Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting, at the end of this agenda. The agenda reports are on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY
Council Chambers, 305 West Third Street
March 27, 2018
**Regular Meeting - 6:00 PM**
**Appointment Item - 5:00 PM**

A. ROLL CALL/POSTING OF AGENDA

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council and Financing Authority.

B. OPENING CEREMONIES

Pledge of allegiance to the flag of the United States.

C. APPOINTMENT ITEMS (5:00 PM)

1. SUBJECT: Public Employees Retirement System Cost Overview and City Debt Overview. (30/20/10)
RECOMMENDATION: That City Council receive a presentation on the current status and projections for the CalPERS pension program.
Legislative Body: CC Contact: Jim Throop Phone: 385-7475

2. SUBJECT: Naming of College Park and Windrow Dog Parks After K9 Officers (5/5/5)
RECOMMENDATION: That City Council: 1) adopt a resolution renaming Windrow Dog Park, "Jax's Windrow Dog Park"; and 2) adopt a resolution renaming College Dog Park, "College Park, Rudy's Dog Park."
Legislative Body: CC Contact: Ingrid Hardy Phone: 385-7993

D. CEREMONIAL CALENDAR (6:00 PM)

1. SUBJECT: Presentation of a Commendation to Rogelio Quezada for 18 Years of Dedicated Service as Chair of the Rose Park Neighborhood Council.

E. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of thirty

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.
**City of Oxnard internet address: www.oxnard.org.**

minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to three minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the thirty minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/ Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

F. <u>REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY</u>

The City Manager/Executive Director/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

G. <u>CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS</u>

At this time, a member of the legislative body may make a brief announcement, or make a brief report on his or her activities. Further, members of the legislative body may request to schedule consideration of whether to place an item on a future agenda. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. The member's report shall not exceed three minutes, unless additional time is granted by the presiding officer.

H. <u>REVIEW OF INFORMATION/CONSENT AGENDA</u>

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

I. <u>PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA</u>

At this time, a person may address the legislative body only on matters appearing on the information/consent agenda. The presiding officer shall limit public comments to three minutes.

J. <u>INFORMATION CONSENT AGENDA</u>

<u>City Manager Department</u>

1. <u>SUBJECT</u>: Agreements for City Council Review.
<u>RECOMMENDATION</u>: That City Council, pursuant to Ordinance No. 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000:

A. Kosmont Companies (6897-14-CD) for assistance with the disposition process of Successor Agency assets ($60,000).
B. Aztec Data Supply, Inc. (Purchase Order No. 6762) for the purchase of Cisco wireless hardware, network switches and wireless controllers ($77,058).
Legislative Body: CC Contact: Scott Whitney Phone: 385-7624

Cultural and Community Service Department

2. SUBJECT: California Strawberry Festival - Agreement 8194-18-CS.
RECOMMENDATION: That City Council:
1. Authorize the Interim City Manager to enter into agreement 8194-18-CS with the California Strawberry Festival.
2. Approve attached budget appropriation recognizing $40,000 of revenue and appropriating $40,000 in expenditures for City Corps to provide litter cleanup and recycling services for the 2018 California Strawberry Festival.
Legislative Body: CC Contact: Ingrid Hardy Phone: 385-7993

Finance Department

3. SUBJECT: Month-End Financial Summary Report
RECOMMENDATION: That the City Council receive and file the January 2018 monthly financial summary report.
Legislative Body: CC Contact: Jim Throop Phone: 385-7475

Police Department

4. SUBJECT: State of California Office of Traffic Safety S.T.E.P. Grant Application.
RECOMMENDATION: That City Council adopts a resolution:
1. Authorizing the City Manager to execute and submit an application for $418,593.00 in grant funds to the State of California Office of Traffic Safety (OTS), to be used for the FY-2018/19 Selective Traffic Enforcement Program (S.T.E.P.);
2. Authorizing the City Manager or designee to execute grant agreements and appropriate funds upon notification of grant award;
3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims and approve budget appropriations for the use of OTS funds upon award; and
4. Authorizing the Chief of Police or designee to submit all program related progress or status reports.
Legislative Body: CC Contact: Scott Whitney Phone: 385-7624

K. PUBLIC HEARINGS

Development Services Department

1. SUBJECT: Consider Creation of a Two-Year Downtown Parklet Pilot Program Within the Public Right-Of-Way in the Central Business District and Authorize Measures to Implement the Pilot Program (10/15/10)

RECOMMENDATION: That the City Council:
1. Approve for first reading (by title only, waiving further reading) an uncodified ordinance (PZ No. 18-04) implementing a two-year pilot program for the installation of parklets within the public right-of-way in the Central Business District zone;
2. Authorize the Development Services Director the authority to approve licensing agreements associated with the installation of parklets within the public right-of-way; and
3. Waive the collection of traffic impact fees associated with the installation of parklets within the public right-of-way.
Legislative Body: CC Contact: Ashley Golden Phone: 385-7882

L. REPORTS

Finance Department

1. SUBJECT: Refinancing of Lease/Revenue Bonds for General Fund. (5/10/5)
RECOMMENDATION: 1. That the City Council adopt a resolution of the City Council of the City of Oxnard authorizing the sale, issuance, and delivery of not more than $38,000,000 in principal amount of the City of Oxnard Financing Authority Lease-Revenue Bonds, Series 2018, and approving certain documents and authorizing certain actions in connection therewith.
2. That the City of Oxnard Financing Authority adopt a resolution of the Governing Board of the City of Oxnard Financing Authority authorizing the sale, issuance, and delivery of not more than $38,000,000 in principal amount of its Lease-Revenue Refunding Bonds, Series 2018, and approving certain documents and authorizing certain actions in connection therewith.
Legislative Body: CC, FA Contact: Jim Throop Phone: 385-7475

2. SUBJECT: Use of Line of Credit for Large Capital Projects (10/10/5)
RECOMMENDATION: That the City Council:
1. Award and authorize the Mayor to execute an escrow agreement in the amount of $10,000,000 relating to the master equipment lease/purchase agreement for the acquisition, financing, and leasing of certain equipment;
2. Authorize the City Manager and City Attorney to execute all other documents required in connection therewith; and
3. Authorize the City Manager to take all other actions necessary to the consummation of the transactions, including but not limited to providing a schedule of projects.
Legislative Body: CC Contact: Jim Throop Phone: 385-7475

City Attorney Department

3. SUBJECT: Fireworks Social Host Liability Ordinance Introduction. (10/5/5)
RECOMMENDATION: That City Council approve the first reading by title only and subsequent adoption of an ordinance amending section 7-147.1 of the Oxnard City Code concerning fireworks.
Legislative Body: CC Contact: Stephen M. Fischer Phone: 385-7483

Development Services Department

4. SUBJECT: Payment of Future Utility Bills from the Channel Islands Beach Community Services District for Services Within the Channel Islands Harbor Relating to Parks and Street Medians (5/10/10)
RECOMMENDATION: That the City Council:
1. Authorize payment of utility services provided by the Channel Islands Beach Community Services District within the Channel Islands Harbor for park and median landscaping and bathrooms through June 8, 2018; and
2. Authorize continued landscape maintenance of parks and medians within the Channel Islands Harbor, and maintenance of bathrooms within the Harbor through June 8, 2018.
Legislative Body: CC Contact: Ashley Golden Phone: 385-7882

Finance Department

5. SUBJECT: Remodel of Third Floor - City Hall (5/5/5)
RECOMMENDATION: That City Council:
1. Award and authorize the Mayor to execute an agreement in the amount of $719,000 for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid) PW 17-24R with Y.Ko.Construction Co, Inc.;
2. Approve $144,000 for Project contingency for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid);
3. Approve $144,000 for consultant and staff engineering, inspection, surveying, and Project management for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid); and
4. Approve a project cost of $1,210,000, for the 300 W. Third Street, 3rd Floor Renovation Project No. 171601, (Rebid) No. PW17-24. Of this amount, $650,000 has already been appropriated, with the remaining $560,000 to be appropriated in the FY2018-19 budget. Of this amount, $1,007,000 will be for construction related costs, and $203,000 is related to furniture and IT cabling costs.
Legislative Body: CC Contact: Jim Throop Phone: 385-7475

M. ADJOURNMENT

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| CITY OF OXNARD CALIFORNIA — **CITY COUNCIL** **AGENDA REPORT** | **TYPE OF ITEM: Appointment Item** **AGENDA ITEM NO.: 1** |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Jim Throop
Chief Financial Officer

Jim Throop

**SUBJECT:** Public Employees Retirement System Cost Overview and City Debt Overview. (30/20/10)

**CONTACT:** Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

**RECOMMENDATION:**

That City Council receive a presentation on the current status and projections for the CalPERS pension program.

**BACKGROUND**

CalPERS/Pensions - On February 14, 2018, NHA Advisors (the City's Municipal Financial Advisor) made a presentation to the Fiscal Policy Task Force regarding the City's historical pension costs, recent assumption changes and estimated projections for the CalPERS program. This review is not intended to be an actuarial study typically completed by the City's actuary but an overall high-level overview of the City's pension cost projections as it relates to the upcoming budget process.

Rising pension costs are a widespread issue facing all municipalities statewide, with unfunded accrued liabilities (UAL) having grown nearly 50% over the last several years and annual payments nearly doubling for many cities over the next decade. The City's UAL has grown from $181M to $282M over the past four years and will see overall payments to CalPERS growing from about $28 million in 2017/18, to $35 million in 2019/20, and to $45 million by 2023/24 based on current assumptions. The City's Carman Tax Override (which covers a portion of the Safety Fire and Safety Police Plan costs), estimated at about $14 million for 2017/18 serves as a credit against a portion of these costs. However, given that the override tax is limited to a maximum tax rate ($.076637) per $100K of assessed valuation, the General Fund will be required to fund an increasing share of these costs moving forward since overall pension costs will likely grow more quickly than the override tax revenue will produce.

Debt Overview – The City of Oxnard has a current General Fund Reserve policy of 18% of its General Fund operating expenses, which currently equates to approximately $22 million.

Reserve levels should be appropriate for the size and type of a city. For the City of Oxnard, the adequacy of unrestricted fund balance in the general fund should take into account its own unique circumstances. For example, governments that may be vulnerable to natural disasters, are more dependent on economically volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. For Oxnard, it has the ability to be impeded by each of these examples, and as such, should keep a well-funded reserve balance.

Reserves should be used only after thoughtful consideration, as drawing down reserves below the Council approved policy may have other implications particularly when considering bond ratings.

Typically, a bond rating agency will assume a minimum of 15% as a base for reserves for most cities. This of course, may vary, but the larger the reserve percentage, and actual dollar amount, the more beneficial it will be for a city during a ratings review. A ratings agency will look at all aspects of the city, but a larger reserve will always be beneficial to a city, especially a city that has had recent financial challenges.

Using debt instruments such as bonds, Certificates of Deposit (COPs), or lines of credit, while retaining the actual cash reserves, is the best way to maintain a favorable credit rating. Once a rating agency sees a large depletion in a city’s cash reserves, it may possibly use that as a main factor in its determination of the credit worthiness of a city. The term “cash is king”, states it is best to maintain a larger cash balance while using a form of debt to purchase necessary capital items.

The City of Oxnard is in a similar situation. Recently, at the Mid-Year budget, additional appropriation was given for items such as police cars, fire trucks, and public safety radios. Rather than spending down the reserves and paying cash, which may make sense from a first look, is actually opposite of what the financial market would expect. The use of a line of credit, with payoff with a ten-year window, would give the rating agencies comfort in knowing that the City is attempting to hold on to its cash reserves.

The City’s financial advisors, underwriters, and bond counsel have all agreed it is best to use debt for large capital purchases, until such time that the City’s cash reserves are stable and consistently meet the Council policy of 18%.

**FINANCIAL IMPACT**

None.

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| CITY OF OXNARD CALIFORNIA | **CITY COUNCIL**<br><br>**AGENDA REPORT** | **TYPE OF ITEM: Appointment Item**<br><br>**AGENDA ITEM NO.: 2** |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Ingrid Hardy
Cultural & Comm Services Director

**SUBJECT:** Naming of College Park and Windrow Dog Parks After K9 Officers (5/5/5)

**CONTACT:** Ingrid Hardy, Cultural & Comm Services Director
Ingrid.Hardy@oxnard.org, 385-7993

**RECOMMENDATION:**

That City Council: 1) adopt a resolution renaming Windrow Dog Park, "Jax's Windrow Dog Park"; and 2) adopt a resolution renaming College Dog Park, "College Park, Rudy's Dog Park"

**BACKGROUND**

Resolution No. 12991 establishes procedures for naming City parks. This resolution requires that all suggested names be taken to the Parks, Recreation and Community Services Commission (the "Commission") for their review. The Commission shall then recommend a park name that shall be taken to City Council for adoption.

At the Commission meeting on Feb. 28, 2018, the Oxnard Police Activities League ("PAL") Youth Directors Council ("YDC") sought review and input from the Commission on the renaming of Windrow Dog Park and College Dog Park. YDC requested that the dog parks be named after fallen Police Officer K-9s, Rudy and Jax.

Rudy started duty in July 2000, he performed about 3,000 assists and was directly responsible for 13 arrests. In 2002, Rudy was killed while apprehending a suspect. Rudy was the first Oxnard police service dog killed in the line of duty since the department's K-9 unit was established in 1980.

Jax began his service with the Oxnard police in 2013. Jax was known as a driven and determined award-winning K-9 with the Oxnard PD. Jax passed away on Jan. 18, 2018 from complications related to an inoperable tumor.

The Commission voted unanimously to recommend City Council approval that Windrow Dog Park, located at 3052 North Ventura Rd., be renamed “Jax’s Windrow Dog Park”, and that College Dog Park, located at 3200 S Rose Ave., be renamed “College Park, Rudy’s Dog Park”.

**STRATEGIC PRIORITIES**

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

**FINANCIAL IMPACT**

Each plaque plus the mounting will cost $800 with a total cost of $1,600 for the project. The costs will be absorbed in the approved FY2017/18 General Fund Recreation Operating Budget (101-5501-805-8104). No additional appropriation is required.

