.

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.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Bonds, the Trust Agreement and the Lease are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Bonds, the Trust Agreement, the Lease, the Constitution and laws of the State, or any proceedings of the City or the Authority are qualified in their entirety by references to such documents, laws, and proceedings, and, with respect to the Bonds, by reference to the Trust Agreement and the Lease. Copies of the Trust Agreement, the Lease, and other documents and information are available for inspection and (upon request and payment to the Authority of a charge for copying, mailing, and handling) for delivery from the Authority at City of Oxnard Financing Authority, 300 West Third Street, Oxnard, California 93030, telephone (805) 385-7475.

THE BONDS

Authorization and Payment of Bonds

The Bonds are being issued pursuant to the Act, the Law, and the provisions of the Trust Agreement. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be paid semiannually on each June 1 and December 1, commencing June 1, 2015 (each, an “Interest Payment Date”), to Owners recorded in the registration books kept by the Trustee as of the fifteenth day of the month preceding the applicable Interest Payment Date (the “Record Date”). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Bonds will be issued as fully registered bonds in the denomination of $5,000 each or any integral multiple thereof. Principal of and redemption premium, if any, on each Bond will be payable upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. Interest will be payable by check, mailed to the Owners of the Bonds as of the applicable Record Date at their addresses as they appear on the Bond.
register maintained by the Trustee; provided, however, that interest payable to an Owner of $1,000,000 or more aggregate principal amount of Bonds will be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Bonds are in a book-entry only system. See “APPENDIX F – Book-Entry Only System.”

Redemption of Bonds

Optional Redemption. Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their stated maturities. Bonds maturing on after June 1, 20__, are subject to optional redemption prior to maturity on or after June 1, 20__, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City's option to purchase the Authority's right, title, and interest in the Property or a Component thereof in accordance with the Lease and from any other funds available therefor.

Extraordinary Redemption From Insurance or Condemnation Proceeds. The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund pursuant to the Trust Agreement. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Mandatory Redemption From Excess Moneys in Project Fund. The Bonds are subject to mandatory redemption prior to maturity in whole or in part on any date, in integral multiples of $5,000, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, from moneys transferred from the Project Fund to the Debt Service Fund pursuant to the Trust Agreement. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Mandatory Sinking Account Redemption. The Bonds maturing on June 1, 20__, are subject to redemption prior to their stated maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 20__, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>Mandatory Redemption Date</th>
<th>Sinking Account Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(June 1)</td>
<td></td>
</tr>
<tr>
<td>20__</td>
<td>$</td>
</tr>
<tr>
<td>20__ (maturity)</td>
<td></td>
</tr>
</tbody>
</table>

The Bonds maturing on June 1, 2029, are subject to redemption prior to their stated maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 2029, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:
**Mandatory Redemption Date**  
(June 1)  
2020  
2029 (maturity)

The amount of each mandatory sinking account redemption required as described above shall be reduced proportionately in the event and to the extent of any and all redemptions of Bonds pursuant to the Trust Agreement other than such mandatory sinking account redemptions.

**Selection of Bonds for Redemption**

Whenever provision is made in the Trust Agreement for the redemption of Bonds and less than all of the outstanding Bonds are to be called for redemption, the Trustee will select Bonds for redemption *pro rata* among maturities, as specified by the Authority, such that substantially equal debt service results for the remaining years of the term of the Lease and such that Base Rental to become due in each remaining year of the term of the Lease will be as nearly equal as possible to Base Rental to come due in every other such year. As to any Bond, such redemption will be in the amount of $5,000 or any integral multiple thereof.

**Notice of Redemption**

When redemption is authorized or required pursuant to the Trust Agreement, the Trustee shall give notice (the “Redemption Notice”), at the expense of the City, of the redemption of the Bonds; provided, however, that neither failure of any Owner to receive a Redemption Notice nor any defect in a Redemption Notice shall affect the sufficiency of the proceedings for the redemption of Bonds. Notice of the optional, extraordinary, or mandatory redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed. The Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) if less than all Outstanding Bonds are to be redeemed, the numbers of the Bonds of the maturities to be redeemed in whole or in part and, in any case, the principal amount of Bonds of each maturity to be redeemed in whole or in part, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued thereon to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

**THE FINANCING PLAN**

**Refunding of the 2003 Bonds**

A portion of the proceeds from the sale of the Bonds will be used to refund the outstanding City of Oxnard Financing Authority Lease Revenue Refunding Bonds, 2003 Series A, which were issued by the Authority on May 22, 2003, in the aggregate principal amount of $18,640,000 (the “2003 Bonds”), of which $3,500,000 in principal amount is currently outstanding. The 2003 Bonds were issued by the Authority to refund the outstanding City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 1993, which were previously issued by the Authority to refinance the acquisition, construction, and/or installation of certain public facilities within the City.
The 2003 Bonds will be refunded and defeased in accordance with the terms of that certain Trust Agreement, dated as of May 1, 2003 (the “2003 Trust Agreement”), by and among the Authority, the City, and the Trustee, as trustee for the 2003 Bonds (the “2003 Trustee”). The 2003 Bonds to be refunded and defeased are listed below:

<table>
<thead>
<tr>
<th>Maturity Date (June 1)</th>
<th>Interest Rate</th>
<th>Redemption Price</th>
<th>Principal Amount Called</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.800%</td>
<td>100%</td>
<td>$1,715,000</td>
<td>691875 AM0</td>
</tr>
<tr>
<td>2016</td>
<td>4.000%</td>
<td>100</td>
<td>$1,785,000</td>
<td>691875 AN8</td>
</tr>
</tbody>
</table>

On the date of delivery of the Bonds, a portion of the proceeds from the sale of the Bonds (the “2003 Bond Refunding Proceeds”), together with certain moneys currently on deposit in the funds and accounts established under the 2003 Trust Agreement and currently being held by the 2003 Trustee (together with the 2003 Bond Refunding Proceeds, the “Escrow Proceeds”), will be delivered to the Trustee, acting as escrow agent (the “Escrow Agent”) under that certain Escrow Agreement, dated as of November 1, 2014 (the “Escrow Agreement”), by and between the Authority and the Escrow Agent. The Escrow Agent will hold the Escrow Proceeds in an irrevocable escrow fund (the “Escrow Fund”) for the benefit of the owners of the 2003 Bonds, to be applied solely as provided in the Escrow Agreement to redeem all of the outstanding 2003 Bonds on November 24, 2014.

The Project

A portion of the proceeds from the sale of the Bonds will be used to finance the acquisition, construction, and improvement of certain public facilities constituting the Project (as defined herein), as more particularly described in this Official Statement. See “THE PROJECT.”

ESTIMATED SOURCES AND USES OF FUNDS

The following table details the estimated sources and uses of Bond proceeds and available moneys on deposit in the funds and accounts established for the 2003 Bonds.

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Sources and Uses of Funds</td>
</tr>
</tbody>
</table>

**Estimated Sources:**
- Principal Amount
- Transferred by the 2003 Trustee from the 2003 Debt Service Fund
- [Less/Plus]: Net Original Issue [Discount/Premium]
- Less: Underwriter’s Discount
- Total Sources

**Estimated Uses:**
- Transferred to Escrow Agent for deposit into Escrow Fund (1)
- Deposit into Project Fund
- Deposit into the Costs of Issuance Fund (2)
- Total Uses

---
(1) Comprised of the amounts transferred by the 2003 Trustee from the 2003 Debt Service Fund established under the 2003 Trust Agreement, plus $ from the proceeds of the Bonds.

(2) Such moneys are expected to be used to pay the fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, and the Trustee, as well as printing costs and other miscellaneous costs related to the Bonds.
DEBT SERVICE SCHEDULE

The table below presents the annual debt service on the Bonds (including sinking account redemptions), assuming that there are no optional, mandatory, or extraordinary redemptions:

<table>
<thead>
<tr>
<th>Year Ending June 1</th>
<th>Principal of Bonds</th>
<th>Interest on Bonds</th>
<th>Total Debt Service on Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
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</tr>
<tr>
<td>2019</td>
<td></td>
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<tr>
<td>2020</td>
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<td>2021</td>
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<td>2022</td>
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<td>2023</td>
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<td>2024</td>
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<td>2026</td>
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<td>2027</td>
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<tr>
<td>2028</td>
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<tr>
<td>2029</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECURITY FOR THE BONDS

Base Rental

The Bonds are payable from Base Rental payments to be made by the City to the Authority pursuant to the Lease and from amounts held in certain funds and accounts established under the Trust Agreement. Pursuant to the Trust Agreement, certain of the rights, title, and interest of the Authority under the Lease and under the Property Lease will be assigned to the Trustee for the benefit of the Owners, including, without limitation, the right to receive Base Rental payments under the Lease, but excluding certain rights to payment of the Authority’s expenses, its right to indemnification and its right to receive certain notices under the Lease and the Property Lease. Pursuant to the Trust Agreement, the Trustee will receive Base Rental payments for the benefit of the Owners. The City is required under the Lease, subject to its abatement rights discussed below, to make semiannual Base Rental payments from legally available funds, which payments are to be calculated to be sufficient to pay the principal of and interest on the Bonds as and when due.

Additional Rental payments due from the City under the Lease include amounts sufficient to pay certain taxes and assessments charged with respect to the Property, insurance premiums, any rebate amounts required to be paid to the United States Treasury, all fees, costs, and expenses of the Trustee, and certain other administrative expenses due under the Trust Agreement and the Lease. The City is also responsible for the repair and maintenance of the Property required as a result of ordinary wear and tear and want of care on the part of the City during the term of the Lease.

Base Rental payments will be abated in the event of material damage to, material destruction or condemnation of, or a material title defect with respect to, the Property if and to the extent that the fair rental value of the remaining portion of the Property is less than the remaining Base Rental payments.
Upon the issuance of the Bonds, the City will certify as to the fair rental value of each Component of the Property.

The City has covenanted in the Lease to take such action as may be necessary to include and maintain all Base Rental and Additional Rental in its annual budget and to make the necessary annual appropriations therefor, as long as a portion of the Property with a fair rental value sufficient to support rental payments under the Lease is available for the City’s use.

Should the City default under the Lease, the Lease and the Trust Agreement provide that the Trustee may, with or without terminating the Lease, re-let the Property for the account of the City. In the event the Trustee re-lets the Property without terminating the Lease, the Trustee may hold the City liable for semiannual payments of any cumulative net deficiency in Base Rental payments or Additional Rental under the Lease. In lieu of the foregoing, so long as the Trustee does not terminate the Lease or the City’s right to possession of the Property, the Trustee may sue to recover Base Rental payments as they become due. The Trustee may not accelerate the City’s obligation to make Base Rental payments.

For a discussion of the terms of the Base Rental payments and Additional Rental payments, and the risks associated therewith, see “RISK FACTORS,” “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS,” and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease.”

Insurance

Pursuant to the Lease, the City is required to secure and maintain (or cause to be secured and maintained) at all times with insurers of recognized responsibility or through a program of self-insurance (which may include risk sharing pools), insurance coverage on the Property as specified in the Lease, including (1) "all risk" insurance against loss or damage to the Property (excluding damage caused by earthquake and flood), (2) general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Property, with a combined single limit of not less than $2,000,000 per occurrence (or such greater amount as may from time to time be recommended by the City’s risk management officer or an independent insurance consultant retained by the City for that purpose); provided, however, that the City’s obligations under this clause (2) may be satisfied by self-insurance, (3) workers’ compensation insurance to cover all persons employed by the City in connection with the Property and to cover liability for compensation under the California Labor Code or any act supplemental thereto or in lieu thereof; provided, however, that the City’s obligations under this clause (3) may be satisfied by self-insurance, (4) rental interruption insurance to cover loss, total or partial, of the use of any Component of the Property as a result of any of the hazards covered by the “all risk” insurance described above, covering a period of 24 months, in an amount equal to two times the maximum annual Base Rental payments coming due and payable, and (5) a CLTA policy or policies of title insurance for the Property in an amount not less than the initial aggregate principal amount of the Bonds. Pursuant to the Lease, all policies or certificates issued by the respective insurers for insurance, with the exception of workers’ compensation insurance, are required to provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days prior written notice to the Trustee. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease – Insurance.”

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.
Investment of Moneys

Amounts on deposit in any fund or account held pursuant to the Trust Agreement will be invested in Permitted Investments, subject to the conditions provided for in the Trust Agreement. All investment earnings on moneys on deposit in the Rebate Fund shall be retained therein and all investment earnings on moneys on deposit in any fund or account held under the Trust Agreement will be transferred to the Debt Service Fund, subject to the obligation of the City and/or the Authority to rebate certain amounts to the United States government as required under the Internal Revenue Code of 1986, as amended. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

CITY FINANCIAL INFORMATION

The following tables provide the City’s balance sheet for its general fund for fiscal years 2008-09 through 2013-14 and a statement of revenues, expenditures, and changes in fund balances for the City’s general fund for fiscal years 2008-09 through 2014-15, including budgetary information. Balance sheet budgetary information for the City’s fiscal year 2014-15 is not available. See also “APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.”

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## Table 3
City of Oxnard General Fund Balance Sheet
For Fiscal Year 2008-09 through Fiscal Year 2013-14

<table>
<thead>
<tr>
<th></th>
<th>FY 2008-09</th>
<th>FY 2009-10</th>
<th>FY 2010-11</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
<th>FY 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$18,376,293</td>
<td>$22,387,807</td>
<td>$22,005,593</td>
<td>$13,612,197</td>
<td>$15,092,682</td>
<td>$23,402,945</td>
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<tr>
<td>Accounts and other receivables</td>
<td>2,896,463</td>
<td>2,994,596</td>
<td>2,119,208</td>
<td>2,031,640</td>
<td>2,265,165</td>
<td>2,006,459</td>
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<tr>
<td>Due from other funds</td>
<td>6,397,244</td>
<td>7,871,572</td>
<td>10,319,096</td>
<td>12,726,983</td>
<td>10,141,052</td>
<td>15,664,765</td>
</tr>
<tr>
<td>Due from Successor Agency</td>
<td>-</td>
<td>-</td>
<td>2,572,528</td>
<td>7,624,876</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>5,467,545</td>
<td>5,343,610</td>
<td>6,958,448</td>
<td>10,346,226</td>
<td>8,332,752</td>
<td>7,958,839</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>-</td>
<td>10,700</td>
<td>424,642</td>
<td>112,697</td>
<td>-</td>
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<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$33,137,545</td>
<td>$38,597,585</td>
<td>$41,413,045</td>
<td>$41,714,216</td>
<td>$43,569,224</td>
<td>$49,033,008</td>
</tr>
<tr>
<td><strong>LIABILITIES AND FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,874,869</td>
<td>$2,675,563</td>
<td>$3,051,309</td>
<td>$2,477,543</td>
<td>$4,152,943</td>
<td>$3,624,576</td>
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<tr>
<td>Other liabilities</td>
<td>6,756,088</td>
<td>5,593,442</td>
<td>4,538,250</td>
<td>5,186,167</td>
<td>3,813,978</td>
<td>5,358,640</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred/unearned revenues</td>
<td>702,851</td>
<td>601,786</td>
<td>682,651</td>
<td>290,455</td>
<td>3,387,258</td>
<td>3,176,267</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>9,342,808</td>
<td>8,870,791</td>
<td>8,292,210</td>
<td>7,954,165</td>
<td>11,354,179</td>
<td>12,159,483</td>
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<tr>
<td>Fund balances</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Encumbrances</td>
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<td>Advances</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Restricted revenue</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Carryover savings</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unreserved</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Undesignated and available for future operations</td>
<td>18,246,066</td>
<td>18,457,607</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,519,188</td>
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<tr>
<td>Designated (Community Development)</td>
<td>5,548,671</td>
<td>11,269,187</td>
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<td>-</td>
<td>-</td>
<td>254,161</td>
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<td>Operating Reserves and economic contingencies</td>
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<td>-</td>
<td>-</td>
<td>18,091,591</td>
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<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Prepayments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>112,697</td>
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<td>Long-term receivable</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>4,601,506</td>
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<tr>
<td>Restricted</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,482,872</td>
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<tr>
<td>Assigned</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Measure &quot;O&quot; service enhancement</td>
<td>-</td>
<td>17,472,751</td>
<td>18,093,783</td>
<td>14,658,123</td>
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<td>-</td>
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<tr>
<td>Other purposes</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Unassigned</td>
<td>-</td>
<td>15,648,084</td>
<td>15,666,268</td>
<td>11,359,847</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>23,794,737</td>
<td>29,726,794</td>
<td>33,120,835</td>
<td>33,760,051</td>
<td>32,215,045</td>
<td>36,873,526</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td>$33,137,545</td>
<td>$38,597,585</td>
<td>$41,413,045</td>
<td>$41,714,216</td>
<td>$43,569,224</td>
<td>$49,033,008</td>
</tr>
</tbody>
</table>

Source: City’s Comprehensive Annual Financial Report for applicable fiscal years, except as footnoted below.
(1) Source: City’s unaudited financial data.
Table 4
City of Oxnard
Statement of Revenues, Expenditures, and Changes
In General Fund Balances
For Fiscal Year 2008-09 through Fiscal Year 2014-15
(Including Budgeted Amounts)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property tax</td>
<td>$42,064,493</td>
<td>$40,345,720</td>
<td>$39,104,079</td>
<td>$40,027,900</td>
<td>$41,224,088</td>
<td>$42,634,677</td>
<td>$43,891,000</td>
</tr>
<tr>
<td>Sales tax</td>
<td>$24,043,286</td>
<td>$28,103,051</td>
<td>$33,966,737</td>
<td>$37,453,124</td>
<td>$35,156,013</td>
<td>$38,287,439</td>
<td>$39,619,000</td>
</tr>
<tr>
<td>Transient occupancy tax</td>
<td>$3,228,803</td>
<td>$3,061,163</td>
<td>$3,301,864</td>
<td>$3,402,793</td>
<td>$3,826,954</td>
<td>$4,239,110</td>
<td>$4,236,000</td>
</tr>
<tr>
<td>Business license</td>
<td>$5,059,323</td>
<td>$4,692,615</td>
<td>$4,412,881</td>
<td>$6,125,278</td>
<td>$4,562,692</td>
<td>$5,125,801</td>
<td>$5,344,000</td>
</tr>
<tr>
<td>Franchise tax</td>
<td>$4,635,616</td>
<td>$4,399,645</td>
<td>$3,495,332</td>
<td>$3,435,823</td>
<td>$3,842,351</td>
<td>$3,507,432</td>
<td>$3,203,000</td>
</tr>
<tr>
<td>Other taxes</td>
<td>$712,975</td>
<td>$636,895</td>
<td>$631,841</td>
<td>$529,451</td>
<td>$748,284</td>
<td>$157,998</td>
<td>$141,000</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>$1,726,375</td>
<td>$1,523,926</td>
<td>$1,298,939</td>
<td>$1,802,900</td>
<td>$1,862,813</td>
<td>$2,428,553</td>
<td>$2,439,000</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$10,617,332</td>
<td>$11,093,447</td>
<td>$12,451,920</td>
<td>$11,821,579</td>
<td>$13,127,768</td>
<td>$13,168,255</td>
<td>$13,388,697</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$10,648,706</td>
<td>$10,917,704</td>
<td>$10,512,219</td>
<td>$9,366,140</td>
<td>$8,710,647</td>
<td>$9,188,462</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$108,969,931</td>
<td>$109,265,033</td>
<td>$113,054,885</td>
<td>$120,100,178</td>
<td>$116,972,901</td>
<td>$123,464,211</td>
<td>$125,195,159</td>
</tr>
</tbody>
</table>

| **EXPENDITURES** |            |            |            |            |            |            |            |
| **General government** | $11,353,389 | $10,769,139 | $10,561,644 | $10,049,461 | $10,114,846 | $9,541,347   | $9,627,591   |
| Public safety       | $58,063,732 | $63,054,917 | $65,136,544 | $65,037,151 | $68,591,284 | $70,074,689 | $69,523,115 |
| Transportation      | $4,402,407  | $4,539,680  | $4,577,506  | $4,411,287  | $4,032,023  | $3,464,755  | $10,788,186 |
| Community development       | $10,829,145 | $10,917,704 | $10,512,219 | $9,366,140  | $8,710,647  | $9,069,503  | $8,435,885  |
| **Culture and leisure** | $13,427,946 | $11,954,916 | $12,250,438 | $11,551,617 | $12,371,602 | $13,288,540 | $9,206,249  |
| Library services     | $4,709,777  | $4,611,497  | $4,616,656  | $4,523,541  | $4,305,466  | $4,222,264  | $4,391,651  |
| Capital outlay       | $4,417,045  | $4,236,000  | $4,239,110  | $4,013,611  | $4,013,611  | $4,013,611  | $4,013,611  |
| **Total Expenditures** | $103,581,760 | $105,955,416 | $110,680,580 | $114,496,437 | $115,694,112 | $111,874,323 | $116,462,754 |

| **Excess (deficiency) of revenues over expenditures** | $5,388,171 | $3,309,617 | $2,389,363 | $5,603,741 | $1,278,789 | $8,732,405 |

| **OTHER FINANCING SOURCES (USES)** |            |            |            |            |            |            |            |
| Transfers in         | $2,836,750  | $5,952,395  | $5,939,476  | $36,750     | $33,580     | $37,000     | $36,750     |
| **Total other financing sources (uses)** | $2,046,480 | $2,622,440 | $1,019,736 | $4,964,525 | $4,952,483 | $6,995,504 |

| **Net changes in fund balances** | $3,241,633 | $5,932,067 | $3,394,041 | $639,216 | $6,413,611 | $818,407 | $1,736,961 |
| **Fund balances, July 1** | $20,453,104 | $22,794,737 | $20,726,794 | $33,120,835 | $33,760,051 | $31,955,118 | $31,064,598 |
| Prior period adjustment | - | - | - | - | $2,468,605 | - | - |
| **Fund balances, June 30** | $23,794,737 | $29,276,794 | $33,120,835 | $33,760,051 | $32,215,045 | $36,873,525 | $33,701,499 |

Source: City’s Comprehensive Annual Financial Report for applicable fiscal years, except as footnoted below.
(1) Source: City’s unaudited financial data.
(2) Source: City’s adopted budget for fiscal year 2014-15.
RISK FACTORS

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

Bonds are Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County, the State, or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power. The obligation of the City to make Base Rental payments under the Lease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

The obligation of the City to make Base Rental payments is in consideration of the right of the City to continued use and occupancy of the Property. In the event of substantial interference with the City’s use and occupancy of the Property, the obligation of the City to make Base Rental payments may be abated in whole or in part as described herein. See “RISK FACTORS – Abatement.”

Availability of Moneys for Base Rental Payments

The City’s Base Rental payments and other payments due under the Lease (including insurance, payment of costs of improvements, repair, and maintenance of the Property, and taxes and other governmental charges and assessments levied against the Property) are not secured by any pledge of any form of taxation or revenues of the City but are payable from any funds lawfully available to the City. Additionally, the City may pledge such revenues to other obligations or purposes in the future, thus making them unavailable as a source of payment of the Base Rental. In the event the City’s revenue sources are less than its total obligations, the City could choose to fund other City services or obligations prior to making Base Rental payments. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIIB of the California Constitution” and “APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.”

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Limited Recourse on Default

If the City defaults on its obligations to make Base Rental payments with respect to the Property, the Trustee has the right to re-enter and re-let the Property. In the event such re-letting occurs, the City
would be liable for any deficiency in Base Rental payments that results therefrom. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease.”

No assurance can be given, however, that the Trustee will be able to re-let the Property so as to provide rental income sufficient to pay principal of and interest on the Bonds in a timely manner. The Trustee is not empowered to sell a fee simple interest in the Property for the benefit of the owners of the Bonds. It is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect thereto. Any suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Abatement

Except to the extent of amounts otherwise available to the Trustee for payments with respect to the Bonds, the obligation of the City to make Base Rental payments will be abated proportionately during any period which by reason of any damage or destruction or taking by eminent domain or by condemnation there is substantial interference with the City’s right to use and occupy the Property, such that the resulting payments of Base Rental represent fair rental value for the right of use and possession of the item or portion of the Property not damaged, destroyed, or taken. Such abatement would continue for the period commencing with such damage, destruction, or taking and ending with the substantial completion of the replacement, repair, or reconstruction permitting use and occupancy by the City. In the event of any such damage, destruction, or taking, the Lease will continue in full force and effect and the City has waived any right to terminate the Lease by virtue of any such damage or destruction or taking. The Trustee cannot terminate the Lease in the event of such damage, destruction, or taking.

In the event the Property is not repaired or replaced during the period that proceeds of the City’s rental interruption insurance are available in lieu of related Base Rental payments (the City has covenanted to maintain rental interruption insurance covering a period of 24 months in an amount equal to two times the maximum annual Base Rental payments coming due and payable, except no such insurance must be maintained for damage or destruction due to or caused by flood or earthquake), or in the event that casualty insurance proceeds or condemnation award proceeds are insufficient to provide for complete repair of the Property, as the case may be, there could be insufficient funds to cover payments to Owners in full. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease.”

Substitution of Property

The Lease provides that, upon satisfaction of certain conditions, the City may substitute other real property for one or more of the Components. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease.” Although the Lease requires that the substitute property have an annual fair rental value at least equal to the annual fair rental value of the Component being substituted, the Lease does not require that the substituted property be of any particular type. Consequently, upon the occurrence of an event of default under the Lease, a substituted Component could be more difficult to re-let than the original Component.