**ATTACHMENTS:**

Attachment A: Resolution Renaming Windrow Dog Park, "Jax's Windrow Dog Park"

Attachment B: Resolution Renaming College Dog Park, "College Park, Rudy's Dog Park"

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. __________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD RENAMING WINDROW DOG PARK, "JAX'S WINDROW DOG PARK"

WHEREAS, City Council Resolution No. 12,991 establishes procedures for naming City parks; and

WHEREAS, at the Parks, Recreation and Community Services Commission (the "Commission") meeting on Feb. 28, 2018, the Oxnard Police Activities League ("PAL") Youth Directors Council ("YDC") sought review and input from the Commission on renaming Windrow Dog Park after one of the Oxnard Police Department's fallen K-9s named Jax; and

WHEREAS, Jax began his service with the Oxnard Police Department in 2013, served the Department honorably and passed away on January 28, 2018 from complications related to an inoperable tumor; and

WHEREAS, the Commission voted unanimously to recommend to City Council that Windrow Dog Park be renamed "Jax's Windrow Dog Park."

NOW, THEREFORE, the City Council of the City of Oxnard hereby resolves:

1. Windrow Dog Park, located at 3052 North Ventura Rd., shall be renamed "Jax's Windrow Dog Park."

PASSED AND ADOPTED THIS 27th day of March 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Tim Flynn, Mayor

ATTEST:

______________________________
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

______________________________
Stephen M. Fischer, City Attorney

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD RENAMING COLLEGE DOG PARK, “COLLEGE PARK, RUDY’S DOG PARK”

WHEREAS, City Council Resolution No. 12,991 establishes procedures for naming City parks; and

WHEREAS, at the Parks, Recreation and Community Services Commission (the “Commission”) meeting on Feb. 28, 2018, the Oxnard Police Activities League (“PAL”) Youth Directors Council (“YDC”) sought review and input from the Commission on renaming College Dog Park after one of the Oxnard Police Department’s fallen K-9s named Rudy; and

WHEREAS, Rudy began his service with the Oxnard Police Department in 2000 and was directly responsible for 13 arrests; and

WHEREAS, Rudy was the first Oxnard police service dog killed in the line of duty since the department’s K-9 unit was established in 1980 when he was killed while apprehending a suspect in 2002; and

WHEREAS, the Commission voted unanimously to recommend to City Council that College Dog Park be renamed “College Dog Park, Rudy’s Dog Park.”

NOW, THEREFORE, the City Council of the City of Oxnard hereby resolves:

1. College Dog Park, located at 3200 S Rose Ave., shall be renamed “College Park, Rudy’s Dog Park.”

PASSED AND ADOPTED THIS 27th day of March 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_________________________
Tim Flynn, Mayor

ATTEST:

_________________________
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

_________________________
Stephen M. Fischer, City Attorney

| CITY OF OXNARD CALIFORNIA | CITY COUNCIL<br>AGENDA REPORT | TYPE OF ITEM: Info/Consent<br>AGENDA ITEM NO.: 1 |
|---|---|---|

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Scott Whitney
Interim City Manager/Police Chief

**SUBJECT:** Agreements for City Council Review.

**CONTACT:** Scott Whitney, Interim City Manager/Police Chief
Scott.Whitney@OxnardPD.org, 385-7624

**RECOMMENDATION:**

That City Council, pursuant to Ordinance No. 2835, and Resolution No. 13,932, approve and authorize the City Manager to execute the following agreements/contracts and change orders/amendments in amounts more than $25,000 but no more than $250,000:

A. Kosmont Companies (6897-14-CD) for assistance with the disposition process of Successor Agency assets ($60,000).
B. Aztec Data Supply, Inc. (Purchase Order No. 6762) for the purchase of Cisco wireless hardware, network switches and wireless controllers ($77,058).

**BACKGROUND**

On November 16, 2010, the City Council approved changes to the City's Purchasing Procedures reducing the threshold for City agreements/contracts and change orders/amendments requiring City Council approval to $25,000. The agreements/contract and change orders/amendments described on the attached list involve amounts above $25,000 and up to $250,000.

**FINANCIAL IMPACT**

A complete explanation of the agreement and funding sources are attached.

NOTE: Copies of the agreement/contracts and change orders/amendments on the list are available in the City Clerk's Office prior to the Council meeting.

**ATTACHMENTS:**

Attachment A: City Manager's Contract List for March 27, 2018

# City Manager Contract List for 03/27/2018

**Contracts from $25,000 to $250,000**

## A Professional Consulting Services

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|---|---|---|---|
| **Vendor:** | Kosmont Companies | **Amount to be Approved:** | $60,000 |
| **Type:** | Amendment | **Current FY Amount:** | $105,000 |
| **Agreement No.:** | 6897-14-CD | **Total Contract Amount:** | $165,000 |
| **Amendment No.:** | 3 | **Funding Source:** | Redevelopment Property Tax Trust Fund (RPTTF) |
| **Purchase Order No.:** | 5421 | **Vendor Selection Process:** | Negotiated Contract |
| **Begin Date:** | 03/15/2017 | **# of Bids/Proposals/Quotes:** | N/A |
| **End Date:** | 06/30/2020 | **Project Manager:** | Kymberly Horner |
| **Term:** | | **Department:** | Community & Economic Development |
| | | **Telephone:** | (805) 385-7853 |
| | | **Email:** | Kymberly.Horner@oxnard.org |

**Purpose:**

Staff is requesting authorization to enter into a Third Amendment with Kosmont & Associates, Inc. dba Kosmont Companies (6897-14-CD) in the amount of $60,000 for a total contract amount not to exceed $165,000 to continue with the disposition process of the Successor Agency ("SA") assets, as required by law. The amendment provides for the necessary additional on-call services and compensation for the completion of this project with the City staff providing the necessary oversight and direction for the completion of the project. Consultant shall work in coordination with City when performing the following tasks:

1) Review of RFQ/P responses and assistance with developer selection
2) Initial negotiations and public-private transaction structuring, and
3) Follow-on real estate brokerage services (optional)

## B ER Wireless Project Data Upgrade

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|---|---|---|---|
| **Vendor:** | Aztec Data Supply, Inc. | **Amount to be Approved:** | $77,058 |
| **Type:** | Purchase Order | **Current FY Amount:** | $77,058 |
| **Agreement No.:** | | **Total Contract Amount:** | $77,058 |
| **Amendment No.:** | N/A | **Funding Source:** | 631-6313-846.81-34 |
| **Purchase Order No.:** | 6762 | **Vendor Selection Process:** | Informal Bids |
| **Begin Date:** | 03/01/2018 | **# of Bids/Proposals/Quotes:** | 3 |
| **End Date:** | 06/30/2018 | **Project Manager:** | Gary Krumian |
| **Term:** | 4 months | **Department:** | Information Technology Department |
| | | **Telephone:** | 805-385-7558 |
| | | **Email:** | gary.krumian@oxnard.org |

**Purpose:**

Staff is requesting approval of Purchase Order No. 6762 with Aztec Data Supply, Inc. in the amount of $77,058 for the purchase of Cisco wireless hardware, network switches and wireless controllers to be installed at Environmental Resources. This upgrade will allow for more efficient routine inspection of equipment and vehicles using wireless tablets to enter necessary data. The new network will allow maintenance to scan, upload and download equipment repair, parts and routine data log entries.

Pursuant to the City's purchasing policies, staff solicited informal quotes from Aztec Data Supply, Inc., Key Info and Insight. All three vendors submitted quotes with Aztec Data Supply, Inc., providing the lowest quote.

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| CITY OF OXNARD CALIFORNIA — CITY COUNCIL AGENDA REPORT | TYPE OF ITEM: Info/Consent<br>AGENDA ITEM NO.: 2 |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Ingrid Hardy
Cultural & Comm Services Director

**SUBJECT:** California Strawberry Festival - Agreement 8194-18-CS.

**CONTACT:** Ingrid Hardy, Cultural & Comm Services Director
Ingrid.Hardy@oxnard.org, 385-7993

**RECOMMENDATION:**

That City Council:

1. Authorize the Interim City Manager to enter into agreement 8194-18-CS with the California Strawberry Festival.

2. Approve attached budget appropriation recognizing $40,000 of revenue and appropriating $40,000 in expenditures for City Corps to provide litter cleanup and recycling services for the 2018 California Strawberry Festival.

**BACKGROUND**

Oxnard City Corps is a youth development program of the Recreation and Community Services Division. The program was established in 1995 and is designed to provide community service, career exploration and job training for young people in Oxnard.

City Corps has been providing litter and recycling services to the California Strawberry Festival for over 15 years. This event provides youth employment opportunities for approximately 70-80 young people between the ages of 14-25 years of age. The festival will be held the weekend of

May 19 and 20, 2018. Approval of this agreement will allow City Corps to continue employing youth for the festival and keep the partnership with the California Strawberry Festival intact.

**STRATEGIC PRIORITIES**

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 1. Improve community safety and quality of life through a combination of prevention, intervention, and suppression efforts that address crime and underlying issues.

Objective 1b. Explore alternatives for youth through recreation programs and intervention services.

**FINANCIAL IMPACT**

There is no financial impact to the City's General Fund reserves. The requested budget appropriation recognizes revenue in the amount of $40,000 generated from the contractual agreement and appropriates $40,000 to offset services performed by General Fund Recreation Citicorp (101-5511) to California Strawberry Festival.

**ATTACHMENTS:**

Attachment A: Agreement 8194-18-CS

Attachment B: Budget Appropriation

8194-18-CS

California Strawberry Festival

## AGREEMENT TO PROVIDE SERVICES

This Agreement to Provide Services ("Agreement") is entered into in the County of Ventura, State of California, this 5th, day of February 2018, by and between the California Strawberry Festival ("CSF") and the **City of Oxnard** through **Oxnard City Corps** ("Service Provider"), subject to the following terms and conditions:

1. Service Provider shall provide to CSF services according to the schedule as more particularly set forth in Exhibit A attached hereto and incorporated by this reference in full herein. Service Provider shall be excused for delays resulting from causes beyond the control of Service Provider.
2. This Agreement shall begin on Friday May 18, 2018 and shall end on Tuesday May 22, 2018. CSF may terminate this Agreement at any time, with or without cause, by giving written notice to Service Provider, specifying the effective date of termination. Oxnard City Corps can terminate this agreement at any time for circumstances that are beyond Oxnard City Corps control. Oxnard City Corps will give written notification, as soon as possible, if such circumstances occur.
3. A fully executed copy of this agreement with evidence of insurance shall serve as the Notice to Proceed.
4. CSF shall pay Service Provider, Forty Thousand Dollars ($40,000.00).
5. Service Provider shall be solely responsible for any and all injuries to persons or damages to property or any other injury, claim, damage or loss of whatever nature, arising from or related to any negligent act or acts of the Service Provider.
6. Service Provider shall, at its sole cost and expense, obtain and keep in force until completion of the Festival, including cleanup, a commercial general liability insurance contract with liability limits equal to or greater than $1,000,000 each occurrence, $2,000,000 general aggregate. The insurance required under this paragraph shall cover, without limitation, all claims for personal injury (including death) as well as claims for property or other damage which may arise from or relate to the Service Provider, whether such injury or damage was due, in whole or in part by the negligence of Service Provider, her respective employees, guests, agents, or subcontractor. Coverage shall be Commercial General Liability form including premises and operations, products and completed operation, and personal injury. In addition, Service Provider shall provide proof of policy of worker's compensation insurance covering all employees utilized in performing services to the Festival, and automobile insurance including owned, hired, and non-owned vehicles with liability limits of

not less than $1,000,000. Service Provider shall provide a certificate of insurance to the California Strawberry Festival evidencing such coverage.

7. Service Provider shall not, without the written consent of CSF Executive Board, assign this Agreement, or any interest therein, or any money due thereunder.
8. In providing services under this Agreement, Service Provider shall comply with all applicable laws, ordinances and regulations.
9. This Agreement may not be modified or amended except by a written instrument signed by both parties.

10. (A) Any notices to Service Provider may be delivered personally or by mail addressed to:

Greg Barnes
Oxnard City Corps
305 West 3rd St
Oxnard, CA 93030
(805) 385-7995

(B) Any notices to CSF may be delivered personally or by mail addressed to:

California Strawberry Festival
1661 Pacific Ave., #15
Oxnard, CA 93033

11. This Agreement constitutes the entire agreement of CSF and Service Provider regarding the subject matter described herein and supersedes all prior communications, agreements and promises, either oral or written.

| California Strawberry Festival | SERVICE PROVIDER<br>City of Oxnard |
| --- | --- |
| ______________________________ | ______________________________ |
| Billy Belcher<br>Site Manager<br>California Strawberrv Festival | Scott Whitney<br>Interim City Manager<br>City of Oxnard<br>Federal Tax ID Number: 95-6000-765 |

Michael Thompson
CSF Board Chair
California Strawberry Festival

APPROVED AS TO FORM:

FOR

Stephen M. Fischer, City Attorney

APPROVED AS TO INSURANCE:

Mike More, Risk Manager

APPROVED AS TO CONTENT:

Ingrid Hardy, Cultural & Com. Serv. Director

APPROVED AS TO CONTENT:

Gregory Barnes, Project Manager

EXHIBIT A

SCOPE OF SERVICES Oxnard
City Corps Service Provider

The Oxnard City Corps will provide clean-up services for the dates and times listed.

Provide clean-up service at The California Strawberry Festival on May 18 thru May 22, 2018, at Strawberry Meadows, College Park (3250 South Rose Avenue) in Oxnard, California. This includes:

1. City Corps will provide team members for the Festival. Each team in turn shall be composed of one (1) leader and four or five (4 or 5) team members on each team. All teams will be supervised by three (3) City Corps leaders who will coordinate its activities with BuckMoto & Associates.

2. Twelve (12) team members will assist in set-up activities on Friday, May 18, 2018, from 7:00a.m to 4:00p.m.

3. Forty-five (45) team members for litter pickup will cover two (2) shifts (7:00 a.m. to 3:30p.m. and 11:30 a.m. to 8:00 p.m. on Saturday and Sunday per schedule provided by BuckMoto & Associates.

4. Fourteen (14) team members will provide recycling services on Saturday and Sunday from 7:00a.m to 8:30p.m. They will report to a City Corps supervisor who will coordinate their activities during the Festival.

5. Twenty- seven (27) team members will provide take-down and clean-up services on Monday, May 21, 2018, from 7:00 a.m. to 5:00p.m.