No Acceleration Upon Default

In the event of a default in the payment of the Base Rental or the Bonds, there is no available remedy of acceleration of the Bonds or of the total Base Rental payments due over the term of the Lease. The City will only be liable for Base Rental payments on an annual basis and the Trustee would be required to seek a separate judgment in each Fiscal Year for that Fiscal Year’s Base Rental payments.
Seismic Activity; Flood Zone

The Lease does not require the City to maintain earthquake insurance on the Property. The City area, however, along with much of the State, shares a history of seismic activity and is thus listed as a “Zone 4” earthquake area in the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction.

There are no known major earthquake faults within the boundaries of the City; however, there are several faults, including the San Andreas Fault and the San Gabriel Fault, that are considered active faults and that are located within a radius of approximately 50 miles from the City. Activity along these faults could potentially result in damage to the buildings, roads, bridges, and property within the City, including the Property, in the event of a major earthquake.

If a major earthquake were to occur, it may substantially damage or destroy all or a portion of the Property, which could result in abatement of the Base Rental payments and, in turn, a default in the payment of principal of and interest on the Bonds. The occurrence of severe seismic activity in the area of the Property could result in substantial damage and interference with the City’s right to use all or a portion of the Property, and thereby result in an abatement of the Base Rental payments and a default in the payment of principal of and interest on the Bonds.

The Property, which the City is leasing pursuant to the Lease, consists of the following Components, each located in the City: The Oxnard Library and the Administrative Annex. The Oxnard Library was built in 1990 and has not had any seismic retrofits completed. The building has been determined not to exhibit structural irregularities that would warrant an investigation into retrofit. The Administrative Annex, located at 300 W. Third Street, was built in 1964 and has not had any seismic retrofits completed. The building has been determined not to exhibit structural irregularities that would warrant an investigation into retrofit. For a further description of the Components of the Property, see “THE PROPERTY.”

The Property is located in a flood insurance rate zone designated by the Federal Emergency Management Agency (“FEMA”) as “Zone C.” According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. Consequently, no flood insurance has been or will be obtained by the City with respect to the Property. The term “100-year flood” refers to the flood elevation that has a 1% chance of being equaled or exceeded in any given year. A base flood may also be referred to as a “100-year storm” and the area inundated during the base flood is sometimes called the “100-year floodplain.” The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and Lease may be limited by and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors’ rights.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the City, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the
Trustee, and the Authority could be prohibited from taking any steps to enforce their rights under the Lease, and from taking any steps to collect amounts due from the City under the Lease.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," 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 or the City in violation of the Internal Revenue Code of 1986, as amended. Should such an event of taxability occur, the Bonds are not subject to acceleration or special redemption and will remain outstanding until maturity or until redeemed in accordance with the provisions of the Trust Agreement.

In addition, no assurance can be given that future legislation, including amendments to the Internal Revenue Code of 1986, as amended, 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. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Federal Tax Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

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, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State of federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the California Constitution ("Article XIII A") limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by each county and apportioned among the county and other public agencies and funds according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (a) indebtedness approved by the voters prior to July 1, 1978, (b) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or (c) bonded indebtedness incurred by a school district or a community college district for the construction,
reconstruction, rehabilitation, or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Section 2 of Article XIII A 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 may be adjusted annually to reflect inflation at a rate not to exceed 2% per year or to reflect a reduction in the consumer price index or comparable data for the area under the taxing jurisdiction, or reduced in the event of declining property values caused by substantial damage, destruction, or other factors.

Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax that exceeds the 1% limitation imposed by Article XIII A except to pay debt service on indebtedness approved by the voters as described above. In addition, legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. Prior to fiscal year 1981-82, assessed valuations were reported at 25% of the full value of the property. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter-approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

In the June 1990 election, the voters of the State approved amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for a replacement dwelling purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of “new construction” triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters of the State approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990. Since 1990, the voters have approved several other minor exemptions from the reassessment provisions of Article XIII A.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. Article XIII A effectively prohibits the levying of any other ad valorem property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII B of the California Constitution

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

Appropriations of an entity of local government subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIIIB includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Proposition 111

In June 1990, the voters of the State approved Proposition 111, which amended the method of calculating State and local appropriations limits. As amended in June 1990, the appropriations limit for an entity of local government in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The “change in the cost of living,” with respect to an entity of local government other than a school district or a community college district is, at such entity of local government’s option, either (A) the change in the California per capita personal income (“CPCPI”) from the preceding year, or (B) the change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction, as selected annually by such entity of local government by a recorded vote of such entity’s governing body. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. The “change in population” for a local agency for a calendar year for each city and county, means the change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the State Department of Finance pursuant to Section 2227 of the California Revenue and Taxation Code, for either (A) within its own jurisdiction, or (B) for a city only, within the county in which the city is located. Previously, a city only could use the change of population within its own jurisdiction. Each city shall select its change in population annually by a recorded vote of the governing body of the City.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

Proposition 111 also recomputed the appropriations limit for the fiscal year by adjusting the fiscal year 1986-87 limit by the CPCPI for the three subsequent years. Proposition 111 also excluded appropriation for “all qualified capital outlay Expansion Projects, as defined by the Legislature” from the definition of “appropriations subject to limitation.”
Article XIIIIB allows voters to approve a temporary waiver of a government’s Article XIIIIB limit. Such a waiver is often referred to as a “Gann limit waiver.” The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Base Rental and Additional Rental payments are subject to the Article XIIIIB appropriations limitations. According to the City’s resolution establishing appropriation limits for Fiscal Year 2013-14, the City calculated its appropriations limit at $282,388,942. For Fiscal Year 2014-15, the City calculated its appropriations limit at $285,402,060. The City’s appropriations have never exceeded the limitation on appropriations under Article XIIIIB of the California Constitution. The impact of the appropriations limit on the City’s financial needs in the future is unknown.

Articles XIIIC and XIIID of the California Constitution

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

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the City’s General Fund, require a two-thirds vote. Article XIIIC further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996. The City has not so imposed, extended or increased any such taxes which are currently in effect.

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

The City does not levy any property related “fees” or “charges” that it considers subject to challenge under Article XIIIC.
The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIIID also added several new provisions relating to how local agencies may levy and maintain “assessments” for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a “special benefit,” as defined in Article XIIID, over and above any general benefits conferred, and (iii) a majority protest procedure which involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. “Assessment” in Article XIIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks. The City has followed all of the requirements of Article XIIID in connection with the formation of all of its existing landscape and lighting districts through which it has financed open space areas, street medians, street lights and parks, and intends to continue such compliance.

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

Proposition 62

A statutory initiative (“Proposition 62”) was adopted by the voters of the State at the November 4, 1986 general election which (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIIA, (e) prohibits the imposition of transaction
taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any
tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the
electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The
requirements imposed by Proposition 62 were generally upheld by the California Supreme Court in Santa
Clara County Local Transportation Authority v. Guardino, 11 Cal.4th 220; 45 Cal.Rptr.2d 207 (1995).

Proposition 62 applies to the imposition of any taxes or the effecting of any tax increases after its
enactment in 1986, but the requirements of Proposition 62 are subsumed by the requirements of
Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5,
1996. See “– Articles XIIIC and XIIID of the California Constitution” above.

The City has not imposed any taxes or effected any tax increases after the enactment of
Proposition 62 in 1986 and prior to the effective date of Proposition 218 on November 5, 1996, other than
special taxes that were approved by a vote of two-thirds of the applicable electorate.

**Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, and Article XIII D, and Propositions 62, 111, and
218, were each adopted as measures that qualified for the ballot pursuant to California's constitutional
initiative process. From time to time other initiative measures could be adopted, affecting the ability of
the City to increase revenues and to increase appropriations.

**THE AUTHORITY**

The Authority is a joint exercise of powers entity duly organized and existing under and by virtue
of the laws of the State of California pursuant to a Joint 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 former 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 improvement, working capital, or liability and other insurance needs, or projects wherever there
are significant public benefits, as determined by the City.

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Flynn</td>
<td>Chairman</td>
</tr>
<tr>
<td>Carmen Ramirez</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Bryan A. MacDonald</td>
<td>Board Member</td>
</tr>
<tr>
<td>Dorina Padilla</td>
<td>Board Member</td>
</tr>
<tr>
<td>Bert E. Perello</td>
<td>Board Member</td>
</tr>
</tbody>
</table>

The Authority is also served by the officers listed below who, in the case of the Authority
Controller and General Counsel, serve in these capacities by virtue of their duties as Chief Financial
Officer and Interim City Attorney, respectively, of the City, or, in the case of the Authority Secretary, is
appointed by the Board and serves at the pleasure of the Board. The officers of the Authority are listed
below:
Neither the Authority nor its Board members have any obligations or liability to the Owners of the Bonds with respect to the payment of Base Rental by the City under the Lease, or with respect to the performance of the City of other covenants made by it in the Lease.

THE PROPERTY

The Property, which the City is leasing pursuant to the Lease, consists of the following Components, each located in the City:

Oxnard Library. The City’s main library facility is a modern steel and brick building located at 251 South A Street, adjacent to the Civic Center. Completed in 1990 as part of a new Civic Center, the Library is an established meeting place and focal point for the community, serving a population of approximately 200,000. In addition to the usual collection of books, the Library also contains meeting rooms used by City staff and others. The Library occupies approximately 72,000 square feet of space. The City has insured the Library structure for $20,386,947.

Administration Annex. The Administration Annex, located at 300 West Third Street, is a four-story, 37,596-square foot structure used as the City’s administration building. The annex was built in 1967 and provides offices for the City Council, the City Manager’s Department, the Finance Department, the City’s Information Systems Division, and the Human Resources Department. The Administration Annex underwent significant exterior and interior renovation between 2001 and 2003, including a remodel of the first floor to accommodate the Human Resource Department and upgrades to the HVAC and elevator systems. The City has insured the Administrative Annex for $10,709,156.

Pursuant to the Lease, if no default or event of default has occurred and is continuing under the Lease, the City may acquire from the Authority, free and clear of the Authority’s rights under the Lease, any Component upon substituting therefor, and subjecting to the terms of the Lease, another component that has an annual fair rental value at least equal to 100% of the maximum amount of Base Rental payments with respect to the Component being replaced becoming due in the then current Lease Year or in any subsequent Lease Year and a remaining useful life that is at least equal to the remaining term of the Lease.

In addition, pursuant to the Lease, after the payment of all Base Rental due with respect any Component that is being leased under the Lease for a period that is shorter than the Lease Term, and upon payment of the allocable portion of the Bonds related to such Component, title to such Component, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City, free and clear of any interest of the Authority. The Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority’s right, title, and interest in such Component. The Authority presently anticipates that the Component described as the Administrative Annex will be transferred to the City or its assignee as described in the preceding sentence after the June 1, 2016, principal payment on the Bonds has been made.
THE PROJECT

Proceeds from the sale of the Bonds will be used to finance some or all of the Project, which is expected to cost approximately $30,700,000, and which is comprised of the construction, improvement, and resurfacing of certain streets and roadways within certain residential neighborhoods within the City, including (but not limited to) the following:

- Hobson Park West Neighborhood Resurfacing
- La Colonia Neighborhood Resurfacing Phase 2
- Redwood Neighborhood Resurfacing
- Pleasant Valley Estates Neighborhood Resurfacing
- La Colonia Neighborhood Resurfacing Phase 3
- Fremont North Neighborhood Resurfacing
- College Estates Neighborhood Resurfacing
- Sierra Linda Neighborhood Resurfacing
- Orchard Park Neighborhood Resurfacing
- South Bank Neighborhood Resurfacing
- Rio Lindo Neighborhood Resurfacing
- Windsor North River Ridge Neighborhood Resurfacing
- Bryce Canyon South Neighborhood Resurfacing
- Channel Islands Neighborhood Resurfacing
- Miscellaneous Street Improvements

The City expects to finance approximately $ of the costs of the Project from the proceeds from the sale of the Bonds and to complete the remainder of the Project using available City moneys on a pay-as-you-go basis.

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 expresses no opinion regarding whether such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. A copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is set forth in Appendix D attached hereto and will accompany the 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 ensure 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.

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.

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 United States ("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.

Subsequent to the issuance of the Bonds, there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. Legislative changes have been proposed in Congress, which changes, if enacted, would result in additional federal income tax being imposed on certain owners of tax-exempt state or local obligations, such as the Bonds. The introduction or enactment of any of such changes could adversely affect the market value or liquidity of the Bonds. No assurance can be given that, subsequent to the issuance of the Bonds, such changes (or other changes) will not be introduced or enacted or interpretations will not occur. Before purchasing any of the Bonds, potential purchasers should consult their tax advisors regarding possible statutory changes or judicial or regulatory changes or interpretations, and their collateral tax consequences relating to the Bonds, as to all of which Bond Counsel expresses no opinion.

**Risk of Audit by Internal Revenue Service**

The Internal Revenue Service (the "IRS") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, 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 IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS 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,” 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 IRS.

**RATING**

S&P has assigned its municipal bond rating of “___” to the Bonds. Such rating reflects only the views of the rating agency furnishing the same and any desired explanation of the significance of such rating should be obtained from the rating agency at the following address: Standard & Poor’s Ratings 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 rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the foregoing rating may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The Authority will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the City and the Authority and notices of certain events listed therein. Such information and notices will be filed by the Authority with the Municipal Securities Rulemaking Board. The specific nature of the information to be provided is set forth in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix E. This covenant has been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended. During the last five years, neither the Authority nor the City has failed to comply with any previous undertaking to provide annual continuing disclosure reports and notices of material events. See "APPENDIX E – Form of Continuing Disclosure Agreement."

UNDERWRITING

The Bonds are being purchased by J.P. Morgan Securities LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of $_______ (which represents the aggregate principal amount of the Bonds, less an Underwriter’s discount of $_______, [less/plus] a net original issue [discount/premium] of $_______).

The Underwriter has entered into a negotiated dealer agreement (the “Dealer Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Dealer Agreement (if applicable to this transaction), CS&Co. will purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

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. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

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

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

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.

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

LITIGATION

The City and the Authority will certify, and the Interim City Attorney will render opinions on behalf of the City and the Authority upon the issuance of the Bonds to the effect that, there is no action, suit or proceeding known to the City or the Authority to be pending or threatened, restraining, or enjoining the execution or delivery of the Bonds, the Trust Agreement, the Lease, or the Property Lease, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City or the Authority taken with respect to any of the foregoing or that will materially adversely affect the City’s ability to pay Base Rental payments when due.

CERTAIN LEGAL MATTERS

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

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 of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such statutes and documents for full and complete statements of their provisions.

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

CITY OF OXNARD FINANCING AUTHORITY

By: __________________________
    Controller
APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the Trust Agreement, the Lease, and the Property Lease. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.

[TO FOLLOW]
APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF OXNARD

The Bonds do not constitute a general obligation debt of the City of Oxnard (the “City”), and the City has not pledged its full faith and credit or its taxing power 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 200,855 in 2013, 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 186,122 people in 2004 to approximately 200,855 in 2013. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2004 through 2013.

Population of City, County, State, and United States 2004 through 2013 (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>City</th>
<th>County</th>
<th>State</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>186,122</td>
<td>730,875</td>
<td>36,199,342</td>
<td>293,045,739</td>
</tr>
<tr>
<td>2005</td>
<td>188,941</td>
<td>753,863</td>
<td>36,676,931</td>
<td>295,753,151</td>
</tr>
<tr>
<td>2006</td>
<td>189,990</td>
<td>777,664</td>
<td>37,087,005</td>
<td>298,593,212</td>
</tr>
<tr>
<td>2007</td>
<td>192,997</td>
<td>798,784</td>
<td>37,463,609</td>
<td>301,579,895</td>
</tr>
<tr>
<td>2008</td>
<td>194,905</td>
<td>815,023</td>
<td>37,871,509</td>
<td>304,374,846</td>
</tr>
<tr>
<td>2009</td>
<td>197,067</td>
<td>827,475</td>
<td>38,255,508</td>
<td>307,006,550</td>
</tr>
<tr>
<td>2010</td>
<td>200,004</td>
<td>823,318</td>
<td>37,253,956</td>
<td>308,745,538</td>
</tr>
<tr>
<td>2011</td>
<td>199,722</td>
<td>827,874</td>
<td>37,427,946</td>
<td>311,582,564</td>
</tr>
<tr>
<td>2012</td>
<td>200,390</td>
<td>829,075</td>
<td>37,668,804</td>
<td>313,873,685</td>
</tr>
<tr>
<td>2013</td>
<td>200,855</td>
<td>836,153</td>
<td>37,984,138</td>
<td>316,128,839</td>
</tr>
</tbody>
</table>

(1) Unless otherwise noted, estimates for City, County, and State are as of January 1, and for the United States are as of July 1.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution. Article XIII A limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations of the City are comprised of an obligation of the City referred to as the “Public Safety Retirement Debt.” The following table details the City’s property tax rates since fiscal year 2003-04.

City of Oxnard
Property Tax Rates
Fiscal Years 2003-04 through 2012-13

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Article XIII A Basic Tax Rate</th>
<th>City District (Public Safety Retirement Debt)</th>
<th>School Districts</th>
<th>Water Districts</th>
<th>Total Tax Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.00%</td>
<td>0.20384%</td>
<td>0.09770%</td>
<td>0.04476%</td>
<td>1.34630%</td>
</tr>
<tr>
<td>2005</td>
<td>1.00</td>
<td>0.19624</td>
<td>0.08410</td>
<td>0.04224</td>
<td>1.32258</td>
</tr>
<tr>
<td>2006</td>
<td>1.00</td>
<td>0.17614</td>
<td>0.09850</td>
<td>0.03691</td>
<td>1.31155</td>
</tr>
<tr>
<td>2007</td>
<td>1.00</td>
<td>0.16564</td>
<td>0.08220</td>
<td>0.03272</td>
<td>1.28056</td>
</tr>
<tr>
<td>2008</td>
<td>1.00</td>
<td>0.17864</td>
<td>0.10500</td>
<td>0.02922</td>
<td>1.31286</td>
</tr>
<tr>
<td>2009</td>
<td>1.00</td>
<td>0.19334</td>
<td>0.11160</td>
<td>0.01290</td>
<td>1.31784</td>
</tr>
<tr>
<td>2010</td>
<td>1.00</td>
<td>0.20384</td>
<td>0.11470</td>
<td>0.01290</td>
<td>1.33144</td>
</tr>
<tr>
<td>2011</td>
<td>1.00</td>
<td>0.22054</td>
<td>0.11990</td>
<td>0.01110</td>
<td>1.35154</td>
</tr>
<tr>
<td>2012</td>
<td>1.00</td>
<td>0.20544</td>
<td>0.12200</td>
<td>0.01110</td>
<td>1.33854</td>
</tr>
<tr>
<td>2013</td>
<td>1.00</td>
<td>0.20424</td>
<td>0.11980</td>
<td>0.00000</td>
<td>1.32404</td>
</tr>
</tbody>
</table>


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 since fiscal year 2003-04.

**City of Oxnard**

**Property Tax Levies, Collections and Delinquencies**

**Fiscal Years 2003-04 through 2012-13**

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Total Tax Levy</th>
<th>Current Tax Collections</th>
<th>Percent of Levy Collected</th>
<th>Delinquent Tax Collections</th>
<th>Total Tax Collections</th>
<th>Total Collections as a Percentage of Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44,743,658</td>
<td>49,223,170</td>
<td>110.01</td>
<td>126,250</td>
<td>49,349,420</td>
<td>110.29</td>
</tr>
<tr>
<td>2007</td>
<td>59,401,879</td>
<td>68,429,117</td>
<td>115.20</td>
<td>129,679</td>
<td>68,558,796</td>
<td>115.42</td>
</tr>
<tr>
<td>2008</td>
<td>69,931,705</td>
<td>75,726,668</td>
<td>108.29</td>
<td>121,075</td>
<td>75,847,743</td>
<td>108.46</td>
</tr>
<tr>
<td>2009</td>
<td>69,147,624</td>
<td>76,681,392</td>
<td>110.90</td>
<td>145,945</td>
<td>76,827,337</td>
<td>111.11</td>
</tr>
<tr>
<td>2010</td>
<td>75,929,128</td>
<td>71,755,189</td>
<td>94.50</td>
<td>136,565</td>
<td>71,891,754</td>
<td>94.68</td>
</tr>
<tr>
<td>2011</td>
<td>72,434,536</td>
<td>71,118,203</td>
<td>98.18</td>
<td>105,158</td>
<td>71,223,361</td>
<td>98.33</td>
</tr>
<tr>
<td>2012</td>
<td>70,330,220</td>
<td>63,176,888</td>
<td>89.83</td>
<td>126,609</td>
<td>63,303,497</td>
<td>90.01</td>
</tr>
<tr>
<td>2013 (1)</td>
<td>53,833,600</td>
<td>52,337,321</td>
<td>97.59</td>
<td>121,064</td>
<td>52,658,385</td>
<td>97.82</td>
</tr>
</tbody>
</table>

(1) The significant decrease in tax collections in fiscal year 2011-12 and the significant decrease in the tax levy in fiscal year 2012-13 were primarily due to the dissolution of the Oxnard Community Development Commission as a result of the adoption by the California Legislature of AB X1 26, which eliminated redevelopment agencies State-wide.


**Assessed Property Values**

The following table details the unequalized assessed value of the property within the City for since fiscal year 2003-04.

**City of Oxnard**

**Assessed Property Values**

**Fiscal Years 2003-04 through 2013-14**

<table>
<thead>
<tr>
<th>Fiscal Year June 30</th>
<th>Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$9,787,326,328</td>
</tr>
<tr>
<td>2005</td>
<td>11,058,336,869</td>
</tr>
<tr>
<td>2006</td>
<td>12,726,781,676</td>
</tr>
<tr>
<td>2007</td>
<td>14,562,928,520</td>
</tr>
<tr>
<td>2008</td>
<td>15,918,112,344</td>
</tr>
<tr>
<td>2009</td>
<td>16,158,716,867</td>
</tr>
<tr>
<td>2010</td>
<td>15,176,505,240</td>
</tr>
<tr>
<td>2011</td>
<td>15,058,226,607</td>
</tr>
<tr>
<td>2012</td>
<td>14,971,225,595</td>
</tr>
<tr>
<td>2013</td>
<td>15,198,347,582</td>
</tr>
<tr>
<td>2014</td>
<td>15,607,919,376</td>
</tr>
</tbody>
</table>

Source: County Assessor's Office.
Principal Taxpayers

The following table lists the principal taxpayers in the City as of June 30, 2013.

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Assessed Valuation</th>
<th>Percentage of Total Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procter &amp; Gamble Paper Products</td>
<td>$268,098,005</td>
<td>1.75%</td>
</tr>
<tr>
<td>St. John Regional Medical Center</td>
<td>230,115,059</td>
<td>1.50</td>
</tr>
<tr>
<td>Essex Arbors LP</td>
<td>197,972,713</td>
<td>1.29</td>
</tr>
<tr>
<td>SOCM I LLC</td>
<td>91,198,200</td>
<td>0.60</td>
</tr>
<tr>
<td>Sunbelt Enterprises LLC</td>
<td>86,539,573</td>
<td>0.59</td>
</tr>
<tr>
<td>Capri of KW Serenade LLC</td>
<td>83,068,300</td>
<td>0.54</td>
</tr>
<tr>
<td>Haas Automation Inc.</td>
<td>82,295,400</td>
<td>0.54</td>
</tr>
<tr>
<td>GS Paz Mar LP</td>
<td>70,530,594</td>
<td>0.46</td>
</tr>
<tr>
<td>Duesenberg Investment Company</td>
<td>67,133,520</td>
<td>0.44</td>
</tr>
<tr>
<td>Genon Energy West LP-Mandalay</td>
<td>66,700,000</td>
<td>0.44</td>
</tr>
<tr>
<td>Other Taxpayers</td>
<td>14,074,261,994</td>
<td>91.88</td>
</tr>
<tr>
<td>Totals</td>
<td>$15,317,913,356</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: County of Ventura.

Outstanding Debt

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness since fiscal year 2003-04 are set forth in the following table. See also the notes to the City’s Comprehensive Annual Financial Report for fiscal year 2012-13, a copy of which is attached as Appendix C, for a description of the City’s long-term liabilities.