6. Five (5) team members will provide final clean up services on Tuesday, May 22, 2018, from 7:00a.m to 3:00p.m.

7. This agreement covers workers' wages and compensation.

8. City Corps will provide all necessary meals for their team members.

9. City Corps will provide t-shirts for the litter teams and for the recycling teams and will coordinate shirt colors with the Festival.

10. City Corps will provide equipment as listed in their proposal.

11. A minimum of one (1) planning meeting will be held between City Corps management and BuckMoto & Associates.

Representatives from BuckMoto & Associates fully agree with this arrangement.

# REQUEST FOR BUDGET APPROPRIATION

**Department:** Cultural & Community Services
**Project/Program** City Corps
**Manager:** Gregory Barnes

**Date:** March 1, 2018
**Phone:** 385-8123

**Reason for Appropriation:**

Recognize revenue and expenditures for California Strawberry Festival

| Accounts and Descriptions | | AMOUNT |
|---|---|---|
| **Fund: 101 - GENERAL FUND** | | |
| **Revenues/Transfers In** | | |
| **California Strawberry Festival ( Project I55562)** | | |
| 101-5511-581-7523 | Miscellaneous Revenues | 40,000 |
| | Sub-total Revenues | 40,000 |
| **Expenditures/Transfers Out** | | |
| **California Strawberry Festival (Project I55562)** | | |
| 101-5511-805-8001 | Direct Labor-Permanent | 7,000 |
| 101-5511-805-8002 | Direct Labor-Temporary | 28,000 |
| 101-5511-805-8104 | Materials & Supplies / Supplies -Shop & Field | 600 |
| 101-5511-805-8113 | Materials & Supplies / Uniforms | 1,200 |
| 101-5511-805-8126 | Materials & Supplies / Recreation Supplies | 3,200 |
| | Sub-total Expenditures | 40,000 |
| | **Net Change to Fund Balance** | **0** |
| | **Net Appropriation Change** | **0** |

**Approvals**

Department Director ______________________

Chief Financial Officer ______________________

City Manager ______________________ ACM Initial

BA# (Finance Use Only)_______________
BA Doc# (Finance Use Only)
Revi

REQUIRES CITY COUNCIL AUTHORIZATION

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|---|---|---|
| CITY OF OXNARD CALIFORNIA | **CITY COUNCIL**<br><br>**AGENDA REPORT** | **TYPE OF ITEM: Info/Consent**<br><br>**AGENDA ITEM NO.: 3** |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Jim Throop
Chief Financial Officer

Jim Throop

**SUBJECT:** Month-End Financial Summary Report

**CONTACT:** Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

**RECOMMENDATION:**

That the City Council receive and file the January 2018 monthly financial summary report.

**BACKGROUND**

City Council adopted a resolution requiring staff to report on the financial status of the city's major funds no later than 30 days after the end of the preceding month.

Given the timing of the monthly closes, holidays, weekends, etc., and any possible external auditor changes, the Finance Department will strive to make this posting date.

**STRATEGIC PRIORITIES**

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Goal 1. To help foster a healthy and accountable corporate foundation by strengthening the support functions of the organization, which include Finance, Information Technology and Human Resources.

Goal 2. Increase transparency with Council, community and staff related to the City's budget and financial management processes.

Objective 2c. Create a standardized template to present financial and other data to the general public.

**FINANCIAL IMPACT**

There is no financial impact on Council receipt and file of this report.

**ATTACHMENTS:**

Attachment A: January 2018 (Period 7) General Fund Summary

**ESTIMATED**

**General Fund 101 Summary - Closing of Period 7 or January 31, 2018**

**($ in Millions)**

J.3.a

| | FISCAL YEAR 2016-2017 | |
|---|---|---|
| | Revised Budget | Actuals |
| **Beginning Audited FY16-17 Undesignated Unreserved Fund Balance** | **$12.64** | **$12.64** |
| FY16-17 Year-To-Date Revenue - Period 14 Closing | $122.35 | $125.47 |
| FY16-17 Year-To-Date Expenditures - Period 14 Closing | -$125.88 | -$119.17 |
| FY16-17 Cash / Balance Sheet Adjustment *(majority of receivables are from Successor Agency One-Time)* | | $6.07 |
| **Ending Audited FY16-17 Undesignated Unreserved Fund Balance** | **$9.11** | **$25.01** |
| *Operating Reserve FY16-17* | *7%* | *21%* |

| | FISCAL YEAR 2017-2018 | |
|---|---|---|
| | Revised Budget | Actuals |
| **Beginning Audited FY17-18 Undesignated Unreserved Fund Balance** | **$25.01** | **$25.01** |
| FY17-18 Budgeted Revenues (as of closing of January 2018) | $126.15 | $63.13 |
| FY17-18 Budgeted Expenditures (as of closing of January 2018) * | -$128.30 | -$66.15 |
| ***Estimated Ending FY17-18 Undesignated Unreserved Fund Balance*** | ***$22.87*** | ***$21.99*** |
| *Estimated Operating Reserve FY17-18* | *18%* | |

* The following are actions taken by Council after the Adopted Budget 2017-18. Actions included pass-through of surplus funds of 13 Dissolved LMDs dated 2/6/2018. The Mid-Year Augmentation, approved on 2/20/2018, is not part of January closing. It will be reflected in February closing.

**FY 17-18 Adopted Budget** **$125.48**

| Itemized Budget Appropriations | Amount | Council Date |
|---|---|---|
| Increased contribution to Oxnard Convention & Visitors Bureau for FY17-18 | $0.08 | 6/20/2017 |
| Funding for HCA Consulting for Capital Asset Inventory & Valuation | $0.15 | 7/25/2017 |
| Funding for 3rd Amendment MV Cheng Contract | $0.17 | 7/25/2017 |
| Funding for financial advisory services (A-8012 NHA Advisors) | $0.05 | 10/3/2017 |
| 2017–2018 Western Ventura County Winter Warming Shelter for the Homeless | $0.06 | 11/28/2017 |
| To abate the Halaco property site for remediation | $0.40 | 11/28/2017 |
| To fund utility bills from Channel Islands Beach Community thru Feb'18 | $0.050 | 12/19/2017 |
| To fund Senior Excursion, Showmobile & Tamale Festival | $0.107 | 12/13/2017 |
| To fund Winter Warming Shelter - Extended Daytime | $0.044 | 12/19/2017 |
| Transfer to Golf - To fund FY18 landfill monitoring charges PO 5677 per 2nd amend 7167-15-CM | $0.052 | 1/23/2018 |
| 1) Purchase of building 720 South B St successor agency & cost of repairs 2) 6 months of HSPOA assessment fees | $0.076 | 1/23/2018 |
| * Per. Streets & Highways Code section 2610, surplus funds of 13 Dissolved LMDs: Recognized $1.138 million of revenues & appropriate $1,131,152 of surplus funds to reimburse parcel owners of 13 dissolved districts. | $1.131 | 2/6/2018 |
| **Budget Appropriations post Adopted Budget** | **$2.36** | |
| **FY16-17 Carryover** | **$0.45** | |
| **FY17-18 Revised Budget (as of closing of January 2018) *** | **$128.30** | |

*To conform with FY2017-18 Budget approval, this reporting substitutes the Month-End Fund Balance Status Summary.*

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| CITY COUNCIL AGENDA REPORT | TYPE OF ITEM: Info/Consent<br>AGENDA ITEM NO.: 4 |
|---|---|

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Scott Whitney
Interim City Manager/Police Chief

**SUBJECT:** State of California Office of Traffic Safety S.T.E.P. Grant Application.

**CONTACT:** Scott Whitney, Interim City Manager/Police Chief
Scott.Whitney@OxnardPD.org, 385-7624

**RECOMMENDATION:**

That City Council adopts a resolution:

1. Authorizing the City Manager to execute and submit an application for $418,593.00 in grant funds to the State of California Office of Traffic Safety (OTS), to be used for the FY-2018/19 Selective Traffic Enforcement Program (S.T.E.P.);

2. Authorizing the City Manager or designee to execute grant agreements and appropriate funds upon notification of grant award;

3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims and approve budget appropriations for the use of OTS funds upon award; and

4. Authorizing the Chief of Police or designee to submit all program related progress or status reports.

**BACKGROUND**

The State of California, OTS has offered grant funding to assist the City in reducing the number of injury and fatal traffic collisions that occur on our City's roadways. The Police Department wishes to apply for the grant titled “Selective Traffic Enforcement Program” in the amount of $418,593.00.

The Police Department is committed to reducing the total number of collisions through enforcement, education, and engineering improvements, and is dedicated to the safety of our motorists, pedestrians, and bicyclists. The Police Department will use grant funding to continue implementing strategies and conduct enhanced enforcement operations to address primary collision factors, such as speed, failure to yield, and unsafe turning movements, to aid in making our roads safer. Traffic safety presentations at community events, public meetings, and schools will also be utilized as means to promote awareness regarding bicycle, motorcycle, and occupant and pedestrian safety.

The Police Department continually evaluates collision data and statistics to ensure that problematic areas and primary collision-causing factors are addressed. The Police Department will focus enforcement in collision-prone and problematic areas through multi-officer saturations and DUI enforcement operations. Grant funding will be used to deploy officers every Friday and Saturday night for the sole purpose of conducting DUI enforcement. The traffic unit will conduct monthly DUI checkpoints and saturation enforcements during high incident periods and at locations which experience a high number of DUI-related collisions. Traffic officers will utilize seat belt and distracted driving laws, along with best practice methods in order to promote seat belt compliance and deter distracted driving. Working with the City traffic engineer, the traffic unit will evaluate problematic locations to facilitate roadway improvements in order to reduce the incidence of high-frequency collisions involving pedestrian, bicycle, and vehicular traffic on our City streets.

The Police Department understands the value of educating the community in order to increase traffic safety. The traffic unit, with the assistance of the school resource officers, will continue conducting pedestrian and bicycle safety presentations to middle and high school students. The safety presentations will include topics such as safe practices and effective solutions to enhance pedestrian safety, risks and hazards of riding bicycles in traffic, and the importance of wearing proper safety equipment. The Police Department will continue offering “Start Smart Teen Driver Safety Classes” in which parents and teenagers will be informed of the key factors associated with teenage traffic collisions.

The Police Department will continue to collaborate with allied agencies in Ventura County in an effort to coordinate enforcement activities and implement strategies to address place of last drink (POLD) data and alcohol service compliance. Social media will also be used to distribute and provide information regarding statistical crash data, improve public awareness, and to encourage community involvement directed at collision reduction. We will also utilize all available media and outreach methods to promote safe driving habits, encourage seat belt compliance, and deter distracted driving.

The Police Department will continue to participate in the OTS sponsored “Pedestrians Don’t Have Armor” campaign. The goal is to highlight pedestrian awareness and driver responsibility regarding pedestrian safety. The Police Department recently obtained a full suit of car-like armor that community service officers and traffic service assistants wear during presentations and enforcement operations to illustrate that “pedestrians don’t wear armor and the pedestrians always lose.”

The Police Department will continue to participate in the “Know Your Limit” program. In 2017, the police department implemented the program as a method to reduce impaired driving. Officers developed partnerships with local bars and restaurants and gained cooperation to educate patrons about the effects of alcohol on their body, the potential for serious injury or death when driving while impaired, and negative financial penalties of a DUI arrest. Patrons are also asked to guess their blood alcohol content based on the number of drinks they had consumed and are given a voluntary a breath test. The program has received an overwhelming positive response from business owners and patrons.

The Police Department will continue to expand the “Choose Your Ride” campaign. The police department used STEP grant funding to purchase a vehicle wrap for a “Choose Your Ride” vehicle, which is a police vehicle with a decal wrap depicting it to be half taxi, half police car. The vehicle has the phrase “Choose Your Ride” displayed on the vehicle. The vehicle was displayed at educational and enforcement operations in 2017. This included a DUI checkpoint as a reminder to “plan ahead and don’t get a DUI.”

This grant looks at continuing with proactive and innovative approaches to combating DUI and DUID collisions and will allow the Police Department to continue conducting warrant operations that target multiple DUI and DUID offenders who have violated their probation terms and have failed to appear in court.

Finally, grant funding will assist in providing continued public education geared towards cyclists of all ages, coupled with enhanced enforcement to ensure the City’s bicycling population is safe.

**STRATEGIC PRIORITIES**

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 1. Improve community safety and quality of life through a combination of prevention, intervention, and suppression efforts that address crime and underlying issues.

**FINANCIAL IMPACT**

The Selective Traffic Enforcement Program Grant will not require a local match contribution. Upon confirmation of award, grant will be appropriated accordingly.

**ATTACHMENTS:**

Attachment A - Selective Enforcement Grant Resolution 2018

Attachment B - 2018 Selective Traffic Enforcement (STEP) Grant Application

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING SUBMITTAL OF GRANT APPLICATION FOR THE SELECTIVE TRAFFIC ENFORCEMENT PROGRAM

WHEREAS, City Council Resolution No. 12,053 sets out the procedures by which City staff may submit grant applications, following approval by resolution of the City Council; and

WHEREAS, the Police Department has requested that City Council approve the submittal of an application to the State of California, Office of Traffic Safety for $418,593.00 in Office of Traffic Safety grant funds, to be used for traffic enforcement and education.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to approve the submittal of a grant application by the City Manager for grant funds to be used for selective traffic enforcement and resolves to recognize grant revenue in the amount of $418,593.00 from the State of California, Office of Traffic Safety. The City Council further resolves that the City Manager or designee is authorized to execute grant agreements; the Finance Director or designee is authorized to submit financial reports and grant claims and approve special budget appropriations for the use of grant funds; and the Chief of Police or designee is authorized to submit non-financial reports.

PASSED AND ADOPTED THIS 27th day of March, 2018 by the following vote:

AYES:

NOES:

ABSENT:

_____________________________
Tim Flynn, Mayor

ATTEST:

_____________________________
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

_____________________________
Stephen M. Fischer, City Attorney

# Application Information

Application No: 19-001478

| | | | | | |
|---|---|---|---|---|---|
| Application Type: | STEP | Agency (City or County): | Oxnard | Department (Police Dept, DA Office, etc): | Oxnard Police Department |
| Authorized Representative: | Ricardo Vazquez | DUNS Number: | 100849152 | DUNS Expiration Date: | |
| DUNS Registered Address: | 251 South C Street | DUNS City: | Oxnard | DUNS ZIP+4: | 93030-5711 |

# Application Summary

## Grants Made Easy Application Titles and Descriptions are pre-populated. For General Grants, provide the Application Title and Application Description.