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Revenue Bonds</th>
<th>Certificates of Participation</th>
<th>Tax Allocation Bonds</th>
<th>Capital Leases</th>
<th>Revenue Bonds</th>
<th>Capital Leases</th>
<th>Total Outstanding Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$22,874,301</td>
<td>$8,045,000</td>
<td>$19,185,000</td>
<td>$1,729,354</td>
<td>$214,035,699</td>
<td>$2,916,139</td>
<td>$268,785,493</td>
</tr>
<tr>
<td>2005</td>
<td>21,607,009</td>
<td>7,835,000</td>
<td>18,635,000</td>
<td>1,412,398</td>
<td>236,943,314</td>
<td>2,469,070</td>
<td>288,901,791</td>
</tr>
<tr>
<td>2006</td>
<td>19,975,756</td>
<td>7,620,000</td>
<td>18,030,000</td>
<td>1,086,013</td>
<td>298,559,567</td>
<td>2,010,676</td>
<td>347,282,012</td>
</tr>
<tr>
<td>2007</td>
<td>43,109,750</td>
<td>7,395,000</td>
<td>37,940,000</td>
<td>749,911</td>
<td>292,625,260</td>
<td>1,536,788</td>
<td>383,356,709</td>
</tr>
<tr>
<td>2008</td>
<td>41,746,367</td>
<td>34,835,000</td>
<td>37,040,000</td>
<td>493,471</td>
<td>286,428,643</td>
<td>4,603,874</td>
<td>405,147,355</td>
</tr>
<tr>
<td>2009</td>
<td>40,377,256</td>
<td>34,350,000</td>
<td>47,755,000</td>
<td>293,886</td>
<td>278,427,654</td>
<td>4,053,370</td>
<td>405,217,266</td>
</tr>
<tr>
<td>2010</td>
<td>38,877,717</td>
<td>33,600,000</td>
<td>46,475,000</td>
<td>1,436,151</td>
<td>370,257,293</td>
<td>3,632,411</td>
<td>494,278,752</td>
</tr>
<tr>
<td>2011</td>
<td>37,359,198</td>
<td>32,820,000</td>
<td>45,155,000</td>
<td>2,552,594</td>
<td>383,230,810</td>
<td>3,623,438</td>
<td>449,854,248</td>
</tr>
<tr>
<td>2012</td>
<td>35,781,802</td>
<td>32,010,000</td>
<td>--</td>
<td>5,665,006</td>
<td>372,713,206</td>
<td>2,963,438</td>
<td>449,133,452</td>
</tr>
<tr>
<td>2013</td>
<td>34,146,715</td>
<td>25,335,000</td>
<td>--</td>
<td>11,101,548</td>
<td>361,808,291</td>
<td>2,620,593</td>
<td>435,012,147</td>
</tr>
</tbody>
</table>

Direct and Overlapping Debt

The following table describes the City’s direct and overlapping debt as of October 6, 2014:

City of Oxnard
Direct and Overlapping Debt
(As of October 6, 2014)

2013-14 Assessed Valuation: $15,754,311,306

<table>
<thead>
<tr>
<th>Year of Debt</th>
<th>Total Debt</th>
<th>% Applicable (1)</th>
<th>City’s Share of Debt (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OVERLAPPING TAX AND ASSESSMENT DEBT:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropolitan Water District</td>
<td>$132,275,000</td>
<td>0.714%</td>
<td>$944,444</td>
</tr>
<tr>
<td>Ventura County Community College District</td>
<td>300,628,714</td>
<td>14.595%</td>
<td>43,876,761</td>
</tr>
<tr>
<td>Oxnard Union High School District</td>
<td>138,907,016</td>
<td>45.917%</td>
<td>63,781,935</td>
</tr>
<tr>
<td>Oxnard School District</td>
<td>159,868,139</td>
<td>91.914%</td>
<td>146,941,201</td>
</tr>
<tr>
<td>Rio School District</td>
<td>14,040,000</td>
<td>85.740%</td>
<td>12,037,896</td>
</tr>
<tr>
<td>Rio School District Community Facilities District No. 1</td>
<td>57,200,000</td>
<td>100.00%</td>
<td>57,206,000</td>
</tr>
<tr>
<td>Hueneme School District</td>
<td>25,464,135</td>
<td>44.017%</td>
<td>11,208,548</td>
</tr>
<tr>
<td>Ocean View School District</td>
<td>15,280,247</td>
<td>42.460%</td>
<td>6,487,993</td>
</tr>
<tr>
<td>City of Oxnard Rose Avenue/Highway 101 Assessment District No. 96-1</td>
<td>1,920,000</td>
<td>100.00%</td>
<td>1,920,000</td>
</tr>
<tr>
<td>City of Oxnard Rice Avenue/Highway 101 Assessment District No. 2001-1</td>
<td>11,420,000</td>
<td>100.00%</td>
<td>11,420,000</td>
</tr>
<tr>
<td>City of Oxnard Oxnard Boulevard/Highway 101 Assessment District No. 2000-1</td>
<td>1,915,000</td>
<td>100.00%</td>
<td>1,915,000</td>
</tr>
<tr>
<td>City of Oxnard Community Facilities District No. 1</td>
<td>8,575,000</td>
<td>100.00%</td>
<td>8,575,000</td>
</tr>
<tr>
<td>City of Oxnard Community Facilities District No. 3</td>
<td>27,870,000</td>
<td>100.00%</td>
<td>27,870,000</td>
</tr>
<tr>
<td>City of Oxnard Oxnard Boulevard Highway Interchange Community Facilities District</td>
<td>7,695,000</td>
<td>100.00%</td>
<td>7,695,000</td>
</tr>
<tr>
<td>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</td>
<td>$401,933,778</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

<table>
<thead>
<tr>
<th>Year of Debt</th>
<th>Total Debt</th>
<th>% Applicable (1)</th>
<th>City’s Share of Debt (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ventura County General Fund Obligations</td>
<td>$398,360,000</td>
<td>14.590%</td>
<td>58,120,724</td>
</tr>
<tr>
<td>Ventura County Superintendent of Schools Certificates of Participation</td>
<td>11,160,000</td>
<td>14.590%</td>
<td>1,628,244</td>
</tr>
<tr>
<td>Oxnard Union High School District Certificates of Participation</td>
<td>6,820,000</td>
<td>45.917%</td>
<td>3,131,539</td>
</tr>
<tr>
<td>Ocean View School District Certificates of Participation</td>
<td>1,426,700</td>
<td>42.460%</td>
<td>605,777</td>
</tr>
<tr>
<td>Oxnard School District Certificates of Participation</td>
<td>4,600,800</td>
<td>91.914%</td>
<td>4,228,779</td>
</tr>
<tr>
<td>Rio School District Certificates of Participation</td>
<td>7,145,000</td>
<td>85.740%</td>
<td>6,126,123</td>
</tr>
<tr>
<td>City of Oxnard General Fund Obligations</td>
<td>60,278,807</td>
<td>100.00%</td>
<td>60,278,807</td>
</tr>
<tr>
<td>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</td>
<td>$134,119,993</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):

<table>
<thead>
<tr>
<th>Year of Debt</th>
<th>Total Debt</th>
<th>% Applicable (1)</th>
<th>City’s Share of Debt (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$40,920,000</td>
<td>100.00%</td>
<td>$40,920,000</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL DIRECT DEBT
TOTAL OVERLAPPING DEBT
TOTAL DIRECT AND OVERLAPPING DEBT

$60,278,807
$516,694,964
$576,973,771 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt: 2.55%
Total Direct Debt ($60,278,807): 0.38%
Total Direct and Overlapping Debt: 3.66%

Ratios to Redevelopment Successor Agency Incremental Valuation ($2,170,008,739):
Total Overlapping Tax Increment Debt: 1.89%

Source: California Municipal Statistics, Inc.
Employment and Personal Income

The following table sets forth the unemployment rate, total personal income, and per capita income in the City since fiscal year 2003-04.

City of Oxnard
Employment and Personal Income
(Fiscal Years 2003-04 through 2012-13)

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
<th>Personal Income (in thousands)</th>
<th>Per Capita Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>7.8%</td>
<td>$2,886,966</td>
<td>$15,886</td>
</tr>
<tr>
<td>2005</td>
<td>7.0</td>
<td>3,093,466</td>
<td>16,645</td>
</tr>
<tr>
<td>2006</td>
<td>6.2</td>
<td>3,261,107</td>
<td>17,376</td>
</tr>
<tr>
<td>2007</td>
<td>6.1</td>
<td>3,494,586</td>
<td>18,463</td>
</tr>
<tr>
<td>2008</td>
<td>7.4</td>
<td>3,680,019</td>
<td>19,185</td>
</tr>
<tr>
<td>2009</td>
<td>11.0</td>
<td>3,751,908</td>
<td>19,352</td>
</tr>
<tr>
<td>2010</td>
<td>14.4</td>
<td>3,707,181</td>
<td>18,829</td>
</tr>
<tr>
<td>2011</td>
<td>14.2</td>
<td>3,739,475</td>
<td>18,697</td>
</tr>
<tr>
<td>2012</td>
<td>13.0</td>
<td>3,968,123</td>
<td>19,802</td>
</tr>
<tr>
<td>2013</td>
<td>10.1</td>
<td>4,018,506</td>
<td>20,007</td>
</tr>
</tbody>
</table>


Taxable Retail Sales

Consumer spending in calendar year 2012 resulted in $2,290,580,000 in taxable sales in the City, which is approximately 7.93% more than in calendar year 2011. The following table sets forth information regarding taxable sales in the City for each type of business for calendar years 2008 through 2012.

City of Oxnard
Taxable Retail Sales by Type of Business
2008 to 2012
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicles and Parts Dealers</td>
<td>$372,288</td>
<td>$306,123</td>
<td>$333,399</td>
<td>$379,666</td>
<td>$437,495</td>
</tr>
<tr>
<td>Home Furnishings and Appliance Stores</td>
<td>114,394</td>
<td>140,752</td>
<td>135,456</td>
<td>130,962</td>
<td>129,447</td>
</tr>
<tr>
<td>Building Materials and Garden Equipment and Supplies</td>
<td>93,118</td>
<td>92,975</td>
<td>91,427</td>
<td>96,614</td>
<td>118,598</td>
</tr>
<tr>
<td>Food and Beverage Stores</td>
<td>94,066</td>
<td>94,150</td>
<td>92,803</td>
<td>93,340</td>
<td>96,718</td>
</tr>
<tr>
<td>Gasoline Stations</td>
<td>223,783</td>
<td>174,508</td>
<td>205,785</td>
<td>253,645</td>
<td>262,972</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories Stores</td>
<td>58,524</td>
<td>74,067</td>
<td>78,669</td>
<td>80,811</td>
<td>87,509</td>
</tr>
<tr>
<td>General Merchandise Stores</td>
<td>317,481</td>
<td>264,085</td>
<td>273,984</td>
<td>286,540</td>
<td>304,546</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>185,258</td>
<td>181,251</td>
<td>188,368</td>
<td>201,967</td>
<td>215,340</td>
</tr>
<tr>
<td>Other Retail Group</td>
<td>189,550</td>
<td>108,148</td>
<td>108,097</td>
<td>109,500</td>
<td>113,004</td>
</tr>
<tr>
<td>Total Retail and Food Services</td>
<td>1,648,461</td>
<td>1,436,959</td>
<td>1,507,987</td>
<td>1,633,046</td>
<td>1,765,630</td>
</tr>
<tr>
<td>All Other Outlets</td>
<td>517,015</td>
<td>419,475</td>
<td>425,740</td>
<td>489,175</td>
<td>524,959</td>
</tr>
<tr>
<td>Total All Outlets</td>
<td>$2,165,477</td>
<td>$1,856,434</td>
<td>$1,933,728</td>
<td>$2,122,220</td>
<td>$2,290,589</td>
</tr>
</tbody>
</table>

Source: California State Board of Equalization.

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 pass through daily in 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. An $18 million expansion of the port was completed in 1989, which included the addition of an automobile terminal and the construction of a new wharf. The port’s acquisition of approximately 33 acres from the U.S. Navy in 1997 has enabled it to increase facilities for handling refrigerated containers and roll-on/roll-off cargoes. 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 airfield. The Oxnard Airport handles passenger as well as cargo services. Local bus service is provided by Gold Coast Transit, 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 Local Agency Investment Fund (“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 in accordance with Rule 31 of the Government Accounting Standards Board ("GASB").

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

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

City’s Pension Plans

The City contributes to the California Public Employees Retirement System ("PERS"), a multiple-employer, public employee defined benefit plan, which acts as a common investment and administrative agent for participating public entities within the State. The City’s membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City’s payroll for employees covered by PERS for the year ended June 30, 2013, was $83,461,612; the City’s total payroll was $101,510,481. PERS issues a separate comprehensive annual financial report. Copies of PERS’ annual financial report may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

All City personnel are eligible to participate in PERS, becoming vested after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are payable for life in an amount equal to a specified percentage as follows:

- **Miscellaneous Employees** (ranging from 1.426% for employees who retire at age 50 to 2.418% for employees who retire at age 63 or over) 2% at age 55
- **Police Employees** 3% at age 50
- **Fire Employees** 3% at age 55

The benefits are calculated at the highest consecutive 12 months for miscellaneous employees and safety employees.

Required employee contributions to PERS are 7% of compensation for miscellaneous employees and 9% of compensation for safety employees, which the City currently pays for regular employees. Under the California Public Employees’ Pension Reform Act of 2013 (PEPRA), for new employees hired on or after January 1, 2013, the required employee contributions to PERS are 6.75% of compensation for miscellaneous employees, 15% of compensation for safety Police employees, and 12.25% of
compensation for safety Fire employees. The City is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the PERS Board of Administration.

PERS uses a modification of the entry age normal actuarial cost method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. The City’s contributions to PERS (including the employee share) for the years ended June 30, 2013, 2012, and 2011 were $24,986,509, $24,671,878, and $22,331,816, respectively, and were equal to required contributions for each year. Contribution rates for each participating employer are determined based on the benefit structure established. Employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The contribution rates at June 30, 2013, 2012, and 2011 were 100%, for each year, of annual covered payroll for police, fire, and miscellaneous employees. The contribution requirements of plan members and the City are established and may be amended by PERS. For additional information, see “APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.”

Currently, a significant portion of the contribution requirements for police and fire are funded with voter-approved property tax override. The maximum property tax rate is $0.076637 per $100 of assessed values within the City (except a portion of land annexed to the City in 1969). The estimated contribution amount for Fiscal Year 2013-14 for public safety employees is approximately $17 million and the property tax override is expected to generate approximately $13 million.

The funded status of each plan as of June 30, 2012, the most recent actuarial valuation, on an actuarial value of assets basis is as follows (dollar amounts in thousands):

<table>
<thead>
<tr>
<th>Plan</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Liability (AAL)-Entry Age</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>$212,195</td>
<td>$258,372</td>
<td>$46,177</td>
<td>82.1%</td>
<td>$23,524</td>
<td>196.3%</td>
</tr>
<tr>
<td>Fire</td>
<td>9,854,788</td>
<td>11,724,021</td>
<td>1,869,233</td>
<td>84.1</td>
<td>947,735</td>
<td>197.2</td>
</tr>
<tr>
<td>Misc.</td>
<td>299,531</td>
<td>347,813</td>
<td>48,282</td>
<td>86.1</td>
<td>49,497</td>
<td>97.5</td>
</tr>
</tbody>
</table>

(1) The amounts for Fire reflect total risk pool valuations and liabilities.

On April 17, 2013, the PERS Board of Administration approved new actuarial policies aimed to fully fund the pension system’s obligations within 30 years. The new policies include a rate-smoothing method with a 30-year fixed amortization period for gains and losses. PERS announced that, based on investment return simulations performed for the next 30 years, increasing contributions more rapidly in the short term is expected to result in almost a 25% improvement in funded status over a 30-year-period. The new amortization schedule will be used to set contribution rates for public agency employers in the State beginning in the 2015-16 fiscal year. This delay is intended to allow the impact of the changes to be built into the projection of employer contribution rates and afford employers with additional time to adjust to the changes.

According to PERS, the new policies will result in an increased likelihood of higher peak employer contribution levels in the future but not significantly increase average contribution levels. The
median employer contribution rate over the next four years is expected to be higher. In the long-term, however, higher funded levels may result in lower employer contributions. Local government’s contracts with PERS are unique to each municipality.

In the PERS’ June 30, 2012 actuarial valuations, PERS used the new actuarial methods for the calculation of the projected contribution rates. The projected rates for each plan as of June 30, 2012, the most recent actuarial valuation, are as follows:

<table>
<thead>
<tr>
<th>New Rate</th>
<th>Projected Future Employer Contribution Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>37.748%</td>
</tr>
<tr>
<td>Fire</td>
<td>26.881%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>14.417%</td>
</tr>
</tbody>
</table>

The City cannot anticipate accuracy of the projections above or to what extent the contribution requirements of the City will increase in future years.

**Public Agency Retirement System Retirement Enhancement Plan.** The City established a Public Agency Retirement System Retirement Enhancement Plan ("PARS") effective January 1, 2003, for selected groups of miscellaneous employees (non-safety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. PARS meets the requirements of a pension trust under California Government Code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. For employees meeting the eligibility requirements, the plan provides a benefit equal to the “3% at 60” plan factor (formula is a static 3% at age 60 and older), less the PERS “2% at 55” plan factors for all years of City service plus any military service purchased through PERS (prior to July 1, 2003) while an employee of the City.

Eligibility for an immediate benefit is defined as reaching age 50, completing five years of service, and retiring concurrently from both the City and PERS after leaving City employment. In addition, a deferred benefit would be available to participants who complete five years of service. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Employees and the City contribute a total of 8% of eligible employees’ gross wages. Current employee and city contributions by employee groups are as follows:

<table>
<thead>
<tr>
<th></th>
<th>City Contributions</th>
<th>Employee Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>IUOE</td>
<td>2.7%</td>
<td>5.3%</td>
</tr>
<tr>
<td>SEIU</td>
<td>3.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Management and Confidential</td>
<td>3.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. This contribution for the fiscal year ended June 30, 2013, was 7.80% of eligible employee gross wages. The City’s payroll for employees covered by PARS for the year ended June 30, 2013, was $38,357,176. PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.
For fiscal year 2012-13, the City’s annual pension cost ("APC") of $4,169,425, for PARS was equal to the City’s required actual contribution. The required contribution was determined as part of the June 30, 2011, actuarial assumptions and retained the entry age actuarial cost method.

As of June 30, 2011, the most recent actuarial valuation date, the plan was 36% funded. The actuarial accrued liability for benefits was $71,388,000, and the actuarial value of assets was $32,859,000, resulting in an unfunded actuarial accrued liability (UAAL) of $38,529,000. The covered payroll (annual payroll of active employees covered by the plan) was $40,414,000, and the ratio of the UAAL to the covered payroll was 95.3%.

**Early Retirement Incentive Plan.** The City adopted a supplemental retirement plan to 48 eligible employees; this plan is administered by Phase II Systems, PARS Trust Administrator. The level of benefit is 7% of the employee’s final base pay, payable through the employee’s lifetime, with an option of payment for five to ten years, at the employee’s election.

**Post-Employment Health Care Benefit.** The City provides post-employment benefits for retired employees. Employees who retire from the City and receive a PERS pension are eligible for post­employment medical benefits. Retirees can enroll in any of the available PERS medical plans. This benefit continues for the life of the retiree and surviving spouse. Benefit provisions for PERS are established by the Public Employees Retirement Law (Part 3 of the California Government Code, Section 20000 et seq.). PERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS annual financial report may be obtained from the PERS Executive Office, 400 "P" Street, Sacramento, California 95814.

The City contributes the minimum amount allowed under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The City’s required monthly contribution for calendar year 2013 was $115.00. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution.

In fiscal year 2012-13, the City’s annual OPEB (Other Post Employment Benefit) cost of $1,339,137 was higher than the actual contribution. As of July 1, 2011, the unfunded actuarial accrued liability of the plan was $12,772,079.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.
APPENDIX C

CITY OF OXNARD
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013

[TO FOLLOW]
APPENDIX D
FORM OF BOND COUNSEL OPINION

[Closing Date]

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

Re: FINAL OPINION
$________ City of Oxnard Financing Authority Lease Revenue
Project and Refunding Bonds, Series 2014

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Oxnard Financing Authority (the “Authority”) in connection with the issuance by the Authority of $________ aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”), pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code), Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and the provisions of a Trust Agreement, dated as of November 1, 2014 (the “Trust Agreement”), by and among the Authority, the City of Oxnard (the “City”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement and in the Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, as applicable.

In such connection, we have reviewed the Trust Agreement, the Lease, the Property Lease, dated as of November 1, 2014 (the “Property Lease”), by and between the City and the Authority, the Tax Certificate of the City and the Authority, dated the date hereof (the “Tax Certificate”), opinions of the City Attorney, certifications of the City, 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 and the City. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof.
Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement, the Lease, the Property Lease, 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 Trust Agreement, the Lease, the Property Lease, 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 cities and joint powers authorities in the State of California. We have not made or undertaken to make any investigation of the state of title to the Property described in the Lease or of the accuracy or sufficiency of the description of such Property contained therein, and we express no opinion with respect to such matters. 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 November __, 2014, 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 Base Rental payments.

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

1. The obligation of the City to pay the Base Rental payments under the Lease constitutes a valid and binding limited obligation of the City. The Bonds constitute the valid and binding limited obligations of the Authority.

2. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Base Rental payments. The Lease creates a valid lien, to secure the payment of the Base Rental payments, on the Property.

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 E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Agreement”), dated [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 Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”). The Bonds are being issued pursuant to a Trust Agreement, dated as of November 1, 2014, by and among the City of Oxnard (the “City”), the Authority, and the Dissemination Agent, as trustee (the “Trust Agreement”).

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 Trust Agreement and in the Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this section, the following capitalized terms shall have the following meanings:

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

“Annual Report Date” shall mean the date in each year that is nine (9) months after the end of the Authority’s Fiscal Year, the end of which, as of the date of this Disclosure Agreement, is June 30.

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement dated __________, 2014, relating to the Bonds.

“Participating Underwriter” shall mean J.P. Morgan Securities LLC, the original underwriter of the Bonds required to comply with the Rule in connection with the 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. **Provision of Annual Reports.**

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015, 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 as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the Authority), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the Authority’s Fiscal Year changes, the Authority shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The Authority shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Authority and shall have no duty or obligation to review such Annual Report.

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

(c) The Dissemination Agent shall:

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

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

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

(a) Audited financial statements of the City, which include information regarding the funds and accounts of the Authority, if any, for the most recent Fiscal Year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the Authority shall provide a notice of such modification to MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.
(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain the following information:

(i) revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year;

(ii) property tax rates for property within the City for the most recently completed Fiscal Year;

(iii) property tax levies, collections, and delinquencies for the most recently completed Fiscal Year; and

(iv) outstanding debt of the City for the most recently completed Fiscal Year, including tax increment, revenue, and lease indebtedness.

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

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, not in excess of ten business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;

(v) Substitution of any credit or liquidity providers, or their failure to perform;

(vi) 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 determination with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Owners of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayments of the Bonds, if material;

(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership, or similar event of the Authority or the City [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 or the City 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 or the City, 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 or the City];

(xiii) Consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or the City, 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; and

(xiv) 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)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) 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)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) 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 ten (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)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

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

Section 6. Termination of Reporting Obligation. The obligations of the Authority, the Trustee, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the 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. 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 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 is related to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the Authority or the type of business conducted thereby;

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 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 Trust Agreement for amendments to such Trust Agreement with the consent of Owners or (ii) does not, in the opinion of the Authority or nationally recognized bond counsel, materially impair the interest of Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

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

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 Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise or performance of its 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 Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

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

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

[Remainder of Page Intentionally Left Blank]
Section 14. **Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: [Closing Date]

CITY OF OXNARD FINANCING AUTHORITY

______________________________
Controller

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

By: ____________________________
Its: Authorized Officer
EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Oxnard Financing Authority

Name of Bond Issue: City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014

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: ________________

CITY OF OXNARD FINANCING AUTHORITY

By: ______________________

Authorized Signatory
APPENDIX F

BOOK-ENTRY ONLY SYSTEM

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

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 may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 3.6 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 highest rating: AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of 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 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 Bonds may wish to take certain steps to augment 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 the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue 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 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 Authority or the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments 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 nor its nominee, the Trustee or the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Authority or the City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.
THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE CITY TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE CITY GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE BONDS RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.
TRUST AGREEMENT

Dated as of November 1, 2014

by and among

CITY OF OXNARD FINANCING AUTHORITY

and

CITY OF OXNARD

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

Relating to

$[PRINCIPAL AMOUNT]
City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014
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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of November 1, 2014 (this "Trust Agreement"), is by and among the CITY OF OXNARD, a municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

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

WHEREAS, on May 22, 2003, the Authority issued its Lease Revenue Refunding Bonds, 2003 Series A, in the aggregate principal amount of $18,640,000 (the "2003 Bonds"), pursuant to that certain Trust Agreement, dated as of May 1, 2003 (the "2003 Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "2003 Trustee"), to refund, on a current refunding basis, and prepay certain outstanding obligations of the Authority and the City, as further described in the 2003 Trust Agreement; and

WHEREAS, pursuant to that certain Property Lease, dated as of May 1, 2003 (the "2003 Property Lease"), by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described in Exhibit A thereto; and

WHEREAS, the 2003 Bonds were secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the "2003 Lease"), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the property described in Exhibit A thereto; and

WHEREAS, the City and the Authority desire to refund the 2003 Bonds on a current refunding basis; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Law"), the Authority is authorized to issue refunding bonds to refund the 2003 Bonds; and
WHEREAS, the City further desires to finance the construction and improvement of certain streets and roadways within the City of Oxnard (collectively, the “Project”), as more particularly described in Exhibit D to this Trust Agreement; and

WHEREAS, the Authority has determined to provide under this Trust Agreement, the Act, and the Law for the issuance of its City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”), the proceeds of which will be used to finance the costs to (i) refund the 2003 Bonds, (ii) construct and improve the Project, and (iii) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the City will lease to the Authority, pursuant to that certain Property Lease, dated as of November 1, 2014 (the “Property Lease”), by and between the City, as lessor, and the Authority, as lessee, all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

WHEREAS, the Bonds will be secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City will lease from the Authority all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

WHEREAS, the Authority desires to assign certain of its right, title, and interest in and to the Lease, including the right to receive certain rental payments due thereunder (the “Base Rental”), to the Trustee on the terms and conditions set forth herein for the benefit of the Owners of the Bonds; and

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

WHEREAS, the Trustee has accepted the trust created and established by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

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

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

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Trustee of its duties hereby imposed, and of the purchase and acceptance of the Bonds by the Owners thereof, the receipt and adequacy of which are hereby acknowledged, and to fix and declare the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured, and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of all of the Bonds at any time issued and Outstanding hereunder and
the interest thereon according to their tenor, purport, and effect, and to secure the performance
and observance of all of the covenants, agreements, and conditions contained therein, herein, and
in the Lease, the Authority by these presents does hereby grant, bargain, sell, release, convey,
assign, transfer, and pledge unto the Trustee in the trust hereby created for the benefit of the
Owners, all of the Authority’s right, title, and interest in and to the Pledged Assets, as hereinafter
defined, subject only to the provisions of this Trust Agreement, the Property Lease, and the
Lease.

To have and to hold all of the above unto the Trustee and its successors and
assigns forever for the equal and ratable benefit of the Owners from time to time of all the Bonds
issued and delivered hereunder and Outstanding, without any priority of any one Bond over any
other, upon the trusts and subject to the covenants and conditions hereinafter set forth.

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH:

ARTICLE I

APPOINTMENT OF TRUSTEE; ASSIGNMENT; DEFINITIONS

Section 1.01. Appointment of Trustee. The Trustee is hereby appointed and
employed to act solely as set forth herein, to receive, hold, and disburse in accordance with the
terms hereof the money to be paid to it, to authenticate and deliver the Bonds, to apply and
disburse payments received pursuant to the Lease to the Owners of the Bonds, and to perform
certain other functions, all as hereinafter provided. By executing and delivering this Trust
Agreement, the Trustee accepts the duties and obligations provided herein and the assignment
provided in Section 1.02 hereof, but only upon the terms and conditions herein set forth.

Section 1.02. Assignment. The Authority does hereby sell, assign, and transfer
to the Trustee, for the benefit of the Owners, all of the Authority’s rights, title, and interest in and
to the Lease and the Property Lease (excluding the Authority’s right to payment of its expenses
under Section 3.1(b) of the Lease, its right to indemnification pursuant to Section 11 of the Lease,
and its right to receive certain notices under Section 16 of the Lease and Section 18 of the
Property Lease), including, without limitation, the Authority’s right to receive Base Rental, as
well as its rights to enforce payment of such Base Rental when due or otherwise to protect its
interest in the event of a default by the City under the Lease, in accordance with the terms
thereof. The Base Rental and other rights of the Authority assigned hereunder shall be applied
and the rights so assigned shall be exercised by the Trustee as provided in this Trust Agreement.

Section 1.03. Definitions. Unless the context otherwise requires, the terms
defined in this Section 1.03 shall, for all purposes of this Trust Agreement, have the meanings set
forth below. All other capitalized terms used herein without definition shall have the meanings
given to such terms in the Lease.

“Additional Rental” means the amounts specified as such in Section 3.1(b) of the
Lease.
“Authority” means the City of Oxnard Financing Authority, a joint exercise of
powers entity duly organized and existing under and by virtue of the laws of the State of
California.

“Authority Representative” means the Chairman, the Vice Chairman, or the
Controller of the Authority, or another official designated by such officer and authorized to act
on behalf of the Authority under or with respect to this Trust Agreement, the Lease, the Property
Lease, and all other agreements related thereto.

“Authorized Denomination” means $5,000 or any integral multiple thereof.

“Base Rental” means the amounts specified as such in Section 3.1(a) of the Lease,
as such amounts may be adjusted from time to time in accordance with the terms of the Lease,
but does not include Additional Rental.

“Beneficial Owner” has the meaning given to such term in Section 7.11 hereof.

[CONFIRM GLOBALLY:] “Bond Insurance Policy” means the municipal
bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of the
principal of and interest on the Bonds when due.

[CONFIRM GLOBALLY:] “Bond Insurer” means ____, a ____
stock insurance company, or any successor thereto or assignee thereof.

“Bond Register” means the registration books referred to in Section 2.09 hereof.

“Bonds” means the Authority’s Lease Revenue Project and Refunding Bonds,
Series 2014, issued and delivered in the aggregate principal amount of $[PRINCIPAL
AMOUNT].

“Bond Year” means the period of twelve consecutive months commencing on
June 2 and ending on June 1 in any year during which Bonds are or will be Outstanding;
provided, however, that the first Bond Year will commence on the Closing Date and end on
June 1, 2015, and that the final Bond Year will end on the date on which the Bonds are fully paid
or redeemed.

“Business Day” means any day other than (1) a Saturday, a Sunday, or a day on
which banking institutions in the State are authorized or obligated by law or executive order to
be closed, (2) a day on which the New York Stock Exchange is authorized or obligated by law or
executive order to be closed, or (3) a day on which commercial banks are authorized or obligated
by law or executive order to be closed in the city in which the Principal Office of the Trustee or
the principal office of the Bond Insurer is located.

“Certificate of the Authority” means an instrument in writing signed by an
Authority Representative.

“Certificate of the City” means an instrument in writing signed by a City
Representative.
“City” means the City of Oxnard, a municipal corporation duly organized and existing under the laws of the State of California.

“City Representative” means the City Manager (or his or her designee) or the Chief Financial Officer (or his or her designee) of the City, or by any other official of the City duly authorized by the City to act on behalf of the City under or with respect to this Trust Agreement, the Lease, the Property Lease, and all other agreements related hereto and thereto.

“Closing Date” means November __, 2014, the date of delivery of the Bonds to the initial purchasers thereof.


“Component” means each Component of the Property, the legal description of which Component is described in Exhibit A of the Lease, or any property substituted therefor pursuant to Section 7 of the Lease.

“Computation Year” means with respect to the Bonds the period beginning on the Closing Date and ending on June 1, 2015, and thereafter each successive twelve month period commencing on each June 2 and ending on the following June 1.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement, dated the date of issuance of the Bonds, by and between the Authority and the Trustee, as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Trust Agreement, the Lease, the Property Lease, the Escrow Agreement, the Bonds, and the preliminary and final official statements pertaining to the Bonds; rating agency fees; the Bond Insurance Policy premium, CUSIP Service Bureau charges; consultant fees; market study fees; any computer and other expenses incurred in connection with the issuance of the Bonds; the initial fees and expenses of the Trustee and any paying agent (including, without limitation, origination fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the issuance, execution, and delivery of the Bonds, including the initial rental interruption insurance premium, to the extent such fees and expenses are approved by the City.

“Costs of Issuance Fund” means the fund of that name established pursuant to Section 3.02 hereof.

“Debt Service Fund” means the fund of that name established pursuant to Section 3.04 hereof.

“Depository” means DTC and its successors and assigns or, if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the City discontinues use of the Depository pursuant to Section 2.14 hereof, any other securities depository that agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and that is selected by the City with the consent of the Trustee.
“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” means Wells Fargo Bank, National Association, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement, dated as of November 1, 2014, by and between the Authority and the Escrow Agent.

“Escrow Fund” means the fund of that name established under the Escrow Agreement.

“Independent Counsel” means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the City.

“Information Services” means Financial Information, Inc.’s “Financial Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services’ “Called Bond Service,” 65 Broadway Street, 16th Floor, New York, New York 10004; Moody’s Investors Service “Municipal and Government,” 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; Standard and Poor’s “Called Bond Record,” 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addressees providing information with respect to called bonds as the Authority may designate in writing to the Trustee.

“Insurance Proceeds Fund” means the fund of that name established pursuant to Section 3.09 hereof.

“Interest Payment Date” means each June 1 and December 1, commencing on June 1, 2015, so long as any Bonds remain Outstanding hereunder.

“Investment Earnings” means interest received in respect of the investment of money on deposit in any fund or account maintained hereunder.

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

“Lease Term” means the term of the Lease as provided in Section 2 thereof.

“Mandatory Sinking Account Payment” means the principal amount of Bonds required to be paid on each applicable June 1 pursuant to Section 4.01(d) hereof.

“Mandatory Sinking Account Payment Date” means June 1 of each year commencing in 20__ and terminating in 2029.

“MSRB” means the Municipal Securities Rulemaking Board.

“Nominee” means, initially, Cede & Co., as nominee of the Depository, as determined from time to time pursuant hereto.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.09 hereof) all Bonds except:

(a) Bonds previously cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds no longer entitled to the benefits of this Trust Agreement;

(c) Bonds paid or deemed to have been paid within the meaning of Section 10.01 hereof;

(d) Bonds described in Section 4.06 hereof; and

(e) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered by the Trustee pursuant to Section 2.06 hereof.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due with respect to the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority.

“Owner” means the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” means a member of, or participant in, the Depository.

“Participating Underwriter” has the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Payment Date” has the meaning given to such term in Section 11.01 hereof.

“Permitted Investments” means any of the investments listed in Exhibit E attached hereto and incorporated herein by this reference, provided at the time of investment the investment is a legal investment under the laws of the State of California for the moneys proposed to be invested therein.

“Pledged Assets” has the meaning given to such term in Section 3.15 hereof.

“Policy Costs” has the meaning given to such term in Section 3.05 hereof.

“Principal Office of the Trustee” means the principal corporate trust office of the Trustee located in Los Angeles, California, or such other office as the Trustee may designate.
“Principal Payment Date” means each of the June 1 maturity dates set forth in Section 2.02 hereof, with a final maturity date of June 1, 2029.

“Project” means the Project as described in Exhibit D attached hereto.

“Project Costs” means the contract price paid or to be paid for the construction or improvement of any portion of the Project and related facilities in accordance with a purchase or construction contract or contracts therefor. Project Costs include any other administrative, engineering, legal, financial, and other costs incurred by the City in connection with the construction of the Project.

“Project Fund” means the fund of that name established pursuant to Section 3.03 hereof.

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

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

“Rebatable Arbitrage” has the meaning given to such term in Section 3.06 hereof.

“Rebate Fund” means the fund of that name established pursuant to Section 3.06 hereof.

“Record Date” means the close of business on the fifteenth (15th) day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

“Redemption Notice” has the meaning assigned to such term in Section 4.03 hereof.

“Representation Letter” has the meaning assigned to such term in Section 2.13 hereof.


“Securities Depositories” means the following registered securities depositories: The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Attn. Call Notification Department, Fax (212) 855-7232; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no
such depositories, as the Authority may indicate in a Certificate of the Authority delivered to the
Trustee.

"State" means the State of California.

"Tax Certificate" means the Tax Certificate delivered by the Authority and the City on the Closing Date, as the same may be amended or supplemented in accordance with its terms.

"Treasuries" has the meaning assigned to such term in Section 10.01 hereof.

"Trust Agreement" means this Trust Agreement by and among the Authority, the City, and the Trustee, including any amendments or supplements hereto made or entered into in accordance with the terms hereof.

"Trustee" means Wells Fargo Bank, National Association, a national banking association existing under the laws of the United States of America, and its successors or assigns, or any other association or corporation that may at any time be substituted in its place as provided in Article V hereof, and its successors or assigns.

"2003 Bonds" means the $18,640,000 in original principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, 2003 Series A.

"2003 Costs of Issuance Fund" has the meaning given to such term in Section 3.01(b) hereof.

"2003 Debt Service Fund" has the meaning given to such term in Section 3.01(b) hereof.

"2003 Rebate Fund" has the meaning given to such term in Section 3.01(b) hereof.

"2003 Reserve Fund" has the meaning given to such term in Section 3.01(b) hereof.

"2003 Trust Agreement" means the Trust Agreement, dated as of May 1, 2003, by and among the Authority, the City, and the 2003 Trustee.

"2003 Trustee" means Wells Fargo Bank, National Association, as trustee under the 2003 Trust Agreement.

"2003 Zions Bank Payment Fund" has the meaning given to such term in Section 3.01(b) hereof.

"Written Request of the Authority" means an instrument in writing signed by an Authority Representative.
“Written Request of the City” means an instrument in writing signed by a City Representative.

Section 1.04. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 1.05. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution and delivery of this Trust Agreement.

Section 1.06. Trust Agreement a Contract. In consideration of the acceptance of the Bonds by the Owners thereof, this Trust Agreement shall be deemed to be and shall constitute a contract by and among the Authority, the City, the Trustee, and the Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on, principal of, and redemption premiums, if any, on all Bonds authorized, executed, issued, and delivered hereunder, subject to the agreements, conditions, covenants, and provisions herein contained.

ARTICLE II

TERMS OF THE BONDS

Section 2.01. Designation. The Bonds shall be executed in the name of the Authority and the Trustee is hereby authorized and directed to authenticate and deliver the Bonds to the original purchaser or purchasers thereof. The Bonds shall be designated “City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014.” The Bonds shall be issued and delivered in the aggregate principal amount of $[PRINCIPAL AMOUNT].

Section 2.02. Description of Bonds. Each Bond shall be dated the Closing Date and shall be executed and delivered in fully registered form numbered as the Trustee shall determine. The Bonds shall be dated by the Trustee as of their date of authentication and shall be issued and delivered in Authorized Denominations.

The Bonds shall mature on the Principal Payment Dates and in the principal amounts and shall bear interest at the respective rates per annum as set forth in the following schedule:

<table>
<thead>
<tr>
<th>Principal Payment Date (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Interest with respect to each Bond shall accrue from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after a Record Date and on or prior to the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date, or, unless such date of authentication is on or prior to the first Record Date, in which event interest with respect thereto shall be payable from the Closing Date; provided, however, that if at the time of authentication of any Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or madeavailable for payment. Interest on the Bonds shall be computed using a year of 360 days consisting of twelve 30-day months.

Interest on the Bonds shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest shall be paid on each applicable Interest Payment Date by check or draft of the Trustee, sent to the Owner by first-class mail, postage prepaid, at his address as it appears on the Bond Register; provided, however, that interest payable to an Owner of $1,000,000 or more in aggregate principal amount of Bonds shall be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Payments of defaulted interest shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners not less than ten days prior thereto. The principal of the Bonds shall be payable, subject to prior optional and mandatory redemption, including, without limitation, Mandatory Sinking Account Payments, on each Principal Payment Date. Principal of and premium, if any, on each Bond are payable upon surrender of such Bond at the Principal Office of the Trustee upon maturity or the earlier prepayment thereof. The principal of, premium, if any, on and interest on the Bonds shall be payable in lawful money of the United States of America. Except for the Bonds described in this Section 2.02, no additional Bonds shall be executed and delivered under this Trust Agreement.
Section 2.03. Form of Bonds. The Bonds shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein by this reference, with necessary or appropriate insertions, omissions, and variations as permitted or required hereby.

Section 2.04. Execution. All of the Bonds shall be executed in the name of and on behalf of the Authority with the signature of the Chairman (or, in his or her absence, the Vice Chairman of the Authority) and the countersignature of the Secretary of the Authority. Each such signature may be manually affixed, printed, lithographed, or facsimile engraved.

In case any such officer whose signature or countersignature appears on the Bonds shall cease to be such officer before the Bonds so signed shall have been delivered, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until the delivery of the Bonds, and such Bonds shall be issued and Outstanding hereunder and shall be as binding upon the Authority as though the person who signed such Bonds had been such official on the date borne by the Bonds and on the date of delivery. In addition, any Bond may be signed on behalf of the Authority by such person as at the actual date of execution of such Bond shall be the Chairman or Vice Chairman or Secretary of the Authority, as the case may be, although on the date borne by such Bond such person shall not have been such official.

No Bond issued pursuant to this Trust Agreement shall be valid and entitled to the benefits, security, and protection of this Trust Agreement unless the Certificate of Authentication on such Bond has been manually executed by the Trustee.

Section 2.05. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Trustee. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Trustee may establish. Upon such registration of transfer, a new Bond or Bonds, of Authorized Denominations, for the same aggregate principal amount, maturity, and interest rate shall be executed and delivered in exchange therefor. All such Bonds surrendered to the Trustee shall thereupon be cancelled by the Trustee and destroyed with a certificate of destruction delivered to the Authority upon its order.

The Authority and the Trustee shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether or not the principal of or interest on such Bond shall be overdue, for the purpose of receiving payment of principal and interest on such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations of the same maturity and interest rate. All Bonds surrendered in any such exchange shall thereupon be canceled by the Trustee and either destroyed or delivered to the Authority upon its order. The Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental
charge required to be paid with respect to such exchange. The costs of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Authority.

The Trustee shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business fifteen (15) days before the date such Bonds are selected for redemption and the date any Bonds are to be redeemed or any Bond selected for redemption, except for the portion of any Bond redeemed only in part that remains Outstanding.

Section 2.06. Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of such Bond, shall execute and the Trustee shall deliver a new Bond of like denomination, maturity, and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and destroyed. If any Bond shall be lost, destroyed, or stolen, evidence of such loss, destruction, or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee, has been given, the Authority, at the expense of the Owner, shall execute and the Trustee shall authenticate and deliver a new Bond of like denomination, maturity, and interest rate in lieu of and in substitution for the Bond so lost, destroyed, or stolen. The Trustee may require payment of an appropriate fee for each new Bond delivered under this Section 2.06 and of the expenses that may be incurred by the Trustee in carrying out its duties under this Section 2.06. Any Bond executed and delivered under the provisions of this Section 2.06 in lieu of any Bond claimed to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds. Notwithstanding any other provision of this Section 2.06, in lieu of delivering a new Bond for one that has been mutilated, lost, destroyed, or stolen, and that has matured, or has been called for redemption, the Trustee may make payment of the principal of or interest on such Bond upon receipt of indemnity satisfactory to it.

Section 2.07. Temporary Bonds. Until definitive Bonds shall be prepared, the Authority may cause to be executed and delivered in lieu of such definitive Bonds and subject to the same provisions, limitations, and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the Authority, one or more temporary typed, printed, lithographed, or engraved Bonds in fully registered form, as may be authorized by the Authority, substantially of the same tenor and, until exchanged for definitive Bonds, entitled and subject to the same benefits and provisions of this Trust Agreement as definitive Bonds. If the Authority issues temporary Bonds, it shall execute and furnish definitive Bonds without unnecessary delay and thereupon the temporary Bonds may be surrendered to the Principal Office of the Trustee, without expense to the Owner in exchange for such definitive Bonds. All temporary Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.08. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the
execution of any such instrument, or of any instrument appointing any such attorney or agent, shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided) if made in the following manner. The fact and date of the execution by any Owner or his attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the person signing such instrument acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such certificate shall also constitute sufficient proof of his authority.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated that it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

**Section 2.09. Bond Register.** The Trustee shall keep or cause to be kept at the Principal Office of the Trustee sufficient books for the registration and registration of transfer of the Bonds, which books shall at all times during regular business hours be open to inspection by the Authority and the City. Upon presentation for registration of transfer, the Trustee shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register, or register the transfer of, the Bonds, or cause the same to be registered or cause the transfer of the same to be registered, on such books.

**Section 2.10. Nonpresentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Authority to the Owner thereof for the payment of the principal amount of such Bond shall forthwith cease, determine, and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds (subject to Section 2.11 hereof), without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on, or with respect to, such Bond.

**Section 2.11. Unclaimed Money.** All money that the Trustee shall have received from any source and set aside for the purpose of paying any Bond shall be held in trust for the Owner of such Bond, but any money that shall be so set aside or deposited by the Trustee and that shall remain unclaimed by the Owner of such Bond for a period of one (1) year after the date on which any payment with respect to such Bond shall have become due and payable shall be paid to the Authority; provided, however, that the Trustee, before making any such payment, shall notify the Authority of such unclaimed moneys on deposit and then, at the expense of the Authority, cause notice to be mailed to the Owner of such Bond, by first-class mail, postage prepaid, not less than ninety (90) days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be paid to the Authority. Thereafter, the Owner of such Bond shall, subject to any applicable escheat laws, look only to the Authority for payment and then only to
the extent of the amount so received without any interest thereon, and the Trustee and the Bond Insurer shall have no responsibility with respect to such money.

Section 2.12. Book-Entry System; Limited Obligation. Bonds of each maturity shall be initially issued and delivered in the book-entry bond form of a separate single fully registered Bond (which may be typewritten). Upon initial issuance and delivery, the ownership of each such book-entry Bond shall be registered in the Bond Register in the name of the Nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority, the City, and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority, the City, and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, beneficial owner, or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice, (c) the selection by the Depository and the Participants of the beneficial interest in the Bonds to be redeemed in part, or (d) the payment to any Participant, beneficial owner, or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Authority, the City, and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, on, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, on, and interest on the Bonds only to or upon the order of the respective Bond Owners, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal, premium, if any, and interest pursuant to this Trust Agreement. Upon delivery by the Depository to the Trustee, the Authority, and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Trust Agreement shall refer to such new nominee of the Depository.

Section 2.13. Representation Letter. In order to qualify the Bonds for the Depository’s book-entry system, the Authority Representative is hereby authorized to execute, countersign, and deliver on behalf of the Authority to such Depository a letter from the Authority representing such matters as shall be necessary to so qualify the Bonds (the “Representation Letter”). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 hereof or in any other way impose upon the Authority any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the
Owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Trustee in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority Representative and all other officers of the Authority, and their respective designees, each are hereby authorized to take any other actions, not inconsistent with this Trust Agreement, to qualify the Bonds for the Depository’s book-entry program.

Section 2.14. Transfers Outside Book-Entry System. If at any time the Depository notifies the Authority, the Trustee, and the City that the Depository is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Depository is not appointed by the Authority, at the direction of the City, within ninety (90) days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.12 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver the Bonds as provided below. In addition, the Authority, upon receipt of written directions from the City, may determine at any time that the Bonds shall no longer be represented by book-entry bonds and that the provisions of Section 2.12 hereof shall no longer apply to the Bonds. In any such event, the Authority shall execute and the Trustee shall authenticate and deliver the Bonds as provided below. Bonds authenticated and delivered in exchange for book-entry bonds pursuant to this Section 2.14 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such Bonds to the persons in whose names such Bonds are so registered.

If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or cause to be prepared a new fully-registered book-entry bond for each maturity of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Authority, the Trustee, and such securities depository and not inconsistent with the terms of this Trust Agreement.

Section 2.15. Payments and Notices to the Nominee. Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, on, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16. Initial Depository and Nominee. The initial Depository under this Trust Agreement shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.
ARTICLE III
FUNDS AND ACCOUNTS

Section 3.01. Application of Proceeds of Sale of the Bonds.

(a) Upon the receipt of payment for the Bonds when the same shall be sold to the original purchaser or purchasers thereof, the amount of $_________ (representing $[PRINCIPAL AMOUNT].00 of aggregate principal amount of the Bonds, [plus/less] a net original issue [premium/discount] of $_________, less $_________ of underwriter’s discount, [CONFIRM:] less $_________ transferred by the underwriter to the Bond Insurer to pay the Bond Insurance Policy premium) shall be applied as follows:

(i) The Trustee shall deposit $_________ of the proceeds of the Bonds into the Costs of Issuance Fund;

(ii) The Trustee shall deposit $_________ of the proceeds of the Bonds into the Project Fund; and

(iii) The Trustee shall transfer $_________ of the proceeds of the Bonds to the Escrow Agent for deposit in the Escrow Fund.

(b) Pursuant to the 2003 Trust Agreement, the 2003 Trustee established, maintained, and held the following funds: (i) the “Costs of Issuance Fund” (the “2003 Costs of Issuance Fund”), (ii) the “Debt Service Fund” (the “2003 Debt Service Fund”), (iii) the “Reserve Fund” (the “2003 Reserve Fund”), (iv) the “Zions Bank Payment Fund” (the “2003 Zions Bank Payment Fund”), and (v) the “Rebate Fund” (the “2003 Rebate Fund”). On the Closing Date, the Authority shall direct the 2003 Trustee to apply all amounts held by the 2003 Trustee under the 2003 Indenture as follows:

(i) No amounts are held by the 2003 Trustee in the 2003 Costs of Issuance Fund or the 2003 Zions Bank Payment Fund;

(ii) The 2003 Trustee shall transfer $68,285.00, constituting all amounts held in the 2003 Debt Service Fund, to the Escrow Agent for deposit in the Escrow Fund;

(iii) The reserve fund policy applicable to the 2003 Bonds shall be cancelled; no amounts are held by the 2003 Trustee in the 2003 Reserve Fund; and

(iv) The 2003 Trustee shall apply all amounts, if any, held in the 2003 Rebate Fund in accordance with the 2003 Trust Agreement.

Section 3.02. Establishment and Application of Costs of Issuance Fund.
There is hereby established in trust a special fund designated the “Costs of Issuance Fund,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. There shall be deposited in the Costs of Issuance Fund that portion of the proceeds of the Bonds required to be deposited therein pursuant to
Section 3.01 hereof and such other amounts as specified by the Authority. The Trustee shall disburse money from the Costs of Issuance Fund on such dates and in such amounts as are necessary to pay Costs of Issuance, in each case, promptly after receipt of, and in accordance with, a Written Request of the Authority in the form attached hereto as Exhibit B, together with invoices therefor. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Costs of Issuance Fund on the earlier of (i) six (6) months after the Closing Date, or (ii) the date on which the Authority has notified the Trustee in writing that all Costs of Issuance have been paid, shall be transferred to the Project Fund.

Section 3.03. Establishment and Application of Project Fund. There is hereby established in trust a special fund designated the “Project Fund,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. There shall be deposited in the Project Fund that portion of the proceeds of the Bonds required to be deposited therein pursuant to Section 3.01 hereof and such other amounts as specified by the City. The Trustee shall disburse money from the Project Fund on such dates and in such amounts as are necessary to pay Project Costs, in each case, promptly after receipt of, and in accordance with, a written request of a City Representative in the form attached hereto as Exhibit C, together with invoices therefor. Upon receipt by the Trustee of written notice from the City that the Project has been completed and that all Project Costs payable from amounts in the Project Fund have been paid, any amounts then remaining in the Project Fund not encumbered or needed to pay Project Costs or to pay for other projects, as evidenced by a certificate of the City, shall be deposited by the Trustee in the Rebate Fund if the City has notified the Trustee such funds are needed to pay arbitrage rebate payments to the federal government and the balance shall be deposited in the Debt Service Fund for the payment of principal of and interest on the Bonds in accordance with Section 4.01(c) hereof. In no event will amounts in the Project Fund after the date three years from the Closing Date be invested at a yield in excess of the yield on the Bonds within the meaning of Section 148 of the Code and the regulations thereunder.

Section 3.04. Establishment and Application of Debt Service Fund. There is hereby established in trust a special fund designated as the “Debt Service Fund,” which shall be held by the Trustee and which shall be kept separate and apart from all other funds, accounts, and moneys held by the Trustee. The Debt Service Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease and this Trust Agreement is discharged in accordance with Section 10.01 hereof.