Application Title:

Selective Traffic Enforcement Program (STEP)

Application Description:

Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary collision factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary collision factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian collisions, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

Problem Statement:

Oxnard is a Southern California coastal city, located approximately 60 miles north of Los Angeles. Oxnard is the largest city in Ventura County and has a rich agricultural history. The city is mainly comprised of industrial, residential, and commercial space. In recent years, there has been a large urban development with a focus on the revitalization of the historic downtown area and the expansion of an entirely new neighborhood, Riverpark. The 704-acre mini-city of Riverpark consists of approximately 2,500 homes accommodating 7,500 residents. Riverpark also has a premier shopping and entertainment center, The Collection, which features a blend of retail stores, restaurants, cafes, grocery, and outdoor spaces.

The Oxnard Police Department provides exceptional service to a community of approximately 207,000 residents. The department has 237 sworn police officers who are committed to keeping our roadways safe for our pedestrians, bicyclists, and motorists. It has been a challenge for the police department to manage the increased demand of issues and problems that come with a city that is developing and expanding, particularly with the increase of vehicular traffic and alcohol venues. However, the police department constantly analyzes statistical collision information and research data obtained from other agencies, such as the Place of Last Drink (POLD) data obtained from the Ventura County Behavioral Health, to address problematic roadways.

Based on collision data and research, the following is an analysis of the traffic-related issues faced by the Oxnard Police Department:

## Place of Last Drink (POLD) Survey Findings (January 2012 – December 2016)

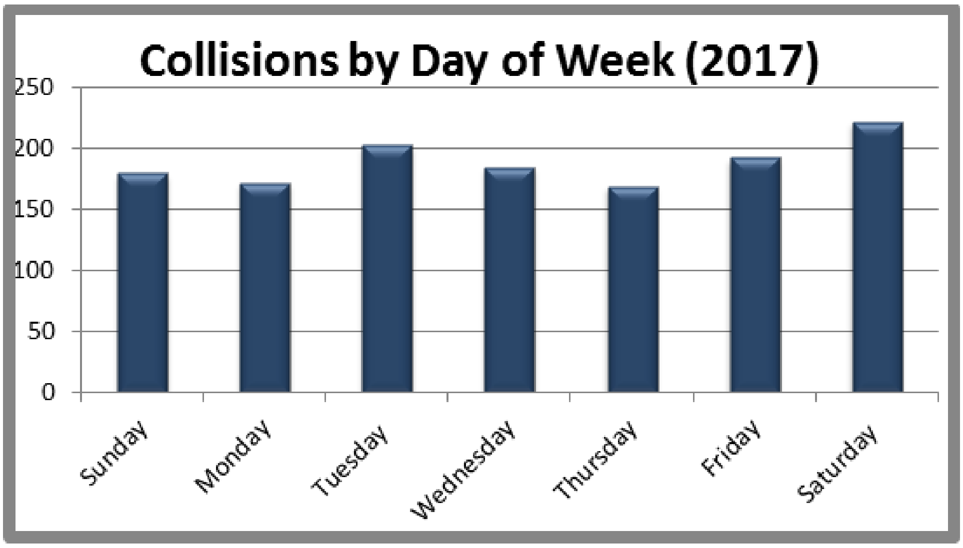
- The average percentage of POLD survey respondents revealed that approximately 25% of all subjects arrested for DUI in Ventura County were stopped in Oxnard.
- Characteristics of DUI drivers arrested in Oxnard include:
    - Average age: 26-45 (52%)
    - 76% Hispanic/Latino
    - 79% of drivers resulted in their first DUI arrest
- Details and circumstances related to the DUI arrest
    - Only alcohol-involved resulted in 96% of the arrests
    - Average number of drink was six
    - 7% of drivers admitted to using drugs with alcohol; marijuana (55%) and prescription medication (46%)
    - 23% of DUI drivers were involved in a collision
    - 29% of DUI drivers reported having at least one passenger at the time of arrest
    - The two most reported locations where drivers were drinking alcohol prior to being stopped were a bar/restaurant (37%) and someone else’s residence (31 %)

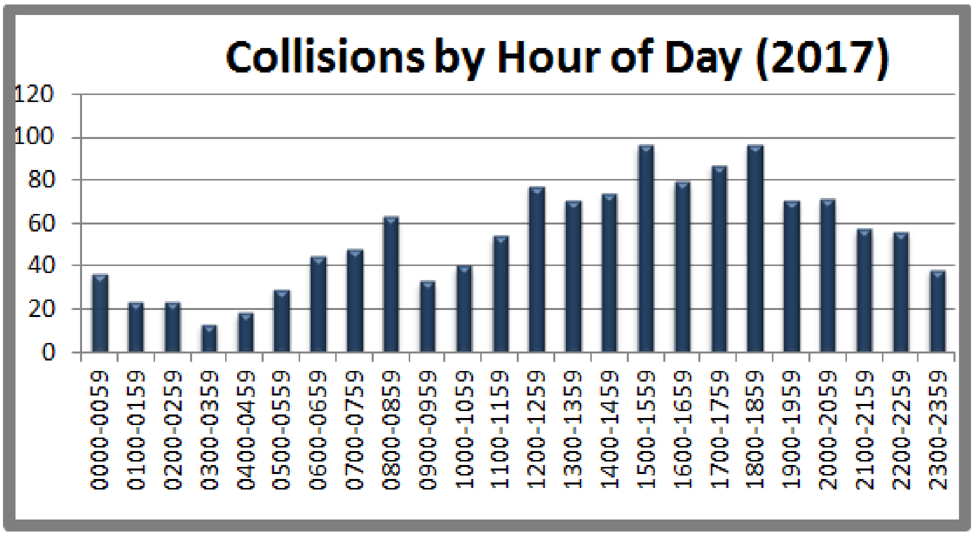
# Oxnard Police Department Collision Data and Statistics

| Traffic Collisions | YTD 16' | YTD 17' | % Change |
|---|---|---|---|
| Injury Collisions | 1,021 | 1,061 | 3.9% |
| Injured Victims | 1,465 | 1,570 | 7.2% |
| Fatal Collisions | 7 | 13 | 85.7% |
| Total DUI Collisions | 252 | 213 | -15.5% |
| Fatal Victims | 7 | 16 | 128% |
| DUI-Related Inj. Collisions | 101 | 87 | -13.9% |
| DUI –Related Inj. Victims | 167 | 129 | -22.7% |
| DUI-Related Fatal Collisions | 2 | 0 | -100% |
| Hit and Run Injury Collisions | 142 | 135 | -4.9% |

| Rank | Top Collision Types |
|---|---|
| 1 | Rear End- 14 (34.1%) |
| 2 | Broadside -12 (29.2%) |
| 3 | Hit Object- 6 (14.6%) |
| 4 | Vehicle-Pedestrian 4 (9.76%) |
| 5 | Hit Object- 2 (4.88%) |

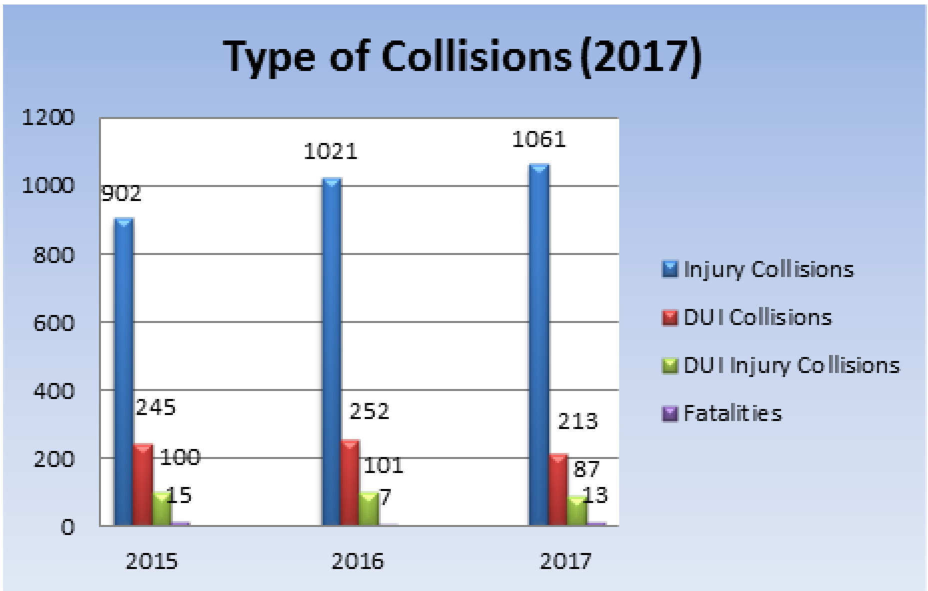
| Rank | Primary Collision Factor | Type of Collision and Time |
|---|---|---|
| 1 | Unsafe Speed | Rear-end / 1200-1700 hours |
| 2 | Improper Turnings | Sideswipe / 0600-1000 hours and 1200-1900 hours |
| 3 | Right of Way Violations | Broadside / 1200-1900 hours |
| 4 | Pedestrian Involved | Broadside / 0800-1000 hours and 1700-1900 hours |
| 5 | DUI | Rear-end and sideswipe / 2000-2300 hours and 0000-0200 hours |




| Rank | Top Collision Locations (2017) | Primarily Collision Factors |
|---|---|---|
| 1 | Channel Islands Blvd @ C St. | Right of Way / Pedestrian Violation |
| 2 | C St @ Gonzales Rd | Pedestrian Violation/ Unsafe Speed |
| 3 | Gonzales Rd @ Oxnard Blvd | Unsafe Speed / Right of Way |
| 4 | Oxnard Blvd @ Wooley Rd | Unsafe Speed / Following Too Closely |
| 5 | Rose Ave @ Gonzales Rd | Unsafe Speed / Following Too Closely |

| Rank | Top DUI Arrest Locations (2017) |
|---|---|
| 1 | Oxnard Blvd from Wooley Rd to Roderick Ave |
| 2 | Rose Ave. from Tiesa Ln to the 101 Freeway |
| 3 | Oxnard Blvd from Citrus Grove to Forest Park Blvd |
| 4 | Oxnard Blvd from Wooley Rd to Statham Blvd |
| 5 | Rose Ave from Fifth St to Camino del Sol |




In recent years, there has been some improvement in reducing the overall number of DUI collisions; however, there has been an increase in the total number collisions over the past two years. With grant funding, the department would deploy additional officers to conduct educational and enforcement operations in an effort to reduce the total number of collisions. Enhanced educational and enforcement operations funded through the Office of Traffic Safety (OTS) would assist the Oxnard Police Department to achieve our goal of reducing injury and fatal collisions and making our roadways safer for pedestrians, bicyclists, and motorists.

Traffic Data Summary:

Please complete the table below using local data, do not use the OTS Rankings or SWITRS.

| **Collision Type** | **2015** | | | | **2016** | | | | **2017** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Collisions** | | **Victims** | | **Collisions** | | **Victims** | | **Collisions** | | **Victims** | |
| Fatal | 13 | | 13 | | 7 | | 7 | | 13 | | 16 | |
| Injury | 902 | | 1,352 | | 975 | | 1,393 | | 977 | | 1,477 | |
| | **Fatal** | **Injury** | **Killed** | **Injured** | **Fatal** | **Injury** | **Killed** | **Injured** | **Fatal** | **Injury** | **Killed** | **Injured** |
| Alcohol - Involved | 2 | 92 | 2 | 134 | 1 | 83 | 1 | 121 | 0 | 88 | 0 | 124 |
| Hit & Run | 1 | 166 | 1 | 203 | 1 | 153 | 1 | 176 | 2 | 132 | 2 | 166 |
| Nighttime (2100-0259 hours) | 3 | 188 | 3 | 264 | 1 | 161 | 1 | 227 | 0 | 155 | 0 | 206 |
| **Top 3 Primary Collision Factors** | | | | | | | | | **Fatal** | **Injury** | **Killed** | **Injured** |
| **#1 -** | Unsafe speed | | | | | | | | 6 | 544 | 6 | 857 |
| **#2 -** | Right of way violations | | | | | | | | 4 | 514 | 4 | 844 |
| **#3 -** | Improper Turning Maneuver | | | | | | | | 5 | 221 | 5 | 322 |

## Proposed Solution

Strategies:

The Oxnard Police Department has dedicated traffic safety as one objective for 2018. Our objective is to educate our community, implement plans, and conduct enforcement operations to reduce the total number of persons killed and injured in traffic collisions. A high priority will be given to developing strategies to reduce injuries and fatalities resulting from alcohol and drug-involved collisions. OTS funding will be used to address problematic roadways that experience a high number of collisions. The police department will evaluate the primary collision factors and collision data to implement a proper response, such as enhanced enforcement operations, roadway engineering, and community outreach and education. The police department will also increase public awareness regarding bicycle, motorcycle, and pedestrian safety, and conduct special enforcement operations to address other collision factors including speed, distracted driving, and seatbelt compliance.

Some methods to accomplish our collision reduction goal include the following:

- Provide monthly training to patrol on advanced impaired driving and traffic enforcement.
- Provide monthly statistical collision data to patrol to focus enforcement efforts in problematic areas.
- Continued evaluation of primary collision factors to implement a proper response, such as enhanced enforcement operations, roadway engineering, and community outreach and education.
- Collaborate with school districts to develop programs and conduct presentations on bicycle/pedestrian/traffic safety, impaired driving, distracted driving, and occupancy safety.
- Conduct enforcement saturations in problematic areas to address primary collision factors.
- Continued deployment of two officers for DUI enforcement on Friday and Saturday nights.
- Collaborate with media to distribute and provide information regarding traffic safety and to promote public awareness. Social media will be utilized to announce grant-funded activities and enforcement operations to our local community. Message board trailers will be deployed promoting seatbelt compliance, deterring distracted driving, and displaying DUI-related public safety messages.
- Continued participation in the OTS sponsored Pedestrians Don't Have Armor campaign. The goal is to highlight pedestrian awareness and driver responsibility regarding pedestrian safety. The police department recently obtained a full suit of car-like armor that community service officers and traffic service assistants wear during presentations and enforcement operations to illustrate that "pedestrians don't wear armor and the pedestrians always lose."