Except as otherwise provided in this paragraph, Base Rental and proceeds of rental interruption insurance with respect to the Property, if any, received by the Trustee shall be deposited in the Debt Service Fund. Any delinquent Base Rental payments and any proceeds of rental interruption insurance with respect to the Property deposited in the Debt Service Fund shall be applied first to the immediate payment of interest payments past due and then to the immediate payment of principal payments past due according to the tenor of any Bond. Any remaining money representing delinquent Base Rental payments and any proceeds of insurance shall remain on deposit in the Debt Service Fund to be applied in the manner provided herein.
Amounts, if any, transferred from the Costs of Issuance Fund to the Debt Service Fund shall constitute a credit against the portion of the Base Rental payments otherwise due and owing on the next applicable Interest Payment Date.

The Trustee shall pay from the Debt Service Fund on each Interest Payment Date an amount that, together with monies on deposit therein, equals the interest then due and the principal then due or required to be redeemed on such Interest Payment Date with respect to the Bonds, for payment of the Bonds in accordance with the terms of this Trust Agreement. Any amounts remaining in the Debt Service Fund on the day following an Interest Payment Date if the payments of interest or interest and principal have been paid shall be retained in the Debt Service Fund.

Any proceeds of insurance (other than rental interruption or workers’ compensation insurance) or awards in respect of a taking under the power of eminent domain not required pursuant to the Lease to be used for repair, reconstruction, or replacement, and any other amounts provided for the redemption of Bonds in accordance with Section 3.09 and Section 3.10 hereof, shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Debt Service Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date for the payment of such redemption price in accordance with the terms of Section 4.01(b) this Trust Agreement.

Section 3.05. [RESERVED].

Section 3.06. Establishment and Application of Rebate Fund. A special fund is hereby created and designated the "Rebate Fund" to be held by the Trustee. The Authority shall comply with the requirements below and in the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the Tax Certificate, unless the Authority obtains an opinion of Independent Counsel to the effect that certain specified requirements herein or therein no longer need to be satisfied.

(a) Computation. Prior to the end of the fifth Computation Year with respect to the Bonds, the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-2 of the Treasury Regulations promulgated thereunder (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), for this purpose treating the last day of said Computation Year as a computation date, within the meaning of Section 1.148-8(b) of the Treasury Regulations promulgated thereunder (the "Rebatable Arbitrage"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section and the Tax Certificate.

(b) Transfer. Prior to the end of the fifth Computation Year with respect to the Bonds, upon the Authority’s written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable
Arbitrage so calculated in accordance with subsection (a) above of this Section 3.06. In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Debt Service Fund.

(c) Payment to the Treasury. Upon receipt of a Written Request of the Authority, the Trustee shall pay to the United States Treasury, out of amounts in the Rebate Fund:

(i) Not later than sixty (60) days after the end of (A) the fifth Computation Year with respect to the Bonds, and (B) each applicable fifth Computation Year thereafter, an amount equal to at least ninety percent (90%) of the Rebatable Arbitrage calculated as of the end of such Computation Year; and

(ii) Not later than sixty (60) days after the payment of all the Bonds, an amount equal to one hundred percent (100%) of the Rebatable Arbitrage calculated as of the end of such applicable Computation Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 3.06(c) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201-0027 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(d) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in Section 3.06(c) hereof may be transferred by the Trustee to the Authority at the written direction of the City Representative and utilized in any manner by the Authority.

(e) Survival of Defeasance. Notwithstanding anything in this Section 3.06 or this Trust Agreement to the contrary, the obligation to comply with the requirements of this Section 3.06 shall survive the defeasance of the Bonds.

(f) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of an Authority Representative or a City Representative.

Section 3.07. Surplus. After (a) payment or redemption or provision for payment or redemption of all amounts due with respect to the Bonds as provided in Section 10.01 hereof, and payment of all fees, reimbursement amounts, and expenses of the Trustee and the Bond Insurer, and (b) the transfer of any additional amounts required to be deposited into the Rebate Fund pursuant to the written instructions from an Authority Representative or a City Representative in accordance with Section 3.06 hereof and the Tax
Certificate, any amounts remaining in any of the funds or accounts established hereunder (other than in the Rebate Fund) and not required for such purposes shall after payment of any amounts due to the Trustee and the Bond Insurer be remitted to the Authority and used for any lawful purpose.

**Section 3.08. Additional Rental.** In the event the Trustee receives Additional Rental pursuant to the Lease, such Additional Rental shall be applied by the Trustee solely to the payment of any costs in respect of which such Additional Rental was received, and shall not be commingled in any way with any other funds received by the Trustee pursuant to the Lease or this Trust Agreement.

**Section 3.09. Repair or Replacement; Application of Insurance Proceeds and Condemnation Awards.** If any portion of the Property shall be damaged or destroyed, or shall be taken by eminent domain proceedings, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Property in accordance with the provisions of this Section 3.09.

The proceeds of any insurance (other than any rental interruption or workers' compensation insurance), including the proceeds of any self-insurance fund and of any condemnation award, received on account of any damage, destruction, or taking of the Property or portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in the Insurance Proceeds Fund to be then established therefor and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or affected portion thereof upon receipt of a Written Request of the City. Pending such application, such proceeds shall be invested by the Trustee solely at the written direction of a City Representative in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, a City Representative shall, within ninety (90) days of the occurrence of the event of damage, destruction, or taking, notify the Trustee in writing of whether the City intends to replace or repair the Property or the portions of the Property that were damaged or destroyed. If the City elects to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the Insurance Proceeds Fund.

If the damage, destruction, or taking was such that there resulted a substantial interference with the City's right to the use or possession of the Property or any portion thereof and an abatement of rental payments will result from such damage or destruction pursuant to Section 3.5 of the Lease, then the City shall be required either to (i) apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the replacement or repair of the Property or portions thereof that have been damaged, destroyed, or taken so that such Property or any portion thereof will be restored to its former condition and fair rental value, or (ii) transfer to the Debt Service Fund and apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the redemption, as set forth in Section 4.01(b) hereof, in full of all the Outstanding Bonds or all of those Outstanding Bonds that would have been payable from that portion of the Base Rental payments.
that are abated as a result of the damage, destruction, or taking, such that the Base Rental payable on the remaining portions of the Property is sufficient to pay all principal and interest due with respect to the Bonds to remain Outstanding after such redemption. Any amounts received by the Trustee under this Section 3.09 in excess of the amount needed to either repair or replace a damaged, destroyed, or taken portion of the Property or to redeem Bonds shall be deposited in the Debt Service Fund.

**Section 3.10. Title Insurance.** Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) If the Authority and the City (i) determine that the title defect giving rise to such proceeds has not materially affected the use and possession of the Property and will not result in an abatement of Base Rental payable by the City under the Lease, and (ii) have provided the Trustee with written evidence of such determination, such proceeds shall be remitted to the City.

(b) If the Authority and the City determine that such title defect will result in an abatement of Base Rental payable by the City under the Lease, then the Trustee shall immediately deposit such proceeds in the Debt Service Fund and such proceeds and any other legally available funds, if any, shall be applied to the redemption of Bonds in the manner specified in Section 4.01(b) hereof.

**Section 3.11. Application of Amounts after Default by City.** All damages or other payments received by the Trustee from the enforcement of any rights and powers of the Trustee under Section 12 of the Lease, after a default by the City thereunder or hereunder, shall be applied promptly to the payment of reasonable fees and expenses of the Trustee (including fees and expenses of counsel) pertaining to the performance of its powers and duties under this Trust Agreement and the remainder shall be deposited into the Debt Service Fund and applied in the manner specified herein.

**Section 3.12. Held in Trust.** The moneys and investments held by the Trustee hereunder are irrevocably held in trust for the purposes herein specified, and such moneys and investments, and any income or interest earned thereon, shall be expended only as provided herein, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of (i) the Authority, (ii) the City, (iii) the Trustee, (iv) any Owner, (v) any beneficial owner of the Bonds, or (vi) the Bond Insurer.

**Section 3.13. Investments Authorized.** Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Permitted Investments pending application as provided herein, solely at the written direction of a City Representative, shall be registered in the name of the Trustee, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Los Angeles time on the last Business Day before the date on which a Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in Permitted Investments described in clause (15) of the definition thereof. Money held in any fund or account hereunder may be commingled for purposes of investment only. The obligations in which moneys in the
said funds are invested shall mature on or prior to the date on which such moneys are estimated to be required to be paid out hereunder.

All Investment Earnings with respect to amounts in the Rebate Fund shall be retained therein. All Investment Earnings with respect to amounts in the Project Fund shall be retained therein. All Investment Earnings with respect to amounts in the Costs of Issuance Fund shall be retained therein. All Investment Earnings with respect to amounts in the Debt Service Fund shall be retained therein. The Trustee shall transfer all Investment Earnings on deposit in all other funds and accounts established hereunder to the Debt Service Fund. For purposes of determining the amount of deposit of Investment Earnings in any fund held hereunder, all Investment Earnings credited to such fund shall be valued at the cost thereof.

The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 3.13, provided that the Trustee has given prior notice to the City of its intent to do so. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may commingle moneys in funds and accounts for purposes of investment.

For the purpose of determining the amount in any fund or account hereunder all Permitted Investments shall be valued at the end of each month calculated in the manner as provided in the definition of Permitted Investments. The Trustee may sell, or present for redemption, any Permitted Investment purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal, or disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

The City and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City and the Authority the right to receive brokerage confirmations of security transactions as they occur, the City and the Authority specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City and the Authority periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 3.14. Reports. The Trustee shall furnish monthly to the Authority a report, which may be its customary account statements, of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

Section 3.15. Pledge; Limited Obligation. The Lease, the Property Lease, the Base Rental payments, and the amounts on deposit from time to time in the funds and accounts established under this Trust Agreement (except for amounts on deposit in the Rebate Fund and the Project Fund) (collectively, the “Pledged Assets”) are hereby pledged and assigned to the timely payment of the principal of and interest on the Bonds. The Bonds are limited obligations of the Authority payable solely from the Pledged Assets.
ARTICLE IV
REDEMPTION OF BONDS

Section 4.01. Redemption. The Bonds shall be subject to redemption prior to their stated maturities only as set forth below:

(a) Optional Redemption. The Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after June 1, 20__, are subject to optional redemption prior to maturity on or after June 1, 20__, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City's option to purchase the Authority's right, title, and interest in the Property or a Component thereof in accordance with Section 15 of the Lease and from any other funds available therefor.

(b) Extraordinary Redemption From Insurance or Condemnation Proceeds. The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund pursuant to Section 3.09 or 3.10 hereof.

(c) Mandatory Redemption from Excess Moneys in Project Fund. The Bonds are subject to mandatory redemption prior to maturity in whole or in part on any date, in integral multiples of $5,000, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, from moneys transferred from the Project Fund to the Debt Service Fund pursuant to Section 3.03 hereof.

(d) Mandatory Sinking Account Redemption.

(i) The Bonds maturing on June 1, 20__, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20__, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>June 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20_</td>
<td>$</td>
</tr>
<tr>
<td>20_</td>
<td></td>
</tr>
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</table>

(ii) The Bonds maturing on June 1, 2029, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 202__, at the principal
thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>June 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>202</td>
<td>$</td>
</tr>
<tr>
<td>2029</td>
<td></td>
</tr>
</tbody>
</table>

The amount of each redemption required by this subsection (d) shall be reduced proportionately in the event and to the extent of any and all redemptions of Bonds pursuant to this Section 4.01 other than this subsection (d).

Section 4.02. Selection of Bonds for Redemption. Whenever provision (other than Section 4.01(d)) is made in this Trust Agreement for the redemption of Bonds and less than all Outstanding Bonds shall be called for redemption, the Trustee shall select Bonds for redemption pro rata among maturities, such that substantially equal debt service results for the remaining years of the Lease Term and such that Base Rental to become due in each remaining year of the Lease Term shall be as nearly equal as possible to Base Rental to come due in every other such year. For the purposes of determining the redemption of Bonds pursuant to this Section 4.02, the Bonds shall be deemed to mature in the amounts and on the dates set forth in the table in Section 4.01(d) hereof. The principal amount of the Bonds subject to Mandatory Sinking Account Payments pursuant to Section 4.01(d) hereof shall be reduced in each of the years by the principal amount of the Bonds required to be redeemed in such years pursuant to Section 4.01(a), 4.01(b), or 4.01(c) hereof, as applicable. The Trustee shall select Bonds within each maturity for redemption by lot. The Trustee shall promptly notify the City and the Authority in writing of the Bonds so selected for redemption. Redemption by lot shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Bond to be redeemed shall be in an Authorized Denomination.

Section 4.03. Notice of Redemption. When redemption is authorized or required pursuant to Section 4.01 hereof, the Trustee shall give notice (the “Redemption Notice”), at the expense of the City, of the redemption of the Bonds; provided, however, that neither failure of any Owner to receive a Redemption Notice nor any defect in a Redemption Notice shall affect the sufficiency of the proceedings for the redemption of Bonds. Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed. The Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) if less than all Outstanding Bonds are to be redeemed, the numbers of the Bonds of the maturities to be redeemed in whole or in part and, in any case, the principal amount of Bonds of each maturity to be redeemed in whole or in part, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice shall further state that on the specified date there shall become due and
payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued thereon to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

The Trustee shall take the following actions with respect to each Redemption Notice:

(a) At least thirty (30) but not more than sixty (60) days prior to the redemption date, the Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register as of the close of business on the day before the Redemption Notice is given.

(b) At least thirty (30) but not more than sixty (60) days before the redemption date, the Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least thirty (30) but not more than sixty (60) days before the redemption date, the Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Upon the occurrence of any contingent or other unscheduled Bond redemption hereunder, notice thereof shall be given to the MSRB pursuant to and in accordance with the Continuing Disclosure Agreement.

Section 4.04. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same maturity date and interest rate and of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the Authority and the Trustee shall be released and discharged thereupon from all liability to the extent of such payment.

Section 4.05. Effect of Notice of Redemption. Notice of redemption having been given as provided in Section 4.03 hereof, and the money for the redemption (including accrued interest to the redemption date) having been set aside in the Debt Service Fund prior to the giving of such notice as provided in Section 4.03 hereof (except as otherwise permitted under Section 4.03 hereof), the Bonds to be redeemed shall become due and payable on such redemption date.

If, on such redemption date, money for the redemption of all of the Bonds to be redeemed, together with accrued interest to such redemption date, shall be held by the Trustee so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given to the Owners as provided in Section 4.03 hereof, then from and after such redemption date interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust, without liability for interest thereon, for the account of the Owners of the Bonds to be redeemed.
On each such redemption date, the Authority shall recompute the principal amount of Base Rental to become due in each remaining year of the Lease following redemption of the Bonds to be redeemed and shall notify the City in writing of the recomputed principal amount of such Base Rental.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article IV shall be canceled upon surrender thereof and destroyed.

Section 4.06. Bonds No Longer Outstanding. When any Bond (or portion thereof), which has been duly called for redemption prior to maturity under the provisions of this Trust Agreement, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and sufficient money shall be held by the Trustee irrevocably in trust for the payment of the redemption price of such Bond, or portion thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Trust Agreement, then such Bond (or portion thereof) shall no longer be deemed Outstanding under the provisions of this Trust Agreement. If the Authority shall otherwise acquire any Bond by purchase or otherwise, such Bond shall no longer be deemed Outstanding and shall be surrendered to the Trustee for cancellation.

ARTICLE V

THE TRUSTEE

Section 5.01. Compensation of Trustee. The Authority shall, from time to time, on demand, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents, and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. To the extent permitted by law, compensation and reimbursement to the Trustee shall not be limited by any statutory provisions that limit compensation to trustees of express trusts.

Section 5.02. Removal of Trustee. The City may at any time, provided no event of default has occurred and is continuing, or the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, at any time, may by Written Request of the City, for any reason, remove the Trustee and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall be a bank, national banking association, or trust company in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers, having (or be a member of a bank holding company system with a bank holding company that has) a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000, shall be subject to supervision or examination by federal or state banking authority. If such bank, national banking association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 5.02, the combined capital and surplus of such bank, national banking association,
or trust company shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published. Any removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Section 5.03. Resignation of Trustee. The Trustee or any successor may at any time resign by giving not less than sixty (60) days’ prior written notice to the Authority, the Bond Insurer, and the City and by giving mailed notice to the Owners of its intention to resign and of the proposed date of resignation.

Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the City fails to appoint a successor Trustee within sixty (60) days following receipt of such written notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor. Any resignation of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Any successor Trustee approved by the City or any court shall satisfy the qualifications set forth in Section 5.02 hereof.

Section 5.04. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under Section 5.02 hereof), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 5.05. Protection and Rights of the Trustee. The Trustee shall, prior to an event of default, and after the curing or waiving of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any event of default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement and the Trustee shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall be protected and shall incur no liability in acting upon or processing in good faith any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, or other paper or document that it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may or may not be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith reliance thereon.
Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners of the Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agreement, the Trustee shall consider the effect on the Owners of the Bonds as if there were no Bond Insurance Policy.

Subject to Section 8.03(c) hereof, the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or relating to the exercise of any trust or power conferred upon the Trustee under this Trust Agreement.

Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder.

Whenever in the administration of its duties under this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by a Certificate of the Authority or Certificate of the City and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement in good faith reliance thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may become an Owner or a pledgee of any Bonds with the same rights it would have if it were not the Trustee; may acquire and dispose of bonds or other evidences of indebtedness of the Authority and enforce its rights as owner thereof to the same extent as if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

The recitals, statements, and representations by the Authority or the City contained in this Trust Agreement or in the Bonds shall be taken and construed as made by and on the part of the Authority or the City, as applicable, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any such recital, statement, or representation. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, shall not be liable for the acts or omissions of such attorneys, agents, or receivers appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and concerning its duties hereunder.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder.
or in the exercise of any of its rights or powers if the repayment of such funds, or adequate indemnity against such risk or liability, is not reasonably assured to it.

The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Trust Agreement, provided, however, that (i) subsequent to such facsimile transmission of written instructions or directions the Trustee shall forthwith receive the originally executed instructions or directions and (ii) such originally executed instructions or directions shall be signed by a City Representative or an Authority Representative, as applicable.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrence beyond the control of the Trustee.

The Trustee shall have no responsibility or liability with respect to any information, statements, or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Section 5.06. Indemnity; Limited Liability of the Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority or the City, as applicable, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Trust Agreement, the Lease, or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee or and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate amount of Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.
(c) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement, except for actions arising from the negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any event of default hereunder, except with respect to defaults described in Section 8.01(a) hereof pertaining to defaults under subsections (i) and (ii) of Section 12(a) of the Lease, unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at the Principal Office of the Trustee. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an event of default hereunder or thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(e) The Authority further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents, and employees, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the reasonable costs and expenses of defending against any claim of liability, but excluding all losses, expenses, and liabilities that are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents, or employees. The obligations of the Authority under this Section shall survive the resignation or removal of the Trustee or the defeasance of the Bonds under this Trust Agreement.

Section 5.07. Trustee to Act as Set Forth Herein. The Trustee has the power to receive, to hold in accordance with the terms hereof, and to disburse the money to be paid pursuant to the Lease and this Trust Agreement. The Trustee has no power to vary, alter, or substitute the Lease or the corpus of any trust created hereby or pursuant to the Lease or this Trust Agreement at any time.

Section 5.08. Paying Agents. The Trustee is hereby appointed as paying agent for the Bonds. The Trustee, upon written consent of the Authority, may appoint such other paying agents with respect to the Bonds as it may deem advisable. Any paying agent appointed shall be a bank, national banking association, or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and shall be subject to supervision by federal or state banking authorities.

Section 5.09. Appointment of Co-Trustee or Agent. It is the purpose of this Trust Agreement that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Trust Agreement, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee
appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 5.09 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended by this Trust Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee, but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties, and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

In addition to the appointment of a co-trustee hereunder, the Trustee may, at the expense and with the prior written consent of the Authority, appoint any agent of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee and approved by the Authority, for the purpose of administering the transfers or exchanges of Bonds or for the performance of any other responsibilities of the Trustee hereunder.

ARTICLE VI
AMENDMENTS

Section 6.01. Amendments to Trust Agreement.

(a) Except as set forth in Section 6.01(b) hereof, this Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. In addition, no such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest, or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) without its written consent thereto, modify any of the rights or obligations of the Trustee or the Bond Insurer, as applicable.
(b) Notwithstanding Section 6.01(a) hereof, this Trust Agreement and the rights and obligations provided hereby may also be modified or amended at any time without the consent of any Owners upon the written agreement of the City, the Authority, and the Trustee, with written notice to the Bond Insurer, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in this Trust Agreement, (2) in regard to questions arising under this Trust Agreement that the City, the Authority, and the Trustee may deem necessary or desirable and not inconsistent with this Trust Agreement and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer, (3) to qualify this Trust Agreement under the Trust Indenture Act of 1939, as amended, or corresponding provisions of Federal laws from time to time in effect, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; provided that the City, the Authority, and the Trustee may rely in entering into any such amendment or modification hereof upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No amendment shall impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner's Bond.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such amendment authorized by subsections (a) or (b) of this Section that adversely affects the Trustee's own rights, duties, or immunities under this Trust Agreement or otherwise.

(d) The Bond Insurer reserves the right to charge the Authority or the City a fee for any consent or amendment to this Trust Agreement while the Bond Insurance Policy is outstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.

Section 6.02. Amendments to Lease or Property Lease. The Lease or the Property Lease may be amended in writing by agreement between the Authority and the City with the consent of the Trustee, but no such amendment shall become effective as to the Owners unless and until approved in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. Notwithstanding the foregoing, the Lease or the Property Lease and the rights and obligations provided thereby may also be modified or amended at any time, with notice to the Bond Insurer, without the consent of any Owners, upon the written agreement of the City and the Authority, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in the Lease or the Property Lease, (2) in regard to questions arising under the Lease or the Property Lease that the City and the Authority may deem necessary or desirable and not inconsistent with the Lease or the Property Lease, as applicable, and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer, (3) to effect any substitution of the Property or any portion thereof in accordance with Section 7 of the Lease or Section 7 of the Property Lease, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer; provided that the City and the Authority may rely in entering into any such amendment or modification thereof, upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No such amendment shall (i) reduce the percentage of Bonds required for the written consent to any such
amendment or modification, (ii) without its written consent thereto, modify any of the rights or obligations of the Trustee or the Bond Insurer, as applicable, or (iii) impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner’s Bond.

Section 6.03. Amendment by Mutual Consent; Notice. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds. Copies of any modification or amendment to this Trust Agreement, the Property Lease, or the Lease shall be also sent to S&P at least fifteen (15) days prior to the effective date thereof.

ARTICLE VII
COVENANTS

Section 7.01. Authority and City to Perform Pursuant to Property Lease and Lease. The Authority and the City covenant and agree with the Owners to perform all obligations and duties imposed under the Lease and the Property Lease.

Section 7.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend the dates upon which the Base Rental payments are required to be paid or prepaid, or the time of payment of interest with respect thereto. Nothing herein shall be deemed to limit the right of the Authority or the City to issue any securities for the purpose of providing funds for the redemption of the Bonds and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds.

Section 7.03. Offices for Servicing Bonds. The Authority (itself or via one or more agents) shall at all times maintain one or more offices or agencies where Bonds may be presented for payment, and shall at all times maintain one or more agencies where Bonds may be presented for registration of transfer or exchange, and where notices, demands, and other documents may be served upon the Authority in respect of the Bonds.

Section 7.04. Access to Books and Records. The Trustee shall, at all reasonable times and upon reasonable notice, have access to those books and records of the Authority and the City that may be reasonably required by the Trustee to fulfill its duties and obligations hereunder.

Section 7.05. General. The Authority and the City shall do and perform or cause to be done and performed all respective acts and things required to be done or performed by or on behalf of the Authority or the City, respectively, under the provisions of this Trust Agreement.

The Authority and the City certify that, upon the date of execution and delivery of any of the Bonds, all things, conditions, and acts required by the Constitution and laws of the State and this Trust Agreement to exist, to have happened, and to have been performed precedent to and in the execution and the delivery of such Bonds do exist, have happened, and have been performed in due time, form, and manner, as required by law.
Section 7.06. Tax Matters. Each of the Authority and the City covenants as follows:

(a) Private Activity. Neither the Authority nor the City shall take any action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other moneys or property that would cause any Bond to be a "private activity bond" within the meaning of Section 141 of the Code.

(b) Arbitrage. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action that will cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) Federal Guaranty. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or take or omit to take any action that would cause any Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The Authority and the City shall take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) Hedge Bonds. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority or the City, as applicable, takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code.

(f) Miscellaneous. Neither the Authority nor the City shall take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the Authority and the City in connection with the issuance of the Bonds and each shall comply with the covenants and requirements stated therein and incorporated by reference herein.

(g) Taxable Bonds. This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the Authority or the City from issuing, bonds, the interest on which has been determined by the Authority or the City, as applicable, to be subject to federal income taxation.

Section 7.07. Performance. Each of the Authority and the City shall faithfully observe all covenants and other provisions contained in this Trust Agreement, in each Bond issued and delivered hereunder, and in the Lease and the Property Lease. Except as provided herein and in the Lease, neither the Authority nor the City shall agree to any amendment to the Lease that would either lengthen the term thereof or reduce the amount of Base Rental or Additional Rental payable thereunder, or change the time or times of payment of such Base Rental or Additional Rental, or agree to any other amendment detrimental to the rights of the Owners or the Bond Insurer.
Section 7.08. Prosecution and Defense of Suits. The Authority and the City shall promptly take such action as may be necessary to cure any defect in the title to the Property or any part thereof, whether now existing or hereafter occurring, and shall prosecute and defend all such suits, actions, and all other proceedings as may be appropriate for such purpose.

Section 7.09. Further Assurances. The Authority and the City will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming to the Owners and the Bond Insurer the rights and benefits provided herein.

Section 7.10. Street Access. So long as Bonds are Outstanding, the Authority and the City shall take or cause to be taken all necessary action to assure adequate street access to and from all Components of the Property.

Section 7.11. Continuing Disclosure. The Authority and the Trustee hereby covenant and agree that they shall each comply with and carry out their respective obligations under the Continuing Disclosure Agreement. The City hereby covenants and agrees to provide to the Authority all information regarding the City requested by the Authority or otherwise necessary to enable the Authority to comply with and carry out the Authority’s obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall), or any Owner or Beneficial Owner, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Trustee, as the case may be, to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositaries, or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Section 7.12. Observance of Laws and Regulations. The Authority, the City, and the Trustee will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights, and privileges shall be maintained and preserved and shall not become abandoned, forfeited, or in any manner impaired.

Section 7.13. Other Liens. So long as any Bonds are Outstanding, none of the Trustee, the Authority, or the City shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and
lien hereof. The City, the Authority, and the Trustee shall not encumber the Property other than in accordance with the Property Lease, the Lease Agreement, and this Trust Agreement.

Section 7.14. Recordation. The City will record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement and the Property Lease, or memoranda thereof.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01. Events of Default Defined. Each of the following shall be an "event of default" under this Trust Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Trust Agreement, any one or more of the following events:

(a) An event of default shall have occurred under Section 12(a) of the Lease; provided, however, no effect shall be given to payments made under the Bond Insurance Policy in determining whether an event of default exists under this Section 8.01(a).

(b) Failure by the Authority or the City to observe and perform any covenant, condition, or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a) of this Section 8.01, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Authority and the City by the Trustee or the Bond Insurer or to the Authority, the City, and the Trustee by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, or if the failure stated in the notice cannot be corrected within such 30-day period, then the grace period under this Section 8.01(b) shall not extend for more than sixty (60) days without the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.

Section 8.02. Notice of Events of Default. In the event that an event of default has occurred and is continuing hereunder, the Trustee shall give notice of such default to the Owners. Such notice shall state that an event of default has occurred and is continuing hereunder and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice provided for in this Section 8.02 shall be given by first-class mail, postage prepaid, to the Owners within thirty (30) days of such occurrence of default.

Section 8.03. Remedies on Default.

(a) Upon the occurrence and continuance of any event of default specified hereunder, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, proceed to exercise the
remedies set forth in Sections 12(b) and 12(c) of the Lease or available to the Trustee hereunder. Upon the occurrence and continuance of an event of default under the Trust Agreement that would require the Bond Insurer to make payments with respect to the Bonds under the Bond Insurance Policy, the Bond Insurer and its designated agent shall be provided with access to inspect and copy the Bond Register held by the Trustee.

(b) In addition to the remedies set forth in Section 8.03(a) hereof and upon the occurrence and continuance of any event of default specified in Section 8.01 hereof, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, after receiving indemnification satisfactory to it, proceed to protect and enforce the rights vested in Owners by this Trust Agreement by appropriate judicial proceedings or proceedings as the Trustee deems most effectual. The provisions of this Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Bonds shall constitute a contract with the Owners of the Bonds, and such contract may be enforced by any Owner by mandamus, injunction, or other applicable legal action, suit, proceeding, or other remedy.

(c) Upon an event of default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by this Trust Agreement with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Section 8.04. Collection of Base Rental Payments. The Trustee shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

Section 8.05. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement and the Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in this Article VIII or by law.

Remedies provided in this Trust Agreement shall be cumulative with respect to the Trustee, the Bond Insurer, and the Owners. If any remedial action is discontinued or abandoned, the Authority, the City, the Trustee, the Bond Insurer, and the Owners shall be restored to their former positions.

Section 8.06. No Additional Waiver Implied by One Waiver. In the event any provision contained in this Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
Section 8.07. Action by Owners. In the event the Trustee fails to take any action to eliminate an event of default under Section 12 of the Lease or hereunder, the Owners of a majority in aggregate principal amount of Bonds then Outstanding may institute any suit, action, mandamus, or other proceeding in equity or at law for the protection or enforcement of any right under the Lease and this Trust Agreement, but only if such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit, or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Section 8.08. Application of Moneys. Any moneys received by the Trustee pursuant to this Article VIII, together with any moneys that upon the occurrence of an event of default hereunder are held by the Trustee in any of the funds hereunder (other than the Rebate Fund and other than moneys held for Bonds not presented for payment) shall, after payment of reasonable fees and expenses of the Trustee, and the reasonable fees and expenses of its counsel pertaining to the performance of its powers and duties under this Trust Agreement, be applied to the payment of the whole amount then owing and unpaid with respect to the Outstanding Bonds for principal, premium, if any, and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid on the Bonds, to the payment of the principal, premium, if any, and interest then due and unpaid upon the Outstanding Bonds without preference or priority of any of principal, premium, or interest over the others or of any installment of interest, or of any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal, premium, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section 8.08, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The Trustee shall give, by mailing by first class mail as it may deem appropriate, such notice of the deposit with it of any such moneys.

ARTICLE IX
LIMITATION OF LIABILITY

Section 9.01. No Liability of Authority or City for Trustee Performance. Neither the Authority nor the City shall have any obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement, including the distribution of principal of and interest on the Bonds to the Owners.
Section 9.02. No Liability of Trustee for Base Rental Payments by City.
Except as provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment of the Base Rental by the City when due, or with respect to the performance by the City of any other covenant made by it in the Lease.

Section 9.03. No Liability of Authority or City Except as Stated. Except for the performance by the Authority of its obligations and duties as expressly set forth in the Lease and this Trust Agreement, the Authority shall have no obligation or liability to the Trustee or the Owners, including, without limitation, the Authority shall have no liability with respect to the payment when due of Base Rental and Additional Rental by the City. Except for (i) the payment of Base Rental and Additional Rental when due in accordance with the terms of the Lease, and (ii) the performance by the City of its obligations and duties as expressly set forth in the Lease and this Trust Agreement, the City shall have no obligation or liability to the Trustee or the Owners.

Section 9.04. Limited Liability of Trustee. The Trustee shall not have any obligation or responsibility for providing information to the Owners concerning the investment quality of the Bonds, for the sufficiency or collection of any Base Rental, or for the actions or representations of any other party to this Trust Agreement. The Trustee shall not have any obligation or liability to any of the other parties hereto or to the Owners with respect to the failure or refusal of any other party hereto to perform any covenant or agreement made by it under this Trust Agreement or the Lease, but shall be responsible solely for the performance of the duties expressly imposed upon it hereunder. The recitals of facts, covenants, and agreements contained herein and in the Bonds shall be taken as statements, covenants, and agreements of the Authority or the City, as applicable, and the Trustee assumes no responsibility for the correctness of the same and makes no representation as to the validity or sufficiency of this Trust Agreement, the Lease, or the Bonds, or as to the value of or title to the Property, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein assigned to or imposed upon it. The provisions of this paragraph shall survive the resignation or removal of the Trustee or the defeasance of the Bonds.

Section 9.05. Limitation of Rights. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give any person other than the City, the Trustee, the Authority, the Bond Insurer, and the Owners any legal or equitable right, remedy, or claim under or in respect of this Trust Agreement or any covenant, condition, or provision hereof; and all such covenants, conditions, and provisions are and shall be for the sole and exclusive benefit of the City, the Trustee, the Authority, the Bond Insurer, and such Owners.

ARTICLE X
MISCELLANEOUS

Section 10.01. Defeasance.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of any Outstanding Bonds the interest thereon, the principal thereof, and the
redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Pledged Assets as provided herein, and all agreements, covenants, and other obligations of the Authority to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto that are not required for the payment of the interest on, principal of, and redemption premiums, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority and the City, as applicable, shall have kept, performed, and observed all the covenants and promises in such Bonds and in this Trust Agreement required or contemplated to be kept, performed, and observed by the Authority or the City, as applicable, or on its part or on prior to that time, then this Trust Agreement shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Trust Agreement and such lien and all covenants, agreements, and other obligations of the Authority and the City hereunder shall cease, terminate, become void, and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Trust Agreement or the discharge of this Trust Agreement in respect of any Bonds, those provisions of this Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of, redemption premium, if any, on, and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Trust Agreement or the discharge of this Trust Agreement in respect of any Bonds, those provisions of this Trust Agreement contained in Section 5.01 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.03 hereof, a Redemption Notice for such Bonds on said redemption date, such Redemption Notice to be given in accordance with Section 4.03 hereof, (2) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient or (B)(i) non callable direct obligations of the United States of America ("Treasuries"), (ii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the
custodian may be obligated, (iii) subject to the prior written consent of the Bond Insurer, pre refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody's, respectively, or (iv) subject to the prior written consent of the Bond Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P, or any combination thereof, or (v) any such other obligations or securities as shall be approved in writing by the Bond Insurer, the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds and the Bond Insurer that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds, and (4) in the case of Bonds subject to the book-entry system, the Trustee shall give notice to the Depository of the redemption of all or part of such Bonds on the date proceeds or other funds are deposited in escrow with respect to Bonds. Nothing in this Section 10.01(b) shall preclude redemptions pursuant to Section 4.01 hereof.

(c) After the payment of all the interest of and principal on all Outstanding Bonds as provided in this Section, the Trustee shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant hereto that are not required for the payment of the interest and principal represented by such Bonds. Notwithstanding the discharge and satisfaction of this Trust Agreement, Owners of Bonds shall thereafter be entitled to payments due under the Bonds pursuant to the Lease, but only from amounts deposited pursuant to this Section 10.01 and from no other source.

(d) [INCLUDE IF BOND INSURANCE IS PURCHASED:] As a precondition to the defeasance of the Bonds pursuant to subsection (b) above, the Authority shall cause to be delivered: (i) a report of an independent certified public accountant acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the “Verification Report”); (ii) an escrow deposit agreement that shall be acceptable in form and substance to the Bond Insurer; and (iii) an opinion of Independent Counsel to the effect that the Bonds are no longer Outstanding. Each such Verification Report and opinion of Independent Counsel shall be acceptable in form and substance to the Authority all and shall be addressed to the Authority, the Trustee, and the Bond Insurer, and final drafts of such documents shall be provided to the Bond Insurer not less than five Business Days prior to the funding of the escrows.

(e) [INCLUDE IF BOND INSURANCE IS PURCHASED:] Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due with respect to the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise
satisfied, and not be considered paid by the Authority, and the assignment and pledge of the
Pledged Assets and all covenants, agreements, and other obligations of the Authority to the
Owners of the Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and
the Bond Insurer shall be subrogated to the rights of such Owners of Bonds.

Section 10.02. Records. Until three (3) years following the full payment of
principal and interest due with respect to the Bonds, the Trustee shall keep complete and accurate
records of all money received and disbursed under this Trust Agreement, which records shall be
available for inspection by the Authority, the City, and by any Owner, or the agent of any of
them, at reasonable times during regular business hours and upon reasonable prior written notice.

Section 10.03. Notices. All notices, requests, demands, and other
communications under this Trust Agreement by any person shall be in writing (unless otherwise
specified herein) and shall be sufficiently given on the date of service if served personally upon
the person to whom notice is to be given or on receipt if sent by courier or if mailed, by first-
class mail or by registered or certified mail, postage prepaid, and properly addressed as follows:

If to the City:
City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: Chief Financial Officer
Fax: (805) 385-7466

If to the Authority:
City of Oxnard Financing Authority
c/o City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: Controller
Fax: (805) 385-7466

If to the Trustee:
Wells Fargo Bank, National Association
707 Wilshire Blvd., 17th Floor
Los Angeles, California 90017
Attention: Corporate Trust
Fax: (213) 614-3355

If to the Bond Insurer:
[NAME]
[ADDRESS]
[CITY, STATE, ZIP CODE]
Attention: _________
Re: Policy No. _________
Telephone: _________
Fax: _________
If to S&P: Standard & Poor's Ratings Services
55 Water Street, 38th Floor
New York, NY 10041
Attention: Public Finance Surveillance Group
Fax: (212) 438-2157

If to any Owner: to its address as indicated in the Bond Register

or to such other address or addresses as any such person shall have designated to
the others by notice given in accordance with the provisions of this Section 10.03.

The Authority shall cause to be given to S&P notice of any substitution of the
Trustee, any material change in this Trust Agreement or the Lease, and any redemption or
defeasance of any or all of the Outstanding Bonds.

Any notice that is required to be given to an Owner of an Bond or to the Trustee
pursuant to this Trust Agreement shall also be provided to the Bond Insurer.

**Section 10.04. Governing Law.** This Trust Agreement shall be construed and
governed in accordance with the laws of the State.

**Section 10.05. Partial Invalidity.** Any provision of this Trust Agreement found
to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not
invalidate the remainder of this Trust Agreement.

**Section 10.06. Binding Effect; Successors; Parties Interested Herein.** This
Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto and the
Owners and their respective successors and assigns. Whenever in this Trust Agreement any
party is named or referred to, such reference shall be deemed to include such party’s successors
or assigns, and all covenants and agreements contained in this Trust Agreement by or on behalf
of any party hereto shall bind and inure to the benefit of such party’s successors and assigns
whether so expressed or not.

Nothing in this Trust Agreement, expressed or implied, is intended or shall be
construed to confer upon, or to give or grant to, any person or entity, other than the Authority,
the City, the Trustee, the Bond Insurer, and the Owners of the Bonds, any right, remedy, or claim
under or by reason of this Trust Agreement or any covenant, condition, or stipulation hereof, and
all covenants, stipulations, promises, and agreements in this Trust Agreement contained by and
on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Authority,
the City, the Trustee, the Bond Insurer, and the Owners of the Bonds.

**Section 10.07. Execution in Counterparts.** This Trust 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 agreement.

**Section 10.08. Headings.** The headings or titles of the several Articles and
Sections hereof, and the table of contents appended hereto, shall be solely for convenience of
reference and shall not affect the meaning, construction, or effect of this Trust Agreement.
Unless the context requires otherwise, all references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Trust Agreement and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder," and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision, or clause hereof.

Section 10.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Trust Agreement, Bonds that are owned or held by or for the account of the Authority or the City (but excluding Bonds held in any employees’ retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, only Bonds that the Trustee knows to be so owned or held shall be disregarded. Upon request of the Trustee, the City or the Authority, as applicable, shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 10.10. Waiver of Personal Liability. Notwithstanding anything contained herein to the contrary, no member, officer, or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the interest of or principal on the Bonds, but nothing contained herein shall relieve any member, officer, or employee of the Authority or the City from the performance of any official duty provided by any applicable provisions of law or by the Property Lease, the Lease, or hereby.

ARTICLE XI

PROVISIONS RELATING TO THE BOND INSURER AND

THE BOND INSURANCE POLICY

Section 11.01. Payment Procedure Pursuant to the Bond Insurance Policy.

[TO COME]

Section 11.02. Bond Insurer as Third-Party Beneficiary. To the extent that this Trust Agreement confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Trust Agreement, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given, or granted hereunder.

Section 11.03. Miscellaneous Bond Insurer Provisions.

(a) Notwithstanding anything herein or in the Lease to the contrary and so long as the Bond Insurer is not then in default under the Bond Insurance Policy, the Bond Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the
Bonds are entitled to take pursuant to this Trust Agreement or the Lease pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee.

(b) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Authority to the Bond Insurer under this Trust Agreement, the Lease, and the Property Lease shall survive discharge or termination of this Trust Agreement, the Lease, or the Property Lease.

(c) The City shall pay or reimburse the Bond Insurer any and all charges, fees, costs, and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in this Trust Agreement, the Lease, or the Property Lease; (ii) the pursuit of any remedies under this Trust Agreement, the Lease, or the Property Lease or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to, or related to, this Trust Agreement, the Lease, or the Property Lease whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Trust Agreement, the Lease, or the Property Lease or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Trust Agreement, the Lease, and the Property Lease.

(d) The rights granted to the Bond Insurer under this Trust Agreement, the Lease, or the Property Lease to request, consent to, or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners of the Bonds or any other person is required in addition to the consent of the Bond Insurer.

(e) The Bond Insurer shall be entitled to pay principal of or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Trust Agreement, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Bond Insurance Policy.

(f) The Authority and the City will permit the Bond Insurer to discuss the affairs, finances, and accounts of the Authority and the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and the City and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books, and records of the Authority and the City on any Business Day upon reasonable prior notice.
(g) The Trustee shall notify the Bond Insurer of any failure of the Authority or the City to provide notices, certificates, and other information under this Trust Agreement, the Lease, or the Property Lease.

Section 11.04. Notices/Information to be Given to Bond Insurer. The Bond Insurer shall be provided with the following information by the Authority, the City, or the Trustee, as the case may be: [TO COME]

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the parties have executed this Trust Agreement effective the date first above written.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By __________________________
Vice President

CITY OF OXNARD FINANCING AUTHORITY

By __________________________
Tim Flynn, Chairman

ATTEST:

By __________________________
Daniel Martinez, Secretary

CITY OF OXNARD

By __________________________
Tim Flynn, Mayor

ATTEST:

By __________________________
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

By __________________________
Stephen M. Fischer,
Interim City Attorney and
Interim Authority General Counsel

APPROVED AS TO CONTENT:

By __________________________
James Cameron,
City Chief Financial Officer and
Authority Controller
EXHIBIT A
FORM OF BOND
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE PROJECT AND REFUNDING BONDS, SERIES 2014
No.: $________________

<table>
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<th>Dated Date</th>
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<td>June 1, 20__</td>
<td>November __, 2014</td>
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF OXNARD FINANCING AUTHORITY, a public body, corporate and politic, organized and existing under the laws of the State of California (the “Authority”), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date identified above, the principal amount identified above.

This Bond has been executed by the Authority and authenticated and delivered by the Trustee pursuant to the terms of the Trust Agreement, dated as of November 1, 2014 (the “Trust Agreement”), by and among the Authority, the City of Oxnard (the “City”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”). This Bond is one of a duly authorized issue of bonds of the Authority designated as its “City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014” (the “Bonds”), issued in the aggregate principal amount of $[PRINCIPAL AMOUNT]. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Trust Agreement and the provisions of the Marks-Roos Local Bond Pooling Act of 1985 of the State of California, Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented. Reference is hereby made to the Lease, as defined below, and the Trust Agreement (copies of which are on file at the aforesaid offices of the Trustee) for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights, duties, and immunities of the Trustee and the rights and obligations of the City under the Lease, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used but not defined in this Bond shall have the respective meanings assigned to such terms in the Trust Agreement.

Interest with respect to this Bond shall be payable on each June 1 and December 1 commencing on June 1, 2015 (each, an “Interest Payment Date”). Interest with respect to this Bond shall be payable from the Interest Payment Date next preceding the date of authentication hereof, unless such date of authentication is after a Record Date (as hereinafter defined) and on or prior to the immediately following Interest Payment Date, in which event interest with respect
hereto shall be payable from such following Interest Payment Date or, unless such date of authentication is on or prior to the first Record Date, in which event interest shall be payable from November __, 2014; provided, however, that if at the time of authentication of this Bond, interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available. The term “Record Date” means the close of business on the fifteenth day of the month immediately preceding any Interest Payment Date.

The principal of this Bond shall be payable, subject to prior optional and mandatory redemption, including, without limitation, mandatory sinking account payments payable with respect to the Bonds on the Maturity Date (each a “Principal Payment Date”). The interest on the Bonds shall be payable on each Interest Payment Date by check or draft mailed by the Trustee to the respective Owners of the Bonds as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of the Trust Agreement. Payments of defaulted interest with respect to any Bond shall be paid by check or draft to the Owner as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owner of the Bond not less than ten (10) days prior thereto. The principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender thereof at maturity or on redemption prior thereto at the principal corporate trust office of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee.

Interest with respect to this Bond shall be payable on each Interest Payment Date to the Owner hereof as of the close of business on the Record Date. Interest shall be paid by check or draft of the Trustee, sent to the Owner by first-class mail, postage prepaid, at his address as it appears on the Bond Register; provided, however, that the Owner of $1,000,000 or more in aggregate principal amount represented by the Bonds may request in writing that the Trustee pay the interest represented by such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request. Payments of defaulted interest shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owners not less than ten (10) days prior thereto.

Interest on the Bonds shall be computed on the basis of a 360 day year of twelve 30 day months. Payment shall be made on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date.

The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in denominations of $5,000 or any integral multiple thereof (each an “Authorized Denomination”).

The City and the Authority have entered into a Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), for the purpose of leasing certain facilities (the “Property”) in connection with the performance of the City’s governmental functions. The Authority has assigned certain of its right, title, and interest in and to the Lease, including the right to receive Base Rental payments made thereunder, to the Trustee, pursuant to the Trust Agreement.
The City is required under the Lease to pay Base Rental from any source of legally available funds. The City has covenanted in the Lease to make the necessary annual appropriations for such purpose. Base Rental is required to be deposited with the Trustee five (5) Business Days prior to each Interest Payment Date, for application to the Debt Service Fund established pursuant to the Trust Agreement. In the event any date of deposit is not a Business Day, such deposit shall be made on the next succeeding Business Day. The Authority has pledged all amounts on deposit from time to time in the funds and accounts established pursuant to the Trust Agreement (other than in the Rebate Fund) to the payment of all Bonds.

The obligation of the City to pay Base Rental does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Base Rental does not constitute an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. The City's obligation to pay Base Rental shall be abated during any period in which, by reason of material damage, destruction, condemnation, or title defect, there is substantial interference with the use and possession of the Property or any portion thereof. Failure of the City to pay Base Rental during any such period of abatement shall not constitute a default under the Lease, the Trust Agreement or this Bond.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then outstanding. The Trust Agreement may be amended without such consent under certain circumstances; provided that the interests of the Owners of the Bonds are not adversely affected. No amendment shall impair the right of any Owner to receive in any case principal and interest in accordance with the terms of such Owner's Bond.

This Bond is transferable by the Owner thereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee, on the books required to be kept by the Trustee pursuant to the provisions of the Trust Agreement, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Trust Agreement upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a forth approved by the Trustee. The Trustee may treat the Owner of any Bond as the absolute owner of such Bond for all purposes, whether or not such Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by such Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability represented by such Bond to the extent of the sum or sums so paid.

Whenever this Bond shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Bond or Bonds representing the same principal amount. The Trustee shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business fifteen (15) days before the date such Bonds are selected for
redemption and the date any Bonds are to be redeemed or any Bond selected for redemption, except for the portion of any Bond redeemed only in part that remains Outstanding.

The Bonds maturing on or before June 1, 20__, are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after June 1, 20__, are subject to optional redemption prior to maturity on or after June 1, 20__, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City’s option to purchase the Authority’s right, title, and interest in the Property or a Component thereof in accordance with the Lease and from any other funds available therefor.

The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund.

The Bonds are subject to mandatory redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, from moneys transferred from the Project Fund to the Debt Service Fund pursuant to Trust Agreement.

The Bonds maturing on June 1, 20__, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20__, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>June 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$</td>
</tr>
<tr>
<td>20__</td>
<td></td>
</tr>
</tbody>
</table>

The Bonds maturing on June 1, 2029, are subject to redemption prior to their stated Principal Payment Dates, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 202__, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

<table>
<thead>
<tr>
<th>June 1 of the Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>202__</td>
<td>$</td>
</tr>
<tr>
<td>2029</td>
<td></td>
</tr>
</tbody>
</table>

The amount of the Mandatory Sinking Account Payments shall be reduced proportionately in the event and to the extent of any and all other redemptions of Bonds.
Whenever less than all the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed according to the provisions of the Trust Agreement, and the Trustee shall promptly notify the City and the Authority in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, any Bond may be prepaid in part in Authorized Denominations.

Notice of any redemption shall be given to the respective Owners of Bonds designated for redemption at their addresses appearing on the registration books of the Trustee as of the close of business on the day before such notice is given. The Trustee shall give notice by first-class mail, postage prepaid, at least 30 days but not more than 60 days prior to the redemption date to such Owners. Such notice shall set forth, in the case of each Bond to be redeemed only in part, the portion of the principal thereof which is to be redeemed. Neither failure to receive such notice nor any defect in any notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

If this Bond is called for redemption and the principal amount of this Bond plus accrued interest due with respect hereto are duly provided therefor as specified in the Trust Agreement, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

The Trust Agreement provides that the occurrences of certain events constitute Events of Default. Subject to certain limitations, the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Bonds at the time Outstanding shall be entitled to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee.

The Trustee has no obligation or liability to the Owners to make payments of principal or interest with respect to the Bonds, except from amounts on deposit for such purposes with the Trustee. The Trustee’s sole obligations are to administer for the benefit of the Owners the various funds and accounts established under the Trust Agreement and, to the extent provided in the Trust Agreement, to enforce the rights of the Authority under the Lease.

This Bond shall not be entitled to any benefit under the Trust Agreement or become valid for any purpose until it has been duly executed by the Authority and authenticated and delivered by the Trustee.

THE AUTHORITY AND THE CITY HAVE CERTIFIED, RECITED, AND DECLARED that all things, conditions, and acts required by the Constitution and laws of the State and the Trust Agreement to exist, to have happened, and to have been performed precedent to and in the execution and the delivery of this Bond, do exist, have happened, and have been performed in due time, form, and manner, as required by law.
IN WITNESS WHEREOF, the City of Oxnard Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and attested to by the manual or facsimile signature of its Secretary, and has caused this Bond to be dated as of the dated date set forth above.