TSA Montelongo wearing the car-like armor during a traffic safety operation at Rio Del Norte School.

- Continued participation in the Know Your Limit program. In 2017, the police department implemented the program as a method to reduce impaired driving. Officers developed partnerships with local bars and restaurants and gained cooperation to educate patrons about the effects of alcohol on their body, the potential for serious injury or death when driving while impaired, and negative financial penalties of a DUI arrest. Patrons are also asked to guess their blood alcohol content based on the number of drinks they had consumed and are given a voluntary a breath test. The program has received an overwhelming positive response from business owners and patrons.
- Continued expansion of the Choose Your Ride campaign. The police department used STEP grant funding to purchase a vehicle wrap for a Choose Your Ride vehicle, which is a police vehicle wrapped so it's a half taxi, half police car and has the phrase "Choose Your Ride" on the vehicle. The vehicle has been displayed at educational and enforcement operations. The vehicle was recently displayed at a DUI checkpoint as a reminder to "plan ahead and don't get a DUI."

Choose Your Ride vehicle displayed at a checkpoint on 1/19/18.


- Host additional Start Smart courses for teenaged drivers (ages 15-19) in an effort to encourage young drivers to become more aware of the responsibilities that accompany the privilege of being a licensed driver. Young drivers and their parents would be invited to attend and participate in a free two-hour class hosted by the police department. Topics discussed include collision avoidance techniques, primary collision factors such as speed, impaired driving, and distracted driving. The goal of the Start Smart program is to educate young drivers and parents of responsible driving and safety precautions such as seatbelt compliance, collision avoidance, and what to do if involved in a collision.

Agency Qualifications:

The Oxnard Police Department has obtained and successfully managed numerous grants including Avoid Grants, STEP Grants, and Click it or Ticket Grants. The police department has always achieved and/or exceeded all grant objectives and goals. All grant funds have properly been utilized for grant-related activities, equipment, and supplies. The police department has also maintained all equipment and supplies obtained through grant funding. A grant specialist, employed by the department, handles all fiscal responsibilities of grant management.

The Oxnard Police Department is a midsize agency and has the proper staffing to manage a grant. The department has a total of 237 sworn officers and 137 civilian employees. The department's patrol division is comprised of 76 officers dedicated to community patrol. One facet of the patrol division is the Traffic Unit, which is comprised of 15 motivated traffic officers and 17 traffic service assistants committed to making our roadways safer. The Traffic Unit consists of one commander, two sergeants, one senior officer assigned as the traffic coordinator, one senior officer assigned as the traffic investigator, ten traffic enforcement officers, two senior traffic service assistants, and 15 traffic service assistants. The Traffic Unit provides staffing five days a week in order to address traffic safety issues and problematic areas with two traffic officers dedicated to nighttime DUI enforcement.

For grant-funded activities directed at schools and youth organizations, the department will facilitate the appropriate screening and background checks of those who may have direct contact with students/youths.

Program Sustainability:

The Oxnard Police Department Traffic Unit generally oversees and manages grant funding for education and enforcement operations in an effort to reduce collisions. However, grant funding will also be used to provide patrol officers the necessary training and support to conduct operations to address problematic roadways. As a result, grand funding would create a traffic safety conscious culture throughout the entire department. Rather than only have 15 traffic officers committed to traffic safety, grant funding would create an entire department of 237 sworn officers committed to our department's goal of reducing collisions and creating safer roadways for our community.

In addition to the sworn personnel, the Oxnard Police Department has approximately 137 civilian employees who have been a valuable resource to assist with grant activities. In particular, traffic service assistants, public safety dispatchers, community service officers, and records technicians regularly assist with enforcement operations and educational campaigns. The Oxnard Police Department also has a large volunteer program including Reserve Officers, Volunteers in Policing (VIP), and Police Explorers. The department volunteers have worked countless hours and have been instrumental in our collision reduction efforts.

The Oxnard Police Department has obtained and successfully managed grants since the mid-90s. The department has also coordinated and directed several Avoid the 14-Ventura County grants. The department does not receive any additional traffic enforcement funding from other sources other than OTS. The following is a list of grants managed by the Oxnard Police Department:

- 2006-2009 Avoid the 18 DUI Campaign-Ventura County $270,258.00 (AL0763)
- 2008-2011 Avoid the 14 DUI Campaign-Ventura County $482,555.72 (AL0908)
- 2011-2012 Avoid the 14 DUI Campaign-Ventura County $150,000.00 (AL20553)
- 2012-2013 Avoid the 14 DUI Campaign-Ventura County $145.000.00 (AL1373)
- 2013-2014 Avoid the 14 DUI Campaign-Ventura County $175,000.00 (AL1407)
- 2009-2010 DUI Enforcement and Awareness Program $357, 116.00 (AL1059)
- 2010-2011 DUI Enforcement and Awareness Program $250,000.00 (AL1185)
- 2011-2012 DUI Enforcement and Awareness Program $250,000.00 (AL20480)
- 2012-2013 Selective Traffic Enforcement Program $150,000.00 (PT13106)
- 2013-2014 Selective Traffic Enforcement Program $252,357.00 (PT1448)
- 2014-2015 Selective Traffic Enforcement Program $316,500.00 (PT1552)
- 2015-2016 Selective Traffic Enforcement Program $275,000 (PT16100)
- 2016-2017 Selective Traffic Enforcement Program $330,000 (PT1787)
- 2017-2018 Selective Traffic Enforcement Program $585,000 (PT18108)
- 2009-2010 Sobriety Checkpoint Mini-Grant Program $54,000.00 (SC10299)
- 2010-2011 Sobriety Checkpoint Mini-Grant Program $55,476.00 (SC11299)
- 2012-2013 Sobriety Checkpoint Grant Program $96,750.00 (SC13299)
- 2013-2014 Sobriety Checkpoint Grant Program $91,450.00 (SC14299)
- 2009-2010 Next Generation-Click It or Ticket $31,867.00 (CT10299)
- 2010-2011 Next Generation-Click It or Ticket $8,497.92 (CT11299)

# Goals

## Required Goals

| Description |
|---|
| Reduce the number of persons killed in traffic collisions. |
| Reduce the number of persons injured in traffic collisions. |
| Reduce the number of pedestrians killed in traffic collisions. |
| Reduce the number of pedestrians injured in traffic collisions. |
| Reduce the number of bicyclists killed in traffic collisions. |
| Reduce the number of bicyclists injured in traffic collisions. |
| Reduce the number of persons killed in alcohol-involved collisions. |
| Reduce the number of persons injured in alcohol-involved collisions. |
| Reduce the number of persons killed in drug-involved collisions. |
| Reduce the number of persons injured in drug-involved collisions. |
| Reduce the number of persons killed in alcohol/drug combo-involved collisions. |
| Reduce the number of persons injured in alcohol/drug combo-involved collisions. |
| Reduce the number of motorcyclists killed in traffic collisions. |
| Reduce the number of motorcyclists injured in traffic collisions. |
| Reduce hit & run fatal collisions. |
| Reduce hit & run injury collisions. |
| Reduce nighttime (2100 - 0259 hours) fatal collisions. |
| Reduce nighttime (2100 - 0259 hours) injury collisions. |

## Applicant-Defined Goals

| Custom Description | Target Number |
|---|---|

# Objectives

## Objectives Associated with Selected Application Type. Enter a Target Number or '0' if Target Number is not applicable.

| Select? | Target Number | Description |
|---|---|---|

| | | |
|---|---|---|
| Yes | 1 | |
| Yes | 0 | Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release. |
| Yes | 0 | Participate and report data (as required) in the following campaigns, National Walk to School Day, NHTSA Winter & Summer Mobilization, National Bicycle Safety Month, National Click it or Ticket Mobilization, National Teen Driver Safety Week, National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Child Passenger Safety Week, and California's Pedestrian Safety Month. |
| Yes | 0 | Develop (by December 31) and/or maintain a “HOT Sheet” program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated HOT sheets should be distributed to patrol and traffic officers monthly. |
| Yes | 10 | Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training. |
| Yes | 10 | Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training. |
| Yes | 2 | Send law enforcement personnel to the Drug Recognition Expert (DRE) training. |
| Yes | 6 | Send law enforcement personnel to the DRE Recertification training. |
| Yes | 1 | Send law enforcement personnel to SFST Instructor training. |
| Yes | 1 | Send law enforcement personnel to DRE Instructor training. |
| Yes | 12 | Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained. |
| Yes | 80 | Conduct DUI Saturation Patrol operation(s). |
| No | 0 | Conduct Court Sting operation(s) to cite individuals driving from court after having their driver's license suspended or revoked. |
| Yes | 8 | Conduct Warrant Service operation(s) targeting multiple DUI offenders who fail to appear in court. |
| Yes | 4 | Conduct Stakeout operation(s) that employ police officers to observe the "worst of the worst" repeat DUI offender probationers with suspended or revoked driver licenses. |
| Yes | 15 | Conduct Traffic Enforcement operation(s), including but not limited to, primary collision factor violations. |
| Yes | 8 | Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting. |
| Yes | 6 | Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or collisions resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary collision factor violations by motorcyclists and other drivers. |
| No | 0 | Conduct Nighttime (1800-0559) Click It or Ticket enforcement operation(s). |
| Yes | 8 | Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle collisions resulting from violations made by pedestrians, bicyclists, and drivers. |
| Yes | 12 | Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety. |
| Yes | 14 | Conduct Know Your Limit campaigns with an effort to reach members of the community. |

| | | |
|---|---|---|
| Yes | 0 | Describe and assess separately the effectiveness of “paid and donated” social media messages by providing the number of messages produced, subject of each message, number of printings for each message, total size of audience reached, total cost or donated value, and conduct evaluation surveys as appropriate. |
| Yes | 0 | Describe and assess separately the effectiveness of “paid and donated” TV/radio airtime messages by providing the number of messages produced, subject of each message, number of printings for each message, total size of audience reached, total cost or donated value, and conduct evaluation surveys as appropriate. |
| Yes | 0 | Describe and assess separately the effectiveness of “paid and donated” printed messages by providing the number of messages produced, subject of each message, number of printings for each message, total size of audience reached, total cost or donated value, and conduct evaluation surveys as appropriate. |

### Applicant-Defined Objectives. Users have the option to delete after adding if necessary.

| Select? | Target Number | Custom Description |
|---|---|---|

## Method of Procedure

Phase 1 - Program Preparation:

- The department will develop operational plans to implement the “best practice” strategies outlined in the objectives section.
- All training needed to implement the program should be conducted this quarter.
- All grant related purchases needed to implement the program should be made this quarter.
- In order to develop/maintain the “Hot Sheets,” research will be conducted to identify the “worst of the worst” repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The Hot Sheets may include the driver’s name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. Hot Sheets should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high collision locations.

Media Requirements

- Issue a press release announcing the kick-off of the grant by November 15, but no earlier than October 1. If unable to meet the November 15 date, communicate reasons to your OTS Coordinator. The kick-off press releases and any related media advisories, alerts, and materials must be emailed for approval to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, 14 days prior to the issuance date of the release.

Phase 2 - Program Operations:

- The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

Media Requirements

- Send all grant-related activity press releases, media advisories, alerts and general public materials to the OTS Public Information Officer (PIO) at pio@ots.ca.gov, with a copy to your OTS Coordinator. The following requirements are for grant-related activities and are different from those regarding any grant kick-off release or announcement.

1. If an OTS-supplied, template-based press release is used, there is no need for pre-approval, however, the OTS PIO and Coordinator should be copied when at the same time as the release is distributed to the press.
2. If an OTS-supplied template is not used, or is substantially changed, a draft press release shall be sent to the OTS PIO for approval. Optimum lead-time would be 10 days prior to the release distribution date, but should be no less than 5 working days prior to the release distribution date.
3. Press releases reporting the immediate and time-valued results of grant activities such as enforcement operations are exempt from the recommended advance approval process, but still should be copied to the OTS PIO and Coordinator when the release is distributed to the press.
4. Activities such as warrant or probation sweeps and court stings that could be compromised by advanced publicity are exempt from pre-publicity, but are encouraged to offer embargoed media coverage and to report the results.

- Use the following standard language in all press, media, and printed materials: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 30 days in advance, a short description of any significant grant-related traffic safety event or program so OTS has sufficient notice to arrange for attendance and/or participation in the event.
- Submit a draft or rough-cut of all printed or recorded material (brochures, posters, scripts, artwork, trailer graphics, etc.) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval 14 days prior to the production or duplication.
- Space permitting, include the OTS logo, on grant-funded print materials; consult your OTS Coordinator for specifics and format-appropriate logos.
- Contact the OTS PIO or your OTS Coordinator, sufficiently far enough in advance of need, for consultation when deviation from any of the above requirements might be contemplated

Phase 3 - Data Collection:

- Invoice Claims (due January 30, April 30, July 30, and October 30)
- Quarterly Performance Reports (due January 30, April 30, July 30, and October 30)
  - Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
  - Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
  - Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
  - Collect, analyze and report statistical data relating to the grant goals and objectives.