CITY OF OXNARD FINANCING AUTHORITY

By: ________________________________
    Chairman

Attest:

_______________________________
Secretary
CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within mentioned Trust Agreement that has been authenticated and registered on November __, 2014.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
    Authorized Signatory

STATEMENT OF INSURANCE

[TO COME, IF APPLICABLE]
[FORM OF ASSIGNMENT TO BONDS]

For value received, the undersigned hereby sells, assigns, and transfers unto

________________________

(name, address, and social security number or other identifying number) the within bond and all
rights thereunder, and hereby irrevocably constitutes and appoints ______________________,
attorney, to transfer the within bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: ______________________

NOTE: The signature to this Assignment must correspond with the name as written upon the
face of the bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

________________________

NOTICE: The signature must be guaranteed by an eligible guarantor institution.
EXHIBIT B

WRITTEN REQUEST OF THE AUTHORITY
FOR DISBURSEMENT OF COSTS OF ISSUANCE

Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Corporate Trust Department

SUBJECT: City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014

Requisition No.: ______________

Ladies and Gentlemen:

You, as Trustee under that certain Trust Agreement, dated as of November 1, 2014 (the "Trust Agreement"), among you, the City of Oxnard, and the City of Oxnard Financing Authority, which Trust Agreement authorized the issuance and sale of the above-referenced Bonds, are hereby requested to pay from the Costs of Issue Fund established pursuant to the Trust Agreement to the respective persons or entities designated on Schedule A attached hereto and by this reference incorporated herein, the respective sums set forth on said Schedule A. Each obligation, item of cost, or expense included in this Written Request is a Cost of Issuance (as defined in the Trust Agreement), has been properly incurred and is a proper charge against the Costs of Issuance Fund and has not been the basis of any previous withdrawal and the payment of such obligation, cost, or expense will not cause the balance remaining in the Costs of Issuance Fund after such payment to be less than the amount necessary to pay the remaining estimated Costs of Issuance to be paid from the Costs of Issuance Fund.

Dated: ______________

CITY OF OXNARD FINANCING AUTHORITY

By: ________________________
   Controller
EXHIBIT C

WRITTEN REQUEST OF THE CITY
FOR DISBURSEMENT OF PROJECT COSTS

Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90017
Attention: Corporate Trust Department

SUBJECT: City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014

Requisition No.: _____________

Ladies and Gentlemen:

You, as Trustee under that certain Trust Agreement, dated as of November 1, 2014 (the "Trust Agreement"), among you, the City of Oxnard, and the City of Oxnard Financing Authority, which Trust Agreement authorized the issuance and sale of the above-referenced Bonds, are hereby requested to pay from the Project Fund established pursuant to the Trust Agreement to the respective persons or entities designated on Schedule A attached hereto and by this reference incorporated herein, the respective sums set forth on said Schedule A. Each obligation, item of cost, or expense included in this Written Request is a Project Cost (as defined in the Trust Agreement), has been properly incurred and is a proper charge against the Project Fund and has not been the basis of any previous withdrawal and the payment of such obligation, cost, or expense will not cause the balance remaining in the Project Fund after such payment to be less than the amount necessary to pay the remaining estimated Project Costs to be paid from the Project Fund. Attached hereto is a bill or statement of account for each such obligation.

The undersigned hereby certifies that there has not been filed with or served upon the City or the Authority notice or any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in this Written Request that has not been released or will not be released simultaneously with the payment of such obligation.

Dated: _____________

CITY OF OXNARD

By: ___________________
Chief Financial Officer
**EXHIBIT D**

**DESCRIPTION OF PROJECT**

The project consists of the construction, improvement, and resurfacing of certain streets and roadways within certain residential neighborhoods within the City of Oxnard identified as follows:

<table>
<thead>
<tr>
<th>Neighborhood Resurfacing</th>
<th>Approximate Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hobson Park West Neighborhood Resurfacing</td>
<td>$1.4 million</td>
</tr>
<tr>
<td>La Colonia Neighborhood Resurfacing Phase 2</td>
<td>$3.2 million</td>
</tr>
<tr>
<td>Redwood Neighborhood Resurfacing</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Pleasant Valley Estates Neighborhood Resurfacing</td>
<td>$3.1 million</td>
</tr>
<tr>
<td>La Colonia Neighborhood Resurfacing Phase 3</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Fremont North Neighborhood Resurfacing</td>
<td>$1.7 million</td>
</tr>
<tr>
<td>College Estates Neighborhood Resurfacing</td>
<td>$1.8 million</td>
</tr>
<tr>
<td>Sierra Linda Neighborhood Resurfacing</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>Orchard Park Neighborhood Resurfacing</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>South Bank Neighborhood Resurfacing</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>Rio Lindo Neighborhood Resurfacing</td>
<td>$2.9 million</td>
</tr>
<tr>
<td>Windsor North River Ridge Neighborhood Resurfacing</td>
<td>$2.3 million</td>
</tr>
<tr>
<td>Bryce Canyon South Neighborhood Resurfacing</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>Channel Islands Neighborhood Resurfacing</td>
<td>$2.0 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$30.7 million</strong></td>
</tr>
</tbody>
</table>

Windsor North River Ridge Neighborhood Resurfacing $2.3 million
Bryce Canyon South Neighborhood Resurfacing $1.3 million
Channel Islands Neighborhood Resurfacing $2.0 million
EXHIBIT E

PERMITTED INVESTMENTS

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("U.S. Government Securities").

(2) Direct obligations\(^1\) of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

- (a) Export-Import Bank of the United States - Direct obligations and fully guaranteed certificates of beneficial interest
- (b) Federal Housing Administration - debentures
- (c) General Services Administration - participation certificates
- (d) Government National Mortgage Association ("GNMAs") - guaranteed mortgage-backed securities and guaranteed participation certificates
- (e) Small Business Administration - guaranteed participation certificates and guaranteed pool certificates
- (f) U.S. Department of Housing & Urban Development - local authority bonds
- (g) U.S. Maritime Administration - guaranteed Title XI financings
- (h) Washington Metropolitan Area Transit Authority - guaranteed transit bonds

(3) Direct obligations\(^1\) of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- (a) Federal National Mortgage Association ("FNMA") - senior debt obligations rated Aaa by Moody’s and AAA by S&P

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\(^1\) The following are explicitly excluded from the securities enumerated in clauses (2) and (3):

- (a) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (b) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (c) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
- (d) Collateralized Mortgage-Backed Obligations ("CMOs").
(b) Federal Home Loan Mortgage Corporation ("FHLMCs") - participation certificates and senior debt obligations rated Aaa by Moody’s and AAA by S&P

(c) Federal Home Loan Banks - consolidated debt obligations

(d) Student Loan Marketing Association - debt obligations

(e) Resolution Funding Corporation - debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody’s and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody’s and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Certificates of deposit, deposit accounts, federal funds, or bankers’ acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank, which may include the Trustee or its affiliates, or United States branch office of a foreign bank, provided that such bank’s short-term certificates of deposit are rated P-1 by Moody’s and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P. Such money market funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(9) State-sponsored investment pools rated AA- or better by S&P.

(10) Repurchase agreements that meet the following criteria:

(a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.

(b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors’ Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed rating of A3/P-1 or better by Moody’s and A-/A-1 or better by S&P, or (ii) domestic structured investment companies.
approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody’s and AAA by S&P.

(c) The repurchase agreement shall require termination thereof if the counterparty’s ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody’s, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.

(d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA, or FHLMC described in clauses 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMA, FNMA, or FHLMC. The repurchase agreement shall require (i) the Trustee or an independent third party acting solely as agent for the Trustee (the “Agent”) to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) Business Days of such valuation.

(e) The repurchase securities shall be delivered free and clear of any lien to the Trustee or the Agent, and such Agent is (i) a Federal Reserve Bank or (ii) a bank which is a member of the FDIC and which has combined capital, surplus, and undivided profits or, if appropriate, a net worth, of not less than $50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.

(f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the Authority and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

(g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.

(h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless the Bond Insurer directs otherwise:

   i. insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
ii. failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under clause 10(d) above; or

iii. failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(11) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

(a) A master agreement or specific written investment agreement governs the transaction.

(b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody’s and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody’s and AAA by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody’s and AAA by S&P.

(c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured, and unguaranteed rating of A1 or better by Moody’s and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Al by Moody’s and A+ by S&P; (iii) domestic insurance companies rated at least Al by Moody’s and A+ by S&P; and (iv) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody’s and AAA by S&P. Required collateral levels shall be as set forth in clause 11(f) below.

(d) The investment agreement shall provide that, if the provider’s ratings fall below Aa3 by Moody’s or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.

(e) The investment agreement must provide for termination thereof if the provider’s ratings are suspended, withdrawn, or fall below A3 from Moody’s or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.

(f) The investment agreement shall provide for the delivery of collateral described in clause i or ii below (“Permitted Collateral”) which shall be maintained at the following collateralization levels at each valuation date:

i. U.S. Government Securities at 104% of principal plus accrued interest; or
ii. Obligations of GNMA, FNMA, or FHLMC (described in clauses 2(d), 3(a), and 3(b) above) at 105% of principal and accrued interest.

(g) The investment agreement shall require the Trustee or the Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

i. the last quoted “bid” price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal, or Reuters;

ii. valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or

iii. the lower of two (2) bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.

(h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account, and registered in the name of the Trustee or the Agent.

(i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under clause 11(f) above, the Trustee and the Bond Insurer shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

(j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee, or other penalty, upon not more than two (2) Business Days’ notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:

i. In the event of a deficiency in the debt service account;

ii. Upon acceleration after an event of default;

iii. Upon refunding of the Bonds in whole or in part; or

iv. If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.
Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the Authority's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds.

(k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:

i. Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times, or in the amounts described above;

ii. Insolvency of the provider or the guarantor (if any) under the investment agreement;

iii. Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;

iv. Failure by the provider to make a payment or observe any covenant under the agreement;

v. The guaranty (if any) is terminated, repudiated, or challenged; or

vi. Any representation of warranty furnished to the Trustee or the Authority in connection with the agreement is false or misleading.

(l) The investment agreement must incorporate the following general criteria:

i. “Cure periods” for payment default shall not exceed two (2) Business Days;

ii. The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee or the Bond Insurer;

iii. Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of the Bond Insurer;

iv. The provider shall be required to immediately notify the Trustee and the Bond Insurer of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;

v. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and
vi. The agreement shall require the provider to submit information reasonably requested by the Trustee or the Bond Insurer, including balance invested with the provider, type and market value of collateral, and other pertinent information.

(12) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

(a) A specific written investment agreement governs the transaction.

(b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the SIPC jurisdiction, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody’s and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody’s and A-/A-1 or better by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody’s and AAA by S&P.

(c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider’s ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody’s or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

(d) Permitted securities shall include the investments listed in clauses 1, 2, and 3 above.

(e) The forward delivery agreement shall include the following provisions:

i. The permitted securities must mature at least one (1) Business Day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.

ii. The agreement shall include market standard termination provisions, including the right to terminate for the provider’s failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.

iii. Any breakage fees shall be payable only on Interest Payment Dates and shall be subordinated to the payments to the Debt Service Fund.
iv. The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency, or receivership of the provider, the securities will not be considered to be a part of the provider’s estate, and shall otherwise be acceptable to the Bond Insurer.

v. The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of the Bond Insurer.

(13) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty, or other hedging arrangement, only with the prior written consent of the Bond Insurer.

(14) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State of California or of any agency, instrumentality, or local governmental unit of the State of California which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody’s, or as otherwise permitted by the Bond Insurer.

(15) Shares in any money market mutual fund registered under the Investment Company Act of 1940 whose investment portfolio consists solely of direct obligations of the United States Government, provided that any such fund has been rated in the highest category by a nationally recognized rating agency and, provided further, that such mutual funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(16) The Local Agency Investment Fund (“LAIF”).

(17) Maturity of investments shall be governed by the following:

(a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.

(b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.

(c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five (5) years or less.

(18) Other forms of investments approved in writing by the Bond Insurer with notice by the Authority to S&P.
RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:
GOODWIN PROCTER LLP
601 S. Figueroa Street
41st floor
Los Angeles, CA 90017-5704
Attention: Bruce J. Graham, Esq.

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

MASTER LEASE AND OPTION TO PURCHASE

Dated as of November 1, 2014

by and between

CITY OF OXNARD FINANCING AUTHORITY,
as Lessor

and

CITY OF OXNARD,
as Lessee

Relating to

$[PRINCIPAL AMOUNT]
City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014
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MASTER LEASE AND OPTION TO PURCHASE

THIS MASTER LEASE AND OPTION TO PURCHASE, dated as of November 1, 2014 (this "Lease"), is by and between the CITY OF OXNARD FINANCING AUTHORITY (the "Authority"); a joint exercise of powers authority organized and existing under the laws of the State of California (the "State"), as lessor, and the CITY OF OXNARD (the "City"), a municipal corporation organized and existing under the Constitution and laws of the State, as lessee;

WITNESSETH:

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

WHEREAS, on May 22, 2003, the Authority issued its Lease Revenue Refunding Bonds, 2003 Series A, in the aggregate principal amount of $18,640,000 (the "2003 Bonds"), pursuant to that certain Trust Agreement, dated as of May 1, 2003 (the "2003 Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "2003 Trustee"), to refund, on a current refunding basis, and prepay certain outstanding obligations of the Authority and the City, as further described in the 2003 Trust Agreement; and

WHEREAS, pursuant to that certain Property Lease, dated as of May 1, 2003 (the "2003 Property Lease"), by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described in Exhibit A thereto; and

WHEREAS, the 2003 Bonds were secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the "2003 Lease"), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the property described in Exhibit A thereto; and

WHEREAS, the City and the Authority desire to refund the 2003 Bonds on a current refunding basis; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Law"), the Authority is authorized to issue refunding bonds to refund the 2003 Bonds; and

WHEREAS, the City further desires to finance the construction and improvement of certain streets and roadways within the City of Oxnard (collectively, the "Project"), as more particularly described in Exhibit D to that certain Trust Agreement Trust Agreement, dated as of November 1, 2014 (the "Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and
WHEREAS, the Authority has determined to provide under the Trust Agreement, the Act, and the Law for the issuance of its City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the "Bonds"), the proceeds of which will be used to finance the costs to (i) refund the 2003 Bonds, (ii) construct and improve the Project, and (iii) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the City will lease to the Authority, pursuant to that certain Property Lease, dated as of November 1, 2014 (the "Property Lease"), by and between the City, as lessor, and the Authority, as lessee, all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

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

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

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

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

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

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

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

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

"Base Rental" means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, exclusive of Additional Rental.
“Component” means each Component of the Property as set forth in Exhibit A hereto, or any property substituted therefor pursuant to Section 7 hereof.

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

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

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

“Lease Year” means the period from the Closing Date through June 1, 2015, and thereafter the period from each June 2 to and including the following June 1, during the Lease Term.

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

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

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

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

“Trust Agreement” means that certain Trust Agreement, dated as of the date hereof, by and among the City, the Authority, and the Trustee, including any amendments or supplements thereto made or entered into in accordance with its terms.
"Trustee" means Wells Fargo Bank, National Association, a national banking association existing under the laws of the United States of America, and its successors or assigns, acting in its capacity as such under the Trust Agreement, or any successor appointed as therein provided.

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

The term of this Lease (the "Lease Term") shall begin on the Closing Date and end on the earliest of (a) June 1, 2029 (which is the final maturity date of the Bonds); provided that in the event the principal of and interest on the Bonds and all other amounts payable hereunder and under the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due hereunder shall have been abated at any time as permitted by the terms of this Lease, then the term of this Lease shall be extended, except that the term shall in no event be extended beyond June 1, 2039 (which is ten years after the final maturity date of the Bonds), or (b) at such date as the Trust Agreement shall have been discharged in accordance with Section 10.01 of the Trust Agreement, or (c) the date of termination of this Lease due to condemnation in accordance with the terms of Section 6 hereof, or (d) the date on which (i) the City has exercised its right to purchase all the Components of the Property pursuant to Section 15 hereof and (ii) the Trust Agreement shall have been discharged in accordance with its terms.

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

After the payment of all Base Rental due with respect any Component of the Property that is being leased hereunder for a period that is shorter than the Lease Term, and upon payment of the allocable portion of the Bonds related to such Component, title to such Component, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City, free and clear of any interest of the Authority. The Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority’s right, title, and interest in such Component.

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

Section 3. Rent.

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

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

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

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

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

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

(ii) [RESERVED];

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

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

(v) All fees, costs, and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Bonds) of the Trustee and any paying agent in connection with the Trust Agreement;
(vi) All fees, costs, expenses, and other amounts due to the Bond Insurer hereunder and under the Trust Agreement;

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

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

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

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

3.3 Budget. The City hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder as a separate line item in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject to Section 3.5 hereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in this Lease. The obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental or Additional Rental payments constitutes an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.
3.4 Payment; Credit. Amounts necessary to pay Base Rental shall be deposited by the City on the dates set forth in Section 3.1(a) hereof in lawful money of the United States of America, at the Principal Office of the Trustee, or at such other place or places as may be established in accordance with the Trust Agreement. Any amount necessary to pay any Base Rental or portion thereof that is not so deposited shall remain due and payable until received by the Trustee and shall continue to bear interest at the rate or rates applicable thereto from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the City and the Authority hereunder, the City shall make all Base Rental and Additional Rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. The City’s obligation to make Base Rental and Additional Rental payments in the amount and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of Section 3.5 hereof. Amounts required to be deposited with the Trustee pursuant to this Section 3.4 on any date shall be reduced to the extent of amounts on deposit on such date in the Debt Service Fund held by the Trustee under the Trust Agreement and that are available to pay Base Rental on the applicable Interest Payment Date, except for amounts being held therein for the payment of Bonds that have matured or been called but have not been surrendered for payment.

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

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

If an event of abatement shall occur during the term of this Lease, upon cessation of the event of abatement, the Property, or any portion thereof, subject to abatement shall be appraised to determine its current fair rental value. If such value has increased since the Closing Date, Base Rental and Additional Rental payments shall be increased for the remaining term to reflect such increase so that the abated Base Rental and Additional Rental payments are fully paid.
3.6 Triple Net Lease. This Lease is intended to be a triple net lease. The City agrees that the Base Rental and Additional Rental provided for herein shall be an absolute net return to the Authority free and clear of any expenses, charges, or setoffs whatsoever, except as provided in Sections 3.2 and 3.5 of this Lease.

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

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

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

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Lease or subject any portion of the Property to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under Section 3.1(b) hereof and shall be payable directly to the entity assessing such taxes or charges.

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

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

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

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

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

5. A CLTA policy or policies of title insurance for the Property in an amount not less than the initial aggregate principal amount of the Bonds. Such policy or policies of title insurance shall show fee simple title to the Property in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances as will not, in the opinion of the Authority, materially adversely affect the use and possession of the Property and will not result in the abatement of Base Rental payable by the City hereunder.
All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to the Trustee. The City shall deliver to the Trustee and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, on the Closing Date and on or prior to July 1 of each year thereafter a certificate signed by a duly authorized City Representative stating whether the City is in compliance with the requirements of this Section and, in the event it is not in compliance, specifying the nature of the noncompliance, and what action the City is taking to remedy such noncompliance. The City shall further provide the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, with copies of such insurance policies upon request.

All policies or certificates of insurance held by the City provided for herein shall name the City as a named insured, and the policies and certificates described in clauses (1) and (4) above shall name (in addition to the City) the Authority and the Trustee as additional insureds. All proceeds of insurance maintained under clauses (1), (4), and (5) above shall be deposited with the Trustee for application pursuant to the Trust Agreement. All proceeds of insurance maintained under clauses (2) and (3) shall be deposited with the City.

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

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

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

4.5 **Laws and Ordinances.** The City shall observe and comply with all rules, regulations, and laws applicable to the City with respect to the Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the City, and the Authority shall not be liable therefor. The City shall place, keep, use, maintain, and operate the Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees, and the public.
4.6 **Flood Plain.** The City covenants that no Component of the Property is located in a 100 year flood plain.

Section 5. **Application of Insurance Proceeds.**

(a) **General.** Proceeds of insurance received in respect of destruction of or damage to any portion of the Property by fire or other casualty or event (excluding earthquake or flood) shall be paid to the Trustee for application in accordance with the provisions of Section 3.09 of the Trust Agreement. If there is an abatement of rental payments pursuant to Section 3.09 hereof as a result of such casualty or event, and the City elects pursuant to Section 3.09 of the Trust Agreement to apply such insurance to the redemption of Bonds rather than to the replacement or repair of the destroyed or damaged portion of the Property, then the Base Rental, with respect to the applicable Component or Components, shall be adjusted in accordance with such redemption of Bonds. If the City elects pursuant to Section 3.09 of the Trust Agreement to apply such proceeds to the repair or replacement of the portion of the Property that has been damaged or destroyed, in the event there has been an abatement of rental payments pursuant to Section 3.5 hereof, then rental payments shall again begin to accrue with respect thereto upon restoration of the City to its right to the use and possession of such portion of the Property.

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

Section 6. **Eminent Domain.**

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

6.2 **Partial Condemnation.** If less than a substantial portion of the Property shall be taken under the power of eminent domain, and the remainder is useable for the City’s purposes, then this Lease shall continue in full force and effect as to the remaining portions of the Property, subject only to such rental abatement as is required by Section 3.5 hereof. The City and the Authority hereby waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of Section 3.09 of the Trust Agreement. If the City elects pursuant to Section 3.09 of the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of the Property (in the event there has been an abatement of rental payments pursuant to Section 3.5 hereof), then rental payments shall again begin to accrue with respect to the replacement portion of the Property upon restoration of the City to its right to use and possess such replacement portion of the Property.

6.3 **Condemnation Covenant.** The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing
covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Property, the appraised value of the Property shall not be less that the greater of (i) if the Bonds are then subject to redemption, the principal and interest portions of the Bonds outstanding through the date of their redemption, or (ii) if the Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Trust Agreement.

Section 7. Assignment and Lease. The City shall not sell, mortgage, pledge, assign, or transfer any interest of the City in this Lease by voluntary act or by operation of law, or otherwise; provided, however, that the City may sublease all or any portion of the Property and may grant concessions to others involving the use of any portion of the Property, whether such concessions purport to convey a subletting interest or a license to use a portion of the Property; provided, however, that such sublease or grant shall be subject to the terms hereof. The City shall at all times remain primarily liable for the performance of the covenants and conditions on its part to be performed under this Lease, notwithstanding any subletting or granting of concessions that may be made. Nothing herein contained shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental as provided in this Lease or to relieve the City from any other obligations contained herein. In no event shall the City sublease to or permit the use of all or any part of the Property by any person so as to adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

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

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

Section 8. Additions and Improvements; Removal. The City shall have the right during the Lease Term to make any additions or improvements to any Component, to attach fixtures, structures, or signs, and to affix any personal property to any Component, so long as the fair rental value of the Component is not thereby reduced. Title to all equipment or personal property placed by the City on any Component shall remain in the City; provided, however title to additions, improvements, and fixtures shall be subject to the provisions of this Lease and the Property Lease. Title to any personal property or equipment placed on any Component by any sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City, which sublease or license agreement shall not be inconsistent with this Lease. The City shall not remove or cause to be removed any equipment or personal property that may cause damage to the applicable Component or Components.

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

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

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

Section 12. Default by City.

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

(b) Remedies on Default. Upon any such default, the Authority, and the Trustee, as its assignee, in addition to all other rights and remedies either may have at law, may:

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

(ii) Without terminating this Lease, (A) collect each installment of Base Rental and Additional Rental as it becomes due and enforce any other terms or provisions hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Property or (B) exercise any and all rights of entry and re-entry upon the Property. In the event the Authority does not elect to terminate this Lease in the manner provided for in subparagraph (i) above, the City shall remain liable and shall keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Property is not re-let, to pay the full amount of the rent to the end of the Lease Term or, in the event that the Property is re-let, to pay any deficiency in rent that results therefrom; and the City shall pay said rent or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder, notwithstanding that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Property, or any part thereof, from time to time, either in the Authority’s name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place located within the geographical boundaries of the City, for the account of and at the expense of the City, and the City hereby indemnifies and agrees to save harmless the Authority from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions hereof. The City agrees that the terms of this Lease constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Lease, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City, the right to terminate this Lease shall vest in the Authority, to be effected in the sole and exclusive manner provided for in subparagraph (i) above. The City further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Property. The City further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

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

(c) In addition to the other remedies set forth in this Section 12, upon the occurrence of an event of default as described in this Section 12, the Authority and the Trustee, as its assignee, shall be entitled to proceed to protect and enforce the rights vested in the Authority and its assignee by this Lease or by law. The provisions of this Lease and the duties of the City and of its council members, officers, or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority and its assignee may bring the following actions:

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

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

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

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

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

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

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

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

Section 14. Disclaimer of Warranties. NEITHER THE AUTHORITY NOR ANY PERSON ACTING ON ITS BEHALF HAS MADE OR MAKES ANY WARRANTY OR REPRESENTATION AS TO THE PAST, PRESENT, OR FUTURE CONDITION OF THE PROPERTY NOT HEREIN EXPRESSED, AND THE CITY HAS ENTERED INTO THIS LEASE WITHOUT REPRESENTATIONS OR WARRANTIES WITH RESPECT THERETO ON THE PART OF THE AUTHORITY, ITS AGENTS, REPRESENTATIVES, OR EMPLOYEES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the parties hereto have executed and attested this Lease by their officers thereunto duly authorized as of the day and year first above written.

CITY OF Oxnard

By: ____________________________
    Tim Flynn, Mayor

Attest:

______________________________
Daniel Martinez, City Clerk

CITY OF OxnARD FINANCING AUTHORITY

By: ____________________________
    Tim Flynn, Chairman

Attest:

______________________________
Daniel Martinez, Secretary

APPROVED AS TO FORM:

______________________________
Stephen M. Fischer,
Interim City Attorney and
Interim Authority General Counsel

APPROVED AS TO CONTENT:

______________________________
James Cameron,
City Chief Financial Officer and
Authority Controller
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Master Lease and Option to Purchase is hereby accepted by order of the City Council of the City of Oxnard adopted on October 21, 2014, and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: November 20, 2014

CITY OF OXNARD

By: _________________________________

Tim Flynn, Mayor
ACKNOWLEDGMENT

State of California
County of ____________

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

personally appeared _______________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)

State of California
County of ____________

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

personally appeared _______________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of ____________

On ______________ before me, ____________________________ (here insert name and title of the officer)
personally appeared ____________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
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foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________ (Seal)

State of California
County of ____________

On ______________ before me, ____________________________ (here insert name and title of the officer)
personally appeared ____________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
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WITNESS my hand and official seal.

Signature ____________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of _____________

On ___________ before me, ________________________________,

(here insert name and title of the officer)

personally appeared ____________________________,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
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foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)

State of California
County of _____________

On ___________ before me, ________________________________,

(here insert name and title of the officer)

personally appeared ____________________________,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)
EXHIBIT A

Legal Descriptions of Original Components of the Property

All that certain real property situated in the County of Ventura, State of California, described as follows:

The Easterly 140 feet of Block 9, Town of Oxnard, Sub. No. 3, in the City of Oxnard, in the County of Ventura, State of California, as per Map recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 2020-091-390

All that certain real property situated in the County of Ventura, State of California, described as follows:

Lots 1, 2, 3 and 4, Block "C", Town of Oxnard, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 2020-092-170
**EXHIBIT B-1**

Base Rental With Respect to Component 1

**LIBRARY**

<table>
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EXHIBIT B-2

Base Rental With Respect to Component 2

ADMINISTRATIVE ANNEX BUILDING

<table>
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<tr>
<th>Five Business Days Prior To:</th>
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EXHIBIT B-3

Aggregate Base Rental for All Components of the Property

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

PROPERTY LEASE

Dated as of November 1, 2014

by and between

CITY OF OXNARD,
as Lessor

and

CITY OF OXNARD FINANCING AUTHORITY,
as Lessee

Relating to

$[PRINCIPAL AMOUNT]
City of Oxnard Financing Authority
Lease Revenue Project and Refunding Bonds, Series 2014
THIS PROPERTY LEASE, dated as of November 1, 2014 (this "Property Lease"), is entered into by and between the CITY OF OXNARD, a municipal corporation duly organized and existing under the laws and the Constitution of the State of California (the "City"), as lessor, and the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), as lessee:

WITNESSETH:

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

WHEREAS, on May 22, 2003, the Authority issued its Lease Revenue Refunding Bonds, 2003 Series A, in the aggregate principal amount of $18,640,000 (the "2003 Bonds"), pursuant to that certain Trust Agreement, dated as of May 1, 2003 (the "2003 Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "2003 Trustee"), to refund, on a current refunding basis, and prepay certain outstanding obligations of the Authority and the City, as further described in the 2003 Trust Agreement; and

WHEREAS, pursuant to that certain Property Lease, dated as of May 1, 2003 (the "2003 Property Lease"), by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described in Exhibit A thereto; and

WHEREAS, the 2003 Bonds were secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the "2003 Lease"), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the property described in Exhibit A thereto; and

WHEREAS, the City and the Authority desire to refund the 2003 Bonds on a current refunding basis; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Law"), the Authority is authorized to issue refunding bonds to refund the 2003 Bonds; and

WHEREAS, the City further desires to finance the construction and improvement of certain streets and roadways within the City of Oxnard (collectively, the "Project"), as more particularly described in Exhibit D to that certain Trust Agreement, dated as of November 1, 2014 (the "Trust Agreement"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and
WHEREAS, the Authority has determined to provide under the Trust Agreement, the Act, and the Law for the issuance of its City of Oxnard Financing Authority Lease Revenue Project and Refunding Bonds, Series 2014 (the “Bonds”), the proceeds of which will be used to finance the costs to (i) refund the 2003 Bonds, (ii) construct and improve the Project, and (iii) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the City will lease to the Authority, pursuant to this Property Lease, all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A hereto; and

WHEREAS, the Bonds will be secured by the payments to be made by the City pursuant to that certain Master Lease and Option to Purchase, dated as of November 1, 2014 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City will lease from the Authority all the Components comprising the Property, the legal descriptions of which Components are described in Exhibit A thereto; and

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

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

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

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

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

SECTION 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Property Lease, have the meanings set forth below: All capitalized terms used herein without definition shall have the meanings given to such terms in the Lease or the Trust Agreement.

“Asbestos Containing Materials” shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeekite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) actinolite.
"Environmental Regulations" shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right to Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA"), and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar laws and regulations and any so called local, state, or federal “superfund” or “superlien” law.

"Hazardous Materials" shall have the meaning given in Section 16(a) hereof.

"Laws and Regulations" shall have the meaning given in Section 16(a) hereof.

"Release" shall have the meaning given in Section 16(a) hereof.

"Site" means the real property underlying each of the Components.

SECTION 2. Property.

The City hereby leases to the Authority all Components of the Property, the legal descriptions of which Components are described in Exhibit A hereto and incorporated herein by this reference, including all buildings and improvements thereon, but excluding any personal property located in or about such premises (collectively, the "Property"), subject to the terms hereof and subject to any conditions, reservations, exceptions, and rights of way that are of record.

SECTION 3. Ownership.

The City covenants that it is the owner of and holds title in fee simple to all Components of the Property. The City agrees to furnish to the Authority and [CONFIRM GLOBALLY:] [the Bond Insurer] a title policy, in a form satisfactory to the Authority and the Bond Insurer, as to its interest in each Component of the Property.

SECTION 4. Term.

This Property Lease shall commence on the Closing Date and end on the earlier to occur of (i) June 1, 2029 (which is the final maturity date of the Bonds); provided that in the event the principal of and interest on the Bonds and all other amounts payable under the Lease and the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due under the Lease shall have been abated at any time as permitted by the terms of the Lease, then the term of this Property Lease shall be extended, except that the term shall in no event be extended beyond
June 1, 2039, or (ii) the date upon which the Trust Agreement shall have been discharged in accordance with Section 10.01 of the Trust Agreement.

SECTION 5. Rent.

The Authority shall pay to the City an advance rent of $[AMOUNT OF NET BOND PROCEEDS] as full consideration for this Property Lease over its term. The Authority is obtaining the advance rent payment from the proceeds of the sale of the Bonds issued pursuant to the Trust Agreement. The City acknowledges receipt of the advance rent by the Trustee for deposit in accordance with the terms of the Trust Agreement and, in consideration thereof, the City agrees to use such sum to pay Project Costs and authorizes the disbursement by the Trustee of the advance rent payment as provided in Section 3.01 of the Trust Agreement. The Authority hereby waives any right that it may have under the laws of the State of California to receive a rebate of such rent in full or in part in the event there is a substantial interference with the use and right of possession of the Authority of the Property or portion thereof as a result of material damage, destruction, or condemnation.

SECTION 6. Purpose.

The Authority shall use each Component of the Property for the purposes described in the Lease and for such other purposes as may be incidental thereto; provided, that in the event of default by the City under the Lease or termination of the Lease under the circumstances described in Section 12 thereof, the Authority or its assigns may exercise the remedies provided in Section 12 of the Lease without regard to the restrictions set forth in this Section 6.

SECTION 7. Right of Substitution of Property.

The City reserves the right at any time to substitute real property and/or improvements thereon owned by the City for all or any Component of the Property, provided that:

(a) subject to Section 7 of the Lease, the City obtains the prior written consent of the Authority and any municipal bond rating agency that has, at the request of the City, rated the Bonds issued pursuant to the Trust Agreement;

(b) the City finds (and delivers a certificate to the Authority and Trustee setting forth its findings) that the substituted Component or Components of the Property and improvements thereon has the same or greater fair rental value than that Component or Components of the Property for which it is being substituted and that the Base Rental payments being made by the City for the then current Lease Year and subsequent Lease Year thereafter pursuant to the Lease will not be reduced.

Upon the substitution of any Component or Components of the Property for the Component or Components constituting the Property, the City, the Authority, and the Trustee shall execute and record with the Office of the County Recorder, County of Ventura, California, any document necessary to release any Component or Components of the Property substituted pursuant to the provisions of this Property Lease and the Lease and to include the substituted Component or Components to constitute the released Component or Components of the Property under this Property Lease and the Lease.
SECTION 8. Assignment and Lease.

So long as no event of default has occurred and is continuing under the Lease, subject to Section 7 of the Lease, the Authority shall not sell, assign, mortgage, hypothecate, or otherwise encumber this Property Lease and any rights hereunder, and the leasehold created hereby, by trust agreement, indenture, or deed of trust or otherwise or sublet any Component of the Property without the prior written consent of the City, except that the City expressly approves and consents to the assignment and transfer of the Authority's right, title, and interest in this Property Lease to the Trustee pursuant to the Trust Agreement. Upon the occurrence of an event of default under the Lease, the Trustee may mortgage, sell, assign, or encumber this Property Lease and the City shall not have any consent rights in respect thereto.

SECTION 9. Right of Entry.

The City reserves the right for any of its duly authorized representatives to enter upon any Component of the Property at any reasonable time.

SECTION 10. Expiration.

The Authority agrees, upon the expiration of this Property Lease, to quit and surrender all Components constituting the Property.

SECTION 11. Quiet Enjoyment.

The Authority at all times during the term of this Property Lease shall peaceably and quietly have, hold, and enjoy all Components constituting the Property. Notwithstanding the foregoing covenant, the Authority shall not have any right to receive a rebate of the advance rent paid pursuant to Section 5 hereof or any portion thereof in the event there is a substantial interference with the use and right of possession of the Authority of the Property or portion thereof as a result of material damage, destruction, or condemnation.

SECTION 12. Taxes and Insurance.

The City covenants and agrees to pay any and all taxes and assessments levied or assessed upon each Component of the Property. The City further covenants and agrees to maintain insurance on each Component of the Property required pursuant to Section 4.3 of the Lease.


If the whole or any part of a Component constituting the Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and is hereby determined to be the aggregate amount of unpaid Base Rental (plus accrued interest to the date of redemption of the allocable portion of the Bonds relating to such Component) under the Lease attributable to such Component of the Property taken under the power of eminent domain and shall be paid to the Trustee in accordance with the terms of the Lease and the Trust Agreement.

In the event that the Authority or its assignee shall be in default in the performance of any obligation on its part to be performed under the terms of this Property Lease, the City may exercise any and all remedies granted by law, except that no merger of this Property Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the City shall have no power to terminate this Property Lease by reason of any default on the part of the Authority or its assignee. So long as any such assignee of the Authority or any successor in interest to the Authority shall duly perform the terms and conditions of this Property Lease, such assignee shall be deemed to be and shall become the tenant of the City hereunder and shall be entitled to all of the rights and privileges granted under any such assignment.

SECTION 15. [RESERVED]

SECTION 16. Compliance with Laws and Regulations.

(a) The City has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Sites or the past or present use thereof or any practice, procedure, or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment, or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, or restrictive covenants or other agreements affecting title to the Sites (collectively, “Laws and Regulations”). Without limiting the generality of the foregoing, neither the City nor, to the best of its knowledge, after due inquiry, any prior or present owner, tenant, or subtenant of any of the Sites has, other than as set forth in subsections (a) and (b) of this Section or as may have been remediated in accordance with Laws and Regulations, (i) used, treated, stored, transported, or disposed of any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA, and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the City, any of the Sites or the business operations conducted by the City thereon (collectively, “Hazardous Materials”) on, from, or beneath the Sites, (ii) pumped, spilled, leaked, disposed of, emptied, discharged, or released (hereinafter collectively referred to as “Release”) any material amount of Hazardous Materials on, from, or beneath the Sites, or (iii) stored any material amount of petroleum products at the Sites in underground storage tanks.

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to Hazardous Materials are those Hazardous Materials in those amounts ordinarily found in the inventory of the respective users of each of the Components or used in the maintenance of each of the Components, the use, treatment, storage, transportation, and disposal of which has been and shall be in compliance with all Laws and Regulations.
(c) None of the Sites located in an area of high potential incidence of radon has an unventilated basement or subsurface portion that is occupied or used for any purpose other than the support of the improvements to such Sites.

(d) The City has not received any notice from any insurance company that has issued a policy with respect to the Sites or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations, or other work, which repairs, alterations, or other work have not been completed at the Sites. The City has not received any notice of default or breach that has not been cured under any covenant, condition, restriction, right of way, reciprocal easement agreement, or other easement affecting the Sites that is to be performed or complied with by it.

SECTION 17. Environmental Compliance.

(a) Neither the City nor the Authority shall use or permit the Sites or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport, or dispose of, transfer, produce, or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Sites and then only in compliance with all Environmental Regulations and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee, and agent, the storage, transportation, disposal, or use of Hazardous Materials or the Release or threat of Release of Hazardous Materials on, from, or beneath the Sites or onto any other sites, excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of the respective user of each of the Components, the use, storage, treatment, transportation, and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the City shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee, all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials so released, on, from, or beneath the Sites, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements on the Sites.

(b) The City and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees, and agents to comply with, all Environmental Regulations, and shall keep the Sites free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The City and the Authority shall cause each tenant under any lease, and use its best efforts to cause all of such tenant's subtenants, agents, licensees, employees, contractors, guests, and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Sites; provided, however, that, notwithstanding that a portion of this covenant is limited to the City's and the Authority's use of its best efforts, the Authority and the City shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the City's and the Authority's obligations contained in subsection (c) hereof as provided in subsection (c) hereof. Upon receipt of any notice from any person with regard to the
Release of Hazardous Materials on, from, or beneath the Sites, the City and the Authority shall give prompt written notice thereof to the Authority and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained in Section 16 hereof is not true or correct, the City shall defend, indemnify, and hold harmless the Authority, the Bond Insurer, and the Trustee, and each of their respective employees, agents, officers, directors, trustees, successors, and assigns, from and against any claims, demands, penalties, fines, attorneys’ fees (including, without limitation, attorneys’ fees incurred to enforce the indemnification contained in this Section 17), consultants’ fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days’ prior notice of which the Authority, the Bond Insurer, or the Trustee, as appropriate, shall have delivered to the City), court costs, damages, losses, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage, or transportation of any Hazardous Materials on, from, or beneath the Sites, (ii) any personal injury (including wrongful death) or Sites damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days’ prior notice of which the City, the Bond Insurer, or the Trustee, as appropriate, shall have delivered to the City), or governmental order relating to Hazardous Materials on, from, or beneath any of the Sites, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants, or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the City is strictly liable under any Environmental Regulation, its obligation to the Authority, the Trustee, the Bond Insurer, and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation that results in liability to any indemnitee. Its obligations and liabilities under this Section 17(c) shall survive any sale, assignment, or reletting of the leasehold estate in the Sites and the satisfaction and payment of all Bonds.

(d) The City and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.


All notices, requests, demands, and other communications under this Property Lease by any person shall be in writing (unless otherwise specified herein) and shall be given, at the times, in the forms, via the delivery methods, to the parties, and at the addresses, and otherwise as set forth in and in accordance with, Section 10.03 of the Trust Agreement.
SECTION 19. Partial Invalidity.

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

SECTION 20. Governing Law.

This Property Lease shall be governed by the laws of the State of California.


This Property Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Property Lease.

SECTION 22. Amendment.

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

SECTION 23. Third-Party Beneficiary.

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]
IN WITNESS WHEREOF, the parties hereto have executed and attested this Property Lease by their officers thereunto duly authorized as of the day and year first above written.

CITY OF OXNARD

By: __________________________

Tim Flynn, Mayor

Attest:

______________________________

Daniel Martinez, City Clerk

CITY OF OXNARD FINANCING AUTHORITY

By: __________________________

Tim Flynn, Chairman

Attest:

______________________________

Daniel Martinez, Secretary

APPROVED AS TO FORM:

______________________________

Stephen M. Fischer,
Interim City Attorney and
Interim Authority General Counsel

APPROVED AS TO CONTENT:

______________________________

James Cameron,
City Chief Financial Officer and
Authority Controller
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Property Lease is hereby accepted by order of the City Council of the City of Oxnard adopted on October 21, 2014, and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: November 20, 2014

CITY OF OXNARD

By: _____________________________
    Tim Flynn, Mayor
ACKNOWLEDGMENT

State of California
County of ____________

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

personally appeared ____________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ___________________________ (Seal)

State of California
County of ____________

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

personally appeared ____________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ___________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of _____________

On __________ before me, ____________________________________________
(personal name and title of the officer)

personally appeared ____________________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
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I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)

State of California
County of _____________

On __________ before me, ____________________________________________
(personal name and title of the officer)

personally appeared ____________________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
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foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of ____________

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

personally appeared ________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
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foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)

State of California
County of ____________

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

personally appeared ________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)
EXHIBIT A
Legal Description of the Original Components of the Property

All that certain real property situated in the County of Ventura, State of California, described as follows:

The Easterly 140 feet of Block 9, Town of Oxnard, Sub. No. 3, in the City of Oxnard, in the County of Ventura, State of California, as per Map recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 2020-091-390

All that certain real property situated in the County of Ventura, State of California, described as follows:

Lots 1, 2, 3 and 4, Block "C", Town of Oxnard, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 5, Page 9 of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 2020-092-170
TERMINATION, RECONVEYANCE, AND QUITCLAIM

WITNESSETH:

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”), entered into that certain Property Lease, dated as of May 1, 2003 (the “Property Lease”), by and between the City of Oxnard, a municipal corporation duly organized and existing under the laws and the Constitution of the State of California (the “City”), as lessor, and the Authority, as lessee, which Property Lease was originally recorded on May 21, 2003, as Instrument No. 2003-170680 of the Official Records of the County of Ventura, State of California, pursuant to which Property Lease the City leased to the Authority the property described therein and incorporated herein by this reference (the “Property”); and

WHEREAS, the Authority entered into that certain Master Lease and Option to Purchase, dated as of May 1, 2003 (the “Lease”), by and between the Authority, as lessor, and the City, as lessee, which Lease was originally recorded on May 21, 2003, as Instrument No. 2003-170631 of the Official Records of the County of Ventura, State of California, pursuant to which Lease the Authority leased the Property back to the City; and

WHEREAS, pursuant to that certain Trust Agreement, dated as of May 1, 2003 (the “Trust Agreement”), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the Authority assigned to the Trustee, among other things, all of the Authority’s right, title, and interest in and to the Lease and the Property Lease; and

WHEREAS, the Authority and the City desire to terminate the Property Lease and the Lease and each of the Authority and the Trustee desires to reconvey, release, transfer, and quitclaim to the City all of its right, title, and interest in and to the Property and the City desires to accept such reconveyance, release, transfer, and quitclaim; and

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Termination.** Each of the Property Lease and the Lease is hereby terminated and of no further force or effect, and none of the Authority, the City, or the Trustee shall have any further rights or liabilities thereunder.

2. **Release and Reconveyance.** Each of the Authority and the Trustee hereby reconveys, releases, transfers, and quitclaims to the City all of its right, title, and interest in and to the Property.

3. **Acceptance.** The City hereby accepts the reconveyance, release, transfer, and quitclaim of the Property.

4. **Execution.** This Termination, Reconveyance, and Quitclaim may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.
IN WITNESS WHEREOF, the Authority, the City, and the Trustee have executed this Termination, Reconveyance, and Quitclaim as of November 1, 2014.

CITY OF OXNARD

By: _____________________________________________

Tim Flynn, Mayor

Attest:

Daniel Martinez, City Clerk

CITY OF OXNARD FINANCING AUTHORITY

By: _____________________________________________

Tim Flynn, Chairman

Attest:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

[Signature]

Stephen M. Fischer,
Interim City Attorney and
Interim Authority General Counsel

APPROVED AS TO CONTEST:

[Signature]

James Cameron,
City Chief Financial Officer and
Authority Controller

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____________________________________________

Vice President
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Termination, Reconveyance, and Quitclaim is hereby accepted by order of the City Council of the City of Oxnard adopted on October 21, 2014, and the City consents to the recordation thereof by its duly authorized officer.

Dated: November __, 2014

CITY OF Oxnard

By:

James Cameron,
City Chief Financial Officer and
Authority Controller
ACKNOWLEDGMENT

State of California
County of ____________

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

personally appeared ________________________________________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________ (Seal)

State of California
County of ____________

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

personally appeared ________________________________________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of __________

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

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

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

WITNESS my hand and official seal.

Signature ___________________________ (Seal)

State of California
County of __________

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

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

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

WITNESS my hand and official seal.

Signature ___________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of ________________

On ______________ before me, __________________________ (here insert name and title of the officer) personally appeared __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)

State of California
County of ________________

On ______________ before me, __________________________ (here insert name and title of the officer) personally appeared __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)
ACKNOWLEDGMENT

State of California
County of _____________

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

personally appeared ________________________________,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
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the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)
RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:
GOODWIN PROCTOR LLP
601 S. Figueroa Street
41st Floor
Los Angeles, California 90017
Attention: Bruce J. Graham, Esq.

This Termination, Reconveyance, and Quitclaim is recorded at the request of the City of Oxnard and is exempt from filing fees pursuant to Section 6103 of the California Government Code.

TERMINATION, RECONVEYANCE, AND QUITCLAIM

Dated as of November 1, 2014

by and among

CITY OF OXNARD

and

CITY OF OXNARD FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

Relating to
$18,640,000
CITY OF OXNARD FINANCING AUTHORITY LEASE REVENUE REFUNDING BONDS, 2003 SERIES A
### Neighborhood Resurfacing Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hobson Park West Neighborhood Resurfacing</td>
<td>$1.4 million</td>
</tr>
<tr>
<td>La Colonia Neighborhood Resurfacing Phase 2</td>
<td>$3.2 million</td>
</tr>
<tr>
<td>Redwood Neighborhood Resurfacing</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Pleasant Valley Estates Neighborhood Resurfacing</td>
<td>$3.1 million</td>
</tr>
<tr>
<td>La Colonia Neighborhood Resurfacing Phase 3</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Fremont North Neighborhood Resurfacing</td>
<td>$1.7 million</td>
</tr>
<tr>
<td>College Estates Neighborhood Resurfacing</td>
<td>$1.8 million</td>
</tr>
<tr>
<td>Sierra Linda Neighborhood Resurfacing</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>Orchard Park Neighborhood Resurfacing</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>South Bank Neighborhood Resurfacing</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>Rio Lindo Neighborhood Resurfacing</td>
<td>$2.9 million</td>
</tr>
<tr>
<td>Windsor North River Ridge Neighborhood Resurfacing</td>
<td>$2.3 million</td>
</tr>
<tr>
<td>Bryce Canyon South Neighborhood Resurfacing</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>Channel Islands Neighborhood Resurfacing</td>
<td>$2.0 million</td>
</tr>
</tbody>
</table>
REQUEST FOR SPECIAL BUDGET APPROPRIATION

Department: Finance / General Services  Date: October 14, 2014
Project/Program Manager: Jim Cameron / Michael Henderson  Phone: 7461

Reason for Appropriation:
To recognize 2014 Lease Revenue Bonds proceeds and allocate funding to streets improvements projects

Accounts and Descriptions

<table>
<thead>
<tr>
<th>Fund:</th>
<th>2014 LEASE REVENUE BONDS (314)</th>
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Revenues/Transfers In

<table>
<thead>
<tr>
<th>STREET IMPROVEMENT (3024)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-712.79-51 PROCEEDS - SALE OF BONDS</td>
</tr>
</tbody>
</table>

Expenditures/Transfers Out

<table>
<thead>
<tr>
<th>SOUTH BANK RESURFACING (PROJECT NO. 153111)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
</tr>
<tr>
<td>Sub-total Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COLLEGE ESTATE RESURFACING (PROJECT NO. 153112)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
</tr>
<tr>
<td>Sub-total Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANNEL ISLANDS RESURFACING (PROJECT NO. 153113)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<tr>
<td>Sub-total Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ORCHARD PARK RESURFACING (PROJECT NO. 153114)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<td>Sub-total Project</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>SIERRA LINDA RESURFACING (PROJECT NO. 153115)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<tr>
<td>Sub-total Project</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>PLEASANT VALLEY EST RESURFACING (PROJECT NO. 153116)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
</tr>
<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<tr>
<td>Sub-total Project</td>
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</table>

<table>
<thead>
<tr>
<th>FREEMONT NORTH RESURFACING (PROJECT NO. 153117)</th>
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</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
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<tr>
<td>314-3024-826.86-05 CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<tr>
<td>Sub-total Project</td>
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</table>

<table>
<thead>
<tr>
<th>RIO LINDO RESURFACING (PROJECT NO. 153118)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314-3024-826.84-51 OTHER SERVICES / SERVICES FROM OTHER PROG</td>
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</tbody>
</table>

REQUIRES CITY COUNCIL AUTHORIZATION
### WINDSOR N. RIVERRI RESURF (PROJECT NO. 153119)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<tr>
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<td>OTHER SERVICES / SERVICES FROM OTHER PROG</td>
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<tr>
<td>CAPITAL OUTLAY / IMPROV NOT BUILD-MAJOR RE</td>
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<td>Sub-total Project</td>
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</table>

**Sub-total Expenditures**

<table>
<thead>
<tr>
<th>Amount</th>
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<tbody>
<tr>
<td>20,000,000</td>
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</table>

<table>
<thead>
<tr>
<th>Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Director</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>City Manager</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Change to Fund Balance</th>
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<tbody>
<tr>
<td>Net Appropriation Change</td>
<td>20,000,000</td>
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</tbody>
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