# Budget

## Personnel Costs

**Positions** - Enter full-time, part-time, hourly, or salaried positions in this section. For Benefits, start the Item Name with the word 'Benefits', enter the corresponding salary or overtime total amount in the Unit Cost or Rate column, and enter the Benefits Rate to have the system calculate Benefit Costs as Unit Cost * Benefits Rate. For related Benefits for the example position (100.0 and 100.1) for Benefits.

| Display Order | Item Name | Benefit Rate | Unit Cost or Rate | Units | Percent Paid by Grant | Calculated Cost to Grant |
|---|---|---|---|---|---|---|
| 100.0 | None | | $0.00 | 0 | 0.00% | $0.00 |

| Display Order | Cost Category | Enforcement Activity | Item Name | Unit Cost or Rate | Units | Calculated Cost to Grant |
|---|---|---|---|---|---|---|
| 101.0 | A. Personnel Costs | DUI Saturation Patrols | DUI Saturation Patrols | $1,075.00 | 80 | $86,000.00 |
| 102.0 | A. Personnel Costs | DUI/DL Checkpoints | DUI/DL Checkpoints | $8,815.00 | 12 | $105,780.00 |
| 103.0 | A. Personnel Costs | Stakeouts | Stakeouts | $3,200.00 | 4 | $12,800.00 |
| 104.0 | A. Personnel Costs | Traffic Enforcement | Traffic Enforcement | $3,200.00 | 15 | $48,000.00 |
| 105.0 | A. Personnel Costs | Distracted Driving | Distracted Driving | $3,200.00 | 8 | $25,600.00 |
| 106.0 | A. Personnel Costs | Motorcycle Safety | Motorcycle Safety | $3,200.00 | 6 | $19,200.00 |
| 107.0 | A. Personnel Costs | Pedestrian and Bicycle Enforcement | Pedestrian and Bicycle Enforcement | $3,200.00 | 8 | $25,600.00 |
| 108.0 | A. Personnel Costs | Traffic Safety Education | Traffic Safety Education | $307.00 | 12 | $3,684.00 |
| 109.0 | A. Personnel Costs | Know Your Limit | Know Your Limit | $2,000.00 | 14 | $28,000.00 |
| 110.0 | A. Personnel Costs | Warrant Service Operations | Warrant Service Operations | $3,200.00 | 8 | $25,600.00 |
| 111.0 | A. Personnel Costs | Other | Benefit - 7.45 | $380,264.00 | 1 | $28,329.67 |

Personnel Costs: $408,593.67

## Travel Expenses

| Display Order | Cost Category | Item Name | Unit Cost or Rate | Units | Calculated Cost to Grant |
|---|---|---|---|---|---|
| 200.0 | B. Travel Expenses | In State Travel | $5,000.00 | 1 | $5,000.00 |

Travel Expenses: $5,000.00

## Contractual Services

| Display Order | Cost Category | Item Name | Unit Cost or Rate | Units | Calculated Cost to Grant |
|---|---|---|---|---|---|
| 300.0 | C. Contractual Services | None | $0.00 | 0 | $0.00 |

Contractual Services: $0.00

## Equipment (must have Unit Cost of at least $5000)

| Display Order | Cost Category | Item Name | Unit Cost or Rate | Units | Calculated Cost to Grant |
|---|---|---|---|---|---|
| 400.0 | D. Equipment | None | $0.00 | 1 | $0.00 |

Equipment: $0.00

## Other Direct Costs

| Display Order | Cost Category | Item Name | Unit Cost or Rate | Units | Calculated Cost to Grant |
|---|---|---|---|---|---|
| 500.0 | E. Other Direct Costs | DUI Checkpoint Supplies | $2,000.00 | 1 | $2,000.00 |
| 501.0 | E. Other Direct Costs | Educational Materials | $3,000.00 | 1 | $3,000.00 |

Other Direct Costs: $5,000.00

## Indirect Costs

Item Name should indicate the % and the Cost Category for Indirect Costs e.g. 15% of Salaries and Benefits. Use the Percent Paid by Grant for the Indirect Rate and the Unit Cost or Rate field to indicate the total amount for which Indirect Costs will be claimed. The system will calculate the Cost to Grant.

| Display Order | Cost Category | Item Name | Indirect Rate | Amount Subject to Indirect | Calculated Cost to Grant |
|---|---|---|---|---|---|
| 600.0 | F. Indirect Costs | None | | $0.00 | $0.00 |

Indirect Costs: $0.00

Total Requested Funding: $418,593.67

# Narrative Review

## Review and update Narrative for Budget Items

| Item | Narrative |
|---|---|
| None | None |
| DUI Saturation Patrols | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| DUI/DL Checkpoints | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Stakeouts | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Traffic Enforcement | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Distracted Driving | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Motorcycle Safety | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Pedestrian and Bicycle Enforcement | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Traffic Safety Education | Overtime for grant funded traffic safety presentations or campaigns conducted by appropriate department personnel. |
| Know Your Limit | Overtime for grant funded traffic safety presentations or campaigns conducted by appropriate department personnel. |
| Warrant Service Operations | Overtime for grant funded law enforcement operations conducted by appropriate department personnel. |
| Benefit - 7.45 | Benefit - 7.45 |
| In State Travel | Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include (enter other known conferences or required events). All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds. |
| None | None |
| None | None |
| DUI Checkpoint Supplies | DUI Checkpoint Supplies - on-scene supplies needed to conduct sobriety checkpoints. Costs may include 28” traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS device supplies, heater, propane for heaters, fan, anti-fatigue mats, and canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed. |
| Educational Materials | Educational Materials – costs of purchasing, developing or printing brochures, pamphlets, fliers, coloring books, posters, signs, and banners associated with grant activities, and traffic safety conference and training materials. Items shall include a traffic safety message and if space is available the OTS logo. Additional items may be purchased if approved by OTS. |
| None | None |

# Upload Documents (Optional)

## Please try to include all information in the application itself, but if necessary, upload additional documents here

| Document Name | Update Date/Time |
|---|---|
| Application Report 2018-01-25 00:42:59.pdf | 1/24/2018 4:42 PM |

# Evaluation, Support, and Submittal

## Evaluation, Support, and Submittal

Method of Evaluation:

Using the data compiled during the grant, the Grant Director will complete the “Final Evaluation” section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant’s accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

Administrative Support:

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

Total Requested Funding:

$418,593.67

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| CITY OF OXNARD CALIFORNIA | CITY COUNCIL<br>AGENDA REPORT | TYPE OF ITEM: Public Hearing<br>AGENDA ITEM NO.: 1 |
|---|---|---|

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Ashley Golden
Development Services Director

**SUBJECT:** Consider Creation of a Two-Year Downtown Parklet Pilot Program Within the Public Right-Of-Way in the Central Business District and Authorize Measures to Implement the Pilot Program (10/15/10)

**CONTACT:** Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

**RECOMMENDATION:**

That the City Council:

1. Approve for first reading (by title only, waiving further reading) an uncodified ordinance (PZ No. 18-04) implementing a two-year pilot program for the installation of parklets within the public right-of-way in the Central Business District zone;

2. Authorize the Development Services Director the authority to approve licensing agreements associated with the installation of parklets within the public right-of-way; and

3. Waive the collection of traffic impact fees associated with the installation of parklets within the public right-of-way.

**BACKGROUND**

In January of 2016, the Congress for New Urbanism ("CNU") was commissioned by the City to revisit and integrate earlier Downtown planning and policy documents into an overarching "vision" for Downtown. Community engagement through charrettes occurred over a number of days. The purpose of the design charrette was to help articulate an overarching vision for the revitalization of Downtown. The results are expressed in a “Downtown Vision Plan” (“DVP”) that was presented to City Council on October 18, 2016.

On December 19, 2016, City Staff presented the “Three-Year Implementation Plan”, designed to implement elements of the DVP. There are three main components to the Implementation Plan: (i) Regulatory Retooling (Land Use and Design Review, Parking Management); (ii) Public Reinvestment (Capital Improvements, Business Inducement Programs, Arts Hub, and Property Disposition); and (iii) Program Administration (Project Management, Regulatory Documents, Tourism, Public Infrastructure, Stakeholder Involvement, Special Events, City Council Follow-up, and Homelessness Strategies). The Regulatory Retooling and Public Reinvestment components of the Implementation Plan present a phased implementation strategy, whereas Program Administration Public Reinvestment is ongoing.

From the DVP, Staff, through additional public engagement, identified downtown capital improvement projects which would assist in carrying out the DVP. The recommendations of the DVP were synthesized down into 14 projects. At the January 31, 2017 City Council meeting, Staff presented these projects, collectively known as “Downtown Capital Improvement Projects” for consideration and prioritization by Council. These included:

1. Downtown Trash Enclosures
2. Downtown Lighting
3. Façade Improvements
4. Public Restrooms
5. Downtown Tree Trimming – Oxnard Boulevard
6. Downtown Design Guidelines
7. Revolving Loan Program
8. Parking Management Plan
9. Arts Hub
10. “A” Street Enhanced Landscaping
11. “A” Street Improvements
12. Project Manager
13. Tourism
14. Land Use Policies

The Development Services Department is responsible for management and implementation of the Parking Management Plan, Downtown Land Use Policies and Downtown Design Guidelines (Projects 6, 8, and 14) and received funding for these projects at the April 4, 2017 City Council meeting.

One component of the Downtown Land Use Policies and Design Guidelines projects is the development and implementation of a program to allow parklet dining platforms within the public right of way in Downtown Oxnard.

A "parklet" is an outdoor dining area constructed as an extension of the sidewalk and located within the City's right-of-way, typically within on-street parking stalls. These structures are characterized by a deck platform enclosed on three sides with an interior edge remaining open to the sidewalk. Parklets feature tables and chairs to provide dining space and often incorporate bicycle racks as an added amenity for restaurant patrons. Based on research into the practices of other cities, private owner costs associated with construction of a parklet are usually less than $10,000. Parklets assist in bringing pedestrian activity to urban spaces and also offer restaurant operators a relatively inexpensive option for additional seating outdoors. The development of a program to allow parklets within the Downtown was a key feature in the DVP to facilitate Downtown revitalization efforts.

(Parklet in San Francisco, California)

The Development Services Department (DSD) has extensively researched existing parklet programs and design guidelines, including examples from the cities of San Francisco, Long Beach, Oakland, Los Angeles, West Hollywood, Santa Cruz, Berkeley, Sacramento, Minneapolis, and Seattle, to develop best practices which have proven to be successful within urban areas. These elements have been adapted and refined to create the proposed design guidelines and permit process for the City of Oxnard. Following our research into best practices, DSD discussed a preliminary outline for the permitting structure and design guidelines with representatives from the Police, Fire, and Public Works Departments, as well as the City Attorney and City Managers Offices. The proposed Parklet Design Guidelines and Parklet Maintenance and Licensing Agreement have been tailored to reflect the input resulting from these interdepartmental coordination meetings.

**ANALYSIS**

The proposed Downtown Parklet Pilot Program is recommended as a two-year pilot program, adopted as an uncodified ordinance (Attachment A). During this period, Staff will refine the application guidelines and review process as needed based on practical experience implementing the program in the Downtown. Towards the conclusion of the two years, Staff will return to City Council with a summary of the program and final recommendations to permanently incorporate the program into the zoning ordinance. The Downtown Parklet Pilot Program consists of two complements: the Parklet Design Guidelines handout (Attachment B) and the Parklet Maintenance and License Agreement (Attachment C). As proposed, the Downtown Parklet Pilot Program will be available to restaurant, café, and food service uses within the Central Business District zone (Attachment D).

The Parklet Design Guidelines handout was created as a resource for the Downtown business owner to easily communicate the design standards and permitting requirements for parklets. The handout provides information regarding siting requirements, design elements, materials, and safety considerations. The handout also outlines design considerations to ensure the parklet complies with requirements for accessibility, street drainage, traffic safety, etc. Finally, the handout outlines the steps and requirements to obtain a permit. This three-step process is designed to be efficient and straightforward, and consists of: 1) a pre-application meeting with the Planning Division to review general siting requirements the design concept, and any specific concerns about the proposed location; 2) application submittal and review; and 3) permit approval, parklet construction and inspection. As stated in the Design Guidelines handout, Staff commits to reviewing complete applications within three working days.

The Parklet Maintenance and License Agreement is required to be executed by the restaurant/café/food service operator and property owner. The agreement serves as the "permit", as it authorizes private use of the public right-of-way and establishes the operational requirements placed on the Permittee regarding the maintenance and use of the parklet. Planning Staff developed this agreement in consultation with the City Attorney. These agreements will be recorded along with the approved plans prior to construction of the parklet. Staff is recommending that the City Council grant the Development Services Director the authority to approve the Parklet Maintenance and License Agreements.

In order to facilitate development during the pilot program, Staff proposes a reduced permit fee of $849.02. This permit fee amount is a combination of existing adopted fees, including the Minor Downtown Design Review Permit ($520.55), two hours' time for review by the Development Services Engineer ($235.52), and the Development Services Inspection Fee ($92.95). Collectively, the proposed fee reflects costs associated with the initial consultation with the Planning Division, the review of the application with the relevant departments, as well as permit issuance and a field inspection. According to our analysis of parklet fees charged in other jurisdictions, the proposed fee is well below the amounts charged by other cities, the majority of which exceed $1,500.

In accordance with Resolution Nos. 10,673, 13,328, 13,600, and 13,890, traffic impact fees are assessed on new outdoor dining. As an additional incentive to support the development of parklets in the Downtown, Staff requests the City Council waive the collection of traffic impact fees associated with the parklet area. Outdoor dining areas associated with sit-down or take-out restaurants within the Central Business District currently pay a fee of $3.86 per square-foot. The traffic impact fee for a 250 square-foot parklet would total $965. Staff believes that the waiver of the traffic impact fee can be supported by the temporary nature of parklets on public property, operating on a limited basis. Furthermore, parklets are not likely to result in additional vehicle trips as they offer as an amenity to an existing restaurant/cafe and may not always be feasible for use, especially during inclement weather.

**PUBLIC OUTREACH AND INPUT**

Throughout February, Staff presented an outline of the proposed Downtown Parklet Pilot Program to the Downtown Design Review Committee (DDRC), the Oxnard Downtown Improvement District (ODID), and the Oxnard Community Planning Group (OCPG). The program has been well-received and Staff has implemented many of the comments and suggestions received during these outreach meetings. On February 15, the Downtown Improvement Task Force (DITF) voted to recommend approval of the parklet pilot program to City Council.

**ENVIRONMENTAL IMPACT**

In accordance with Section 15304 of the California Environmental Quality Act (CEQA) Guidelines, project involving "minor alterations to land", including the "minor temporary use of land having negligible or no permeant effects on the environment…" are exempt from the requirements of CEQA. The proposed Downtown Parklet Pilot Program would allow the installation of parklets on a limited basis within the Central Business District zone, designed in a manner which does not present a hazard to the public or the environment. Therefore, Staff has determined that there is no substantial evidence that the project will have a significant effect on the environment.

**STRATEGIC PRIORITIES**

The Downtown Parklet Pilot Program supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 1. Improve community safety and quality of life through a combination of prevention, intervention, and suppression efforts that address crime and underlying issues.

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

This agenda item supports the Economic Development strategy. The purpose of the Economic Development strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.
Objective 1a. Focus available resources on a comprehensive effort to promote economic activity in Oxnard, including a marketing program that communicates the City's available resources and assets.

Goal 2. Enhance business development throughout the City.
Objective 2a. Develop a strong citywide economy which attracts investment, increases the tax base, creates employment opportunities, and generates public revenue.
Objective 2b. Improve relationships and communication between the City and the business community.
Objective 2d. Public safety will collaborate with the business community to promote an environment that supports economic development.

Goal 3. Enhance business retention and attraction.

Objective 4a. Streamline internal process to ensure government efficiencies.

Goal 5. Revitalize Oxnard's downtown and pursue economic development opportunities.
Objective 5a. Develop a vision and plan (with timelines) for downtown revitalization to create a vibrant center for our community, emphasizing cultural arts, diversity and historic assets.

**FINANCIAL IMPACT**

This request includes a waiver of traffic impact fees associated with the development of parklets. In approving the proposed traffic impact fee waiver, the City agrees to forego collection of fees in the amount of $3.86 per square-foot. An average parklet is expected to be approximately 250 square-feet in size. If ten parklets are permitted within the next two years, the amount of traffic impact fees to be waived equates to $9,650.

**ATTACHMENTS:**

Attachment A: Uncodified Ordinance - Downtown Parklet Pilot Program (without exhibits)

Attachment B: Parklet Design Guidelines

Attachment C: Parklet Maintenance and License Agreement

Attachment D: Central Business District (CBD) Zoning Map

ORDINANCE OF THE CITY OF OXNARD

ORDINANCE NO. _____ (UNCODIFIED)

AN UNCODIFIED ORDINANCE (PZ NO. 18-04) OF THE CITY COUNCIL OF THE CITY OF OXNARD ESTABLISHING A TWO-YEAR DOWNTOWN PARKLET PILOT PROGRAM WTIHIN THE CENTRAL BUSINESS DISTRICT ZONE, GRANTING THE CITY DEVELOPMENT SERVICES DIRECTOR THE AUTHORITY TO APPROVE LICENSING AGREEMENTS ASSOCIATED WITH THE INSTALLATION OF PARKLETS WITHIN THE PUBLIC RIGHT-OF-WAY, AND WAIVING THE COLLECTION OF TRAFFIC IMPACT FEES ASSOCIATED WITH THE INSTALLATION OF PARKLETS.

WHEREAS, on April 4, 2017, the City Council voted to proceed with the Downtown Design Guidelines and Land Use Policies projects described in the Downtown Three-Year Implementation Plan and Congress for New Urbanism's 2016 Downtown Vision Plan; and

WHEREAS, these projects support allowing parklets within the City's Central Business District zone, as parklets encourage Downtown revitalization, activate the Downtown streetscape, and encourage pedestrian activity; and

WHEREAS, it is in the best interest of the public to establish and update reasonable standards relating to development and approval of parklets within the Central Business District; and

WHEREAS, Section 15304 of the California Code of Regulations exempts the project from the requirement for the preparation of environmental documents imposed by the California Environmental Quality Act; and

WHEREAS, the proposed Downtown Parklet Pilot Program is consistent with Goal CD-19 of the 2030 General Plan, which encourages the "continued revitalization of the Central Business District".

NOW THEREFORE, the City Council of the City of Oxnard hereby ordains as follows:

**Part 1.** The City Development Services Director is hereby granted the authority to implement and administer the proposed Downtown Parklet Pilot Program pursuant to the terms outlined in **Exhibit A** (the Parklet Design Guidelines handout). Similarly, the Director is also vested with the authority to approve Parklet Maintenance and Licensing Agreement contained in **Exhibit B** to permit private use and development within the public right-of-way and impose reasonable terms and conditions to ensure the public safety development.

**Part 2.** Traffic Impact Fees associated with the development of parklets are to be waived for the duration of this pilot program.

**Part 3.** This Ordinance shall become effective (30) days after it is adopted and shall remain in effect until April 3, 2020, when it shall expire and be of no further force or effect.

**Part 4.** Within 15 days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation published and circulated in the City. Ordinance No.______ was first read on March 27, 2018, and was adopted on April 3, 2018, to become effective thirty (30) days thereafter.

**Part 5.** The City Council directs as follows:

a. The City Clerk shall certify as to the adoption of this ordinance and shall cause the summary thereof to be published within fifteen calendar (15) days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk in accordance with Government Code section 36933.
b. City staff is directed and authorized to take all prudent actions to effect the purposes of this ordinance.

The foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Oxnard, State of California, held on the 27th day of March, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

______________________________
Tim Flynn, Mayor

ATTEST: APPROVED AS TO FORM:

______________________________
Michelle Ascencion, City Clerk

______________________________
Stephen M. Fischer, City Attorney

Development Services
Planning Division
214 South C Street
Oxnard, California 93030
(805) 385-7858
Fax (805) 385-7417

CITY OF OXNARD CALIFORNIA

# DOWNTOWN OXNARD PARKLET PILOT PROGRAM

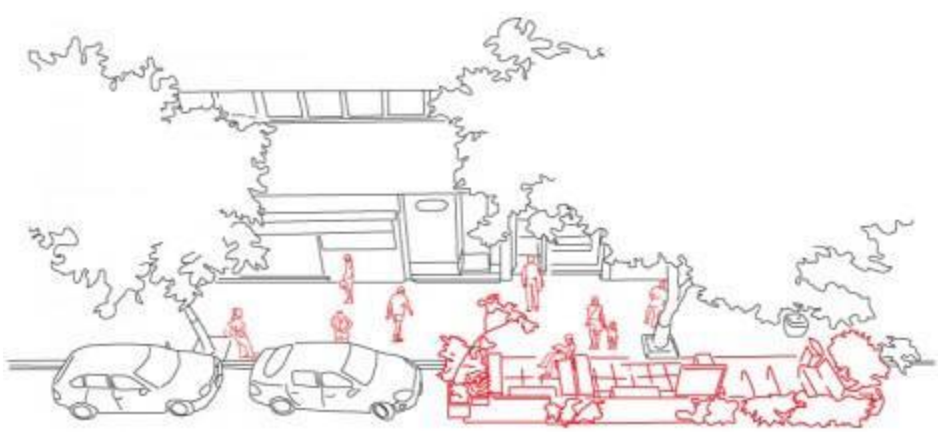
# PARKLET DESIGN GUIDELINES


## I. INTRODUCTION

As part of the Oxnard Downtown Vision Plan implementation, the City of Oxnard has established a pilot program for the development and operation of Parklets in the Downtown (CBD) area. This program will encourage activation of public spaces, provide opportunities for existing and new restaurants and stimulate outdoor dining experience.

Pursuant to Ordinance No. ______, the following requirements shall govern the design, permitting, and operation of parklets within the Central Business District (CBD) zone. These requirements may be modified by the Planning Division as needed to ensure compliance with applicable codes and safety regulations.

## II. PARKLET LOCATION CRITERIA

- **General Requirements** - Design and location of parklets shall be considered on a case-by-case basis. Factors including line-of-sight, occupied public parking areas, existing utilities, traffic speeds, etc. may result in additional design requirements by City Staff.

- **Adjacent to an existing or proposed restaurant -** Parklet are permitted when located adjacent to or in front of an existing or proposed restaurant/food service use. The parklet will serve provide an outdoor dining opportunity for patrons of the restaurant. Similarly, the restaurant operator will be responsible for the maintenance and operation of the parklet.

- **Speed limit** - Parklets are permitted on streets with speed limits of 25 mph or less. Parklets on streets with speed limits over 25 mph may be considered on a case-by-case basis.

- **Parking spaces** - Parklets are sited along the curb line on streets where on-street parking spaces exist. They can be considered in any location where there are or would be space(s) for on-street parallel, angled, or perpendicular parking.

- **Corner locations** - In general, parklets should be located at least one parking space away from an intersection or street corner. In some instances, a curb-extension (bulb-out), or some other physical barrier may allow the city to consider a parklet closer to the corner.

- **Fronting Driveways** - Parklets may be installed in front of a driveway if the applicant owns the property served by driveway, or obtains written permission from the property owner. If the driveway has been abandoned or no longer provides access to off-street parking, the driveway may be levelled as part parklet project.

- **Street slope** - Parklets are generally permitted on streets with a running slope (grade) of five percent or less.

- **Curb color zones** - Curb color zones, i.e. disabled access, temporary parking, etc. shall be avoided. Parklets proposed to be located at curb color zones shall be reviewed on a case by case basis by City Staff and may not be granted.

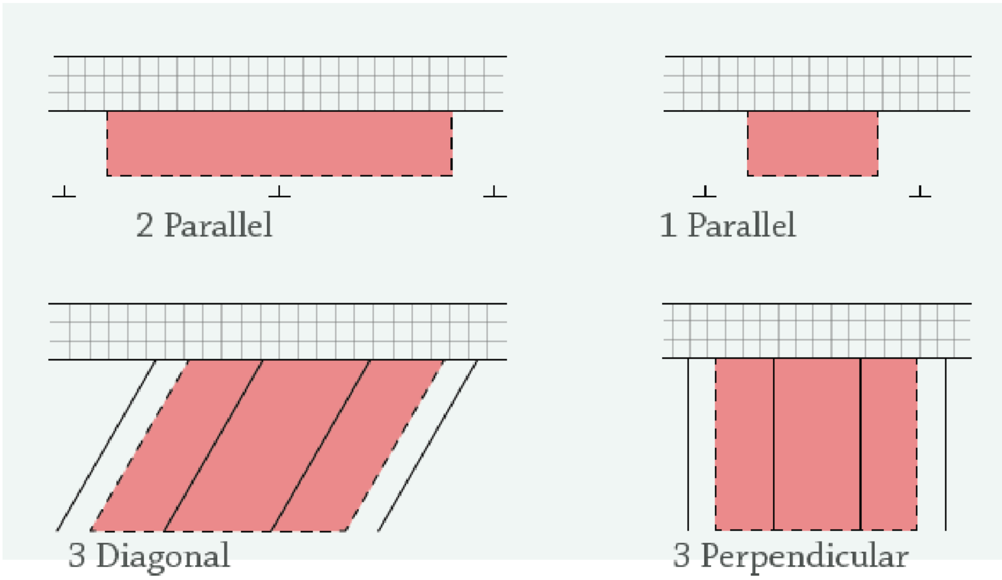
- **Transit** - Parklets are not permitted in bus zones. They may be located adjacent to a bus zone if adequate clearances are provided, as determined by City Staff.

- **Utilities** - Parklets may not be constructed over utility access panels, manhole covers, storm drains, or fire hydrant shut-off valves. Applicants must provide access to any City or public utility company that may have underground conduits beneath the constructed parklet. Access may require that a parklet sponsor temporarily remove all or a portion the constructed parklet.

## III. PARKLET DESIGN CRITERIA

- **Parallel parking** - Parklets can range in length from one to two parking spaces. City Staff will consider larger parklets depending on circumstance and existing site conditions. For parallel parking, the parklet structure must be set back a minimum of 36” up to 48” from adjacent parking spaces.

- **Perpendicular and diagonal parking** - Where parklets are installed in diagonal or perpendicular parking spaces, they are typically designed to be the size of three or more combined parking spaces to maximize habitable space within the parklet. For diagonal and perpendicular spaces, the edge of the parklet must be set back a minimum of *36”* and up to 48” from the adjacent parking space on either side.




- **Nearby driveways** - Parklets located next to driveways must be set back 24" from the outside edge of the driveway. If the parklet is proposed in front of a driveway apron, the apron must be filled or a level platform installed to make the area flush with the sidewalk and parklet deck.

- **Lane of Travel** - Parklets shall maintain a 24" setback from the adjacent lane(s) of travel.

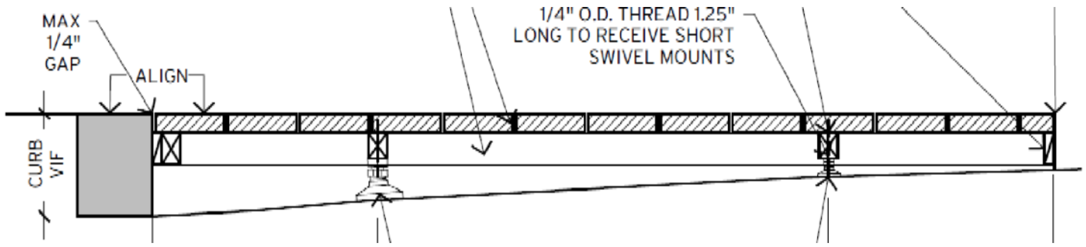
- **Traffic Safety Devices -** Parklet design may be required to include features that control traffic and protect the parklet structure. These features will be identified by Staff on a case-by-case basis during preliminary review.

- **No Advertising** - Logos, advertising, or other signage is prohibited within the parklet.

- **Include Parklet Sign** - Applicants shall install a standard "Parklet reserved for customer use only" sign at a visible location within the parklet.

- **Design for easy removal and restoration**. Parklets may sit above of buried infrastructure and utilities such as gas lines, sewer and water mains. Parklets should be designed for easy removal in case of emergency. No parklet component may weigh more than 200 pounds per square foot.

## IV. PARKLET PLATFORM




- **Threshold** - Parklets should be designed as an extension of the sidewalk, with continuous access along the curbside edge. Any openings between the sidewalk and the Deck Surface shall be flush without a horizontal or vertical separation greater than 1/2 inch. Changes in level 1/4 inch to 1/2 inch high maximum shall be beveled with a slope not steeper than 1:4 (25%). Where the parklet fronts existing driveways or curb ramps, the driveway area or curb ramp shall be temporarily levelled for the duration of the Parklet's installation.

- **Bolting** - Bolting into the street or penetrating the surface of the road in any way is strongly discouraged. Parklets may be bolted to the existing curb, but only with a restoration plan and performance bond posted by the applicant.

- **Platform surface** - The top of the parklet platform must be flush with the sidewalk with a maximum gap of 1/2 inch.

- **Concrete** - If using a concrete base for the parklet deck, the concrete cannot be poured directly on the road surface. A plastic slip-sheet can be used to prevent the concrete from binding to the roadbed below. To facilitate easy removal of the parklet, the concrete floor should not include structural rebar and must weigh less than 200 pounds per square foot.

- **Surface materials** - Loose particles, such as sand or loose stone, are not permitted on the parklet.

- **Access** - If the platform base is not a solid mass, the clear space underneath the platform surface must be accessible for maintenance through access panels, removable pavers, etc.

- **Drainage** - The parklet cannot impede the flow of curbside drainage. Openings at either end of the parklet shall be covered with screens to prevent debris build-up beneath the deck and in the gutter.

## V. PARKLET ENCLOSURE

- **Buffer the edges** - Depending on the location, the parklet should have an edge as a buffer from the street. This can take the form of planters, railing, cabling, or some other appropriate enclosure. The height and scale of the buffer required will vary depending on local context. If cable railing is used, spacing between cables cannot exceed 5 inches.

- **Open Length / Maintain a visual connection to the street** - Designs should allow pedestrians on either side of the street see into the parklet. Continuous opaque walls above forty-two inches along the length of the parklet that do not block views into the parklet from the surrounding streetscape are highly discouraged.

- **Avoid overhead elements that span the sidewalk** - Overhead elements that span the sidewalk and connect the parklet to the adjacent building façade are strongly discouraged. Such proposals may be considered on a case-by-case basis, and will require a minimum vertical clearance of 80 inches above grade.

- **Enclosure Height** - Parklet enclosure shall not exceed 42” as measured from the street side. The Parklet sides adjacent to parking shall have a solid surface and can incorporate planters, low walls, or a combination of both. The street sides shall be of solid material up to 24" high, and "see through" between 24" and 42" high, as measured from the street level, and shall use planters, cabling, low walls, or a combination of all.

## VI. AMENITIES

**Lighting**

Parklet lighting is encouraged, and is necessary for parklets being used after sunset. Lighting should be either battery or solar powered.

- **Lighting** - Lighting elements are strongly encouraged. Applicants interested in lighting should consider solar-powered lighting or other non-hardwired installations.

**Furniture**

Movable tables, chairs and benches that are designed to withstand exposure to sun and weather shall be used. No fixed furniture or plastic furniture is allowed.

- **Movable furniture** - Movable tables, chairs and benches that are designed to withstand exposure to sun and weather shall be used. No fixed furniture is allowed.

**Planters**

Landscaping such as low maintenance and water tolerant plants are highly encouraged.

- **Planting** - Integrated planting is strongly encouraged. Native plants and drought tolerant plants are encouraged.

**Bicycle Parking**

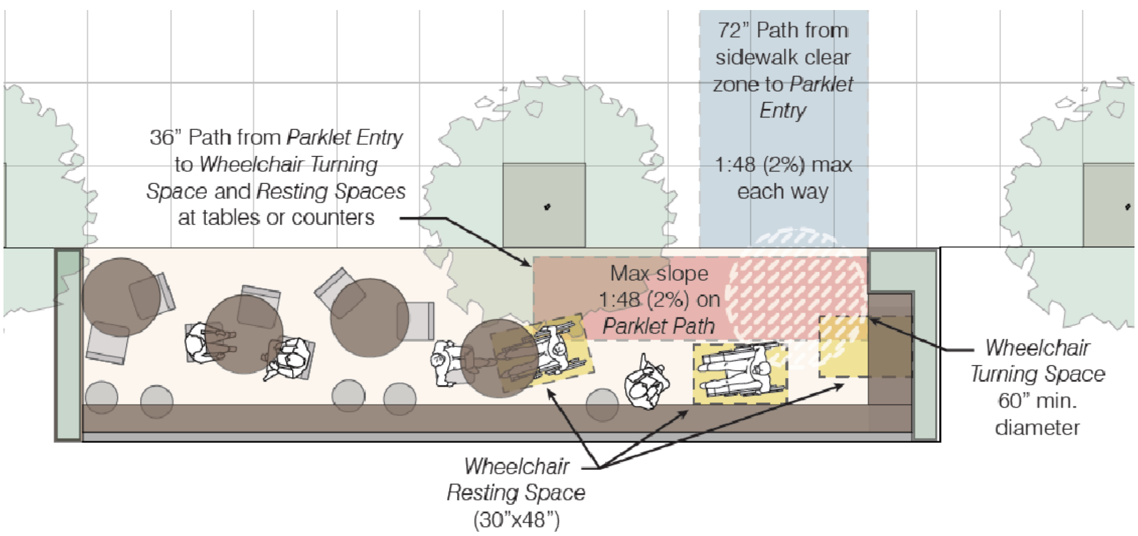
Integrated bicycle parking is strongly encouraged. Applicants may wish to integrate bicycle racks onto the exterior sides of the parklet platform if adequate distance is provided to adjacent parking spaces.

- **Incorporating bicycle parking** - Integrated bicycle parking is strongly encouraged. Bicycle parking can be incorporated into the parklet proposal in the following ways:

  - ❖ Custom bicycle racks integral to the parklet structure.
  - ❖ On the parklet platform. Applicants may wish to integrate bicycle racks onto the exterior sides of the parklet platform if adequate distance is provided to adjacent parking spaces.

## VII. ACCESSIBILITY

- **Accessible Path of Travel** - Parklets are an extension of public sidewalk and pedestrian open space. All accessibility elements of the proposed parklet shall be designed, constructed and/or conform to the applicable provisions, rules, regulations and guidelines of the California Building Standard Codes and American with Disabilities Act.




## VIII. SUSTAINABLE DESIGN

- **Locally sourced materials** - Sourcing locally produced materials for your parklet supports our local economy and reduces the embedded carbon footprint of the final structure by reducing transportation costs.

- **Low emission materials** - Choosing paints, stains, glues, and other materials that emit zero or low levels of volatile organic compounds (VOCs) helps improve air quality as well as the health of the people who are constructing your parklet.

- **Avoid plastic -** Plastic of any kind, including plexiglass, is strongly discouraged.

- **Materials that are easy to maintain** - Have a strategy for removing graffiti, and replacing or repairing damaged parklet features such as plants, railings, or other elements. Whereas some materials may cost more initially, they may ultimately save money in maintenance costs. For example, aluminum costs roughly three times as much as steel but when tagged, it can simply be cleaned with acetone. Project sponsors are ultimately responsible for making sure that their parklet is kept clean and in good repair.

- **No pressure treated wood or plywood** - Pressure treated lumber or plywood wood are not allowed in places where they will be visible. However, they can be used as part of the framing system.

## IX. PARKLET APPLICATION PROCESS AND REQUIREMENTS

### A. PARKLET PRE-APPLICATION REQUIREMENTS

A pre-application meeting is required with the Planning Division. Provide preliminary details and plans to help illustrate your proposal to determine feasibility of the proposed parklet. The pre-application should include the following information:

- **Location map** - Mapping/Aerial photo of property and adjacent improvements.
- **Photographs of Existing Site Conditions** - Document the existing conditions of existing sidewalks, curb conditions, nearby utilities, nearest cross-walk, streetscape, etc.
- **Design Concept** - Provide a quick sketch or photographs of similar parklet that portrays the design intent of the parklet.

### B. PARKLET FORMAL SUBMITTAL REQUIREMENTS

Following the pre-application meeting with Planning Staff, then the Applicant may proceed to provide a formal submittal for review and approval Complete applications will be reviewed within three working days. The following information will be needed at the time of formal submittal:

### AGREEMENT

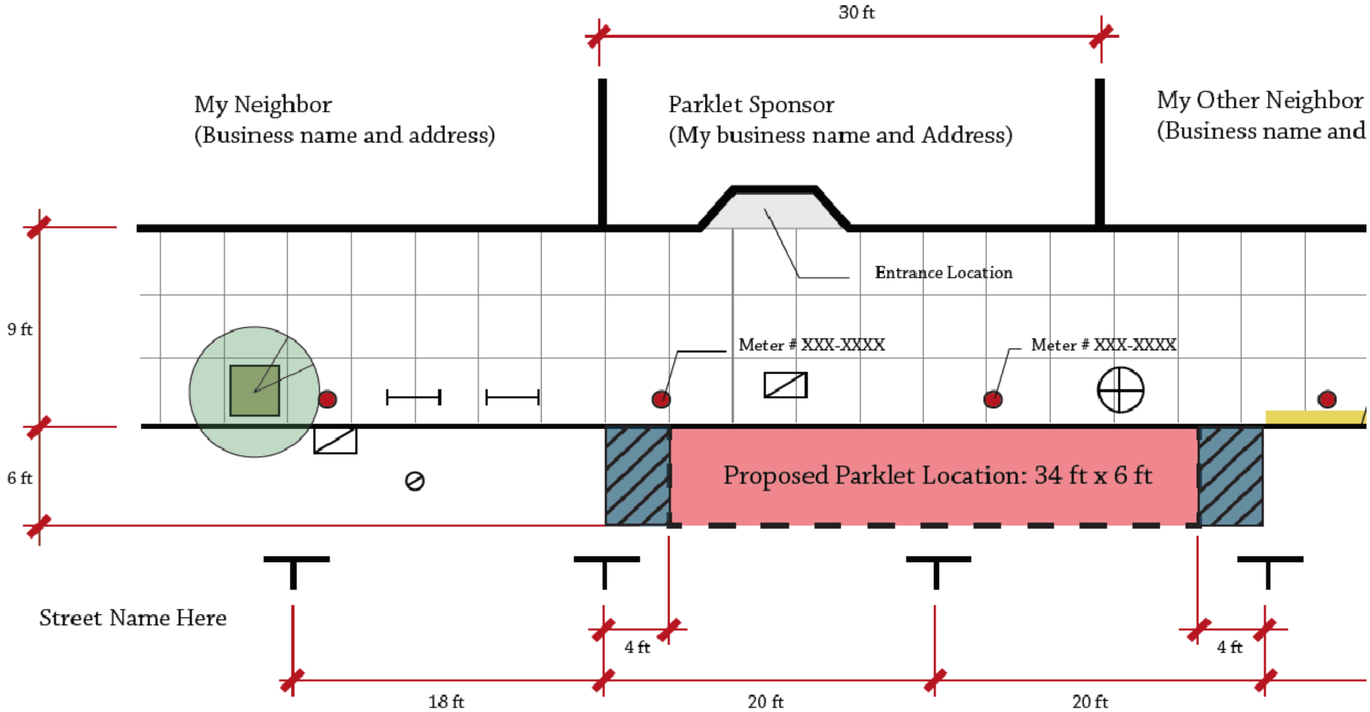
**Land Use Application Form -** Provide a completed land use application form available from the Planning Division. This form must be signed by the property owner and restaurant operator (if different from property owner).

**Parklet Maintenance and License Agreement** - A completed and executed license agreement shall be submitted with the Parklet submittal.

**Permit Fee: $849.02**

K.1.b

## SITE PLAN

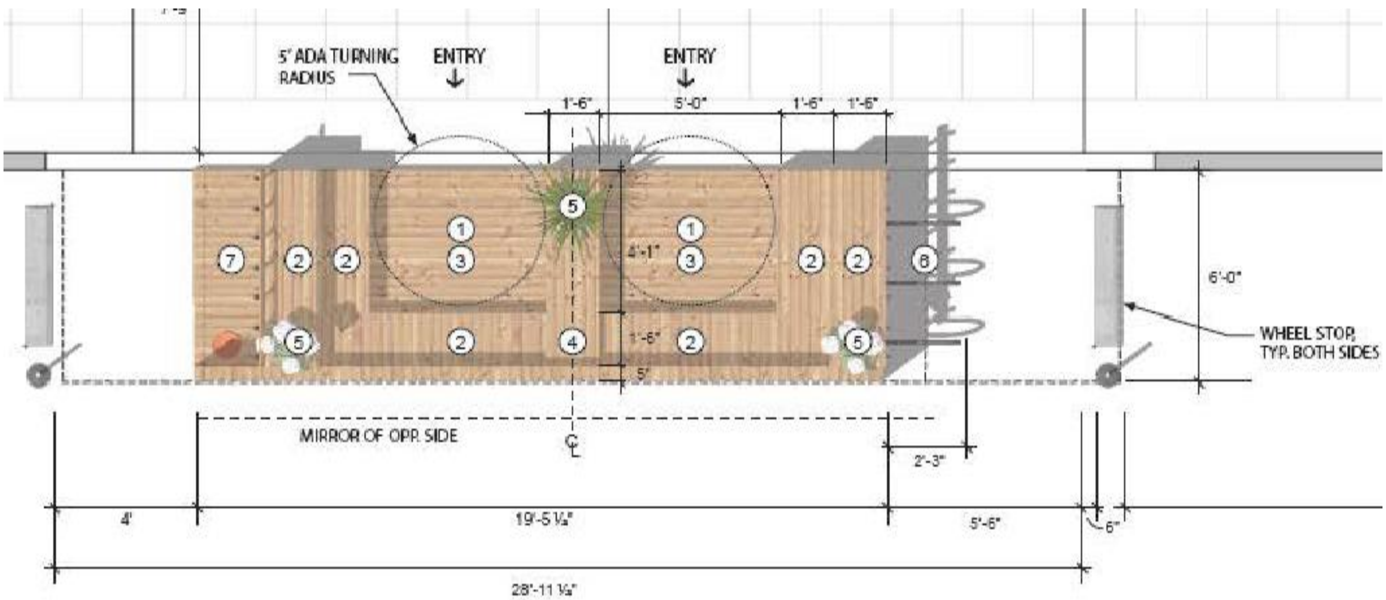



A dimensioned site plan showing the existing street, and sidewalk, and incidental equipment, utilities, etc, is required with all applications. The site plan should show the footprint of the proposed parklet, all street and sidewalk elements at least 20 feet on either side of the proposed parklet location. Site plans must be drawn to scale (by hand or computer), and shall include the following:

- Applicant's building/tenant space and adjacent improvements
- Existing sidewalk width(s).
- Existing curb cuts and driveways.
- Adjacent bicycle lane or auto traffic lane.
- Existing parking spaces with dimensions.
- North arrow for orientation.
- Other existing sidewalk features near the proposed parklet area (fire hydrants, streetlights, utility access panels, bicycle racks, etc).
- Proposed parklet footprint and dimensions.
- Parklet setback dimensions (36" inches from adjacent parking spaces and 24" from adjacent bicycle lane or auto traffic lane).

## FLOOR PLAN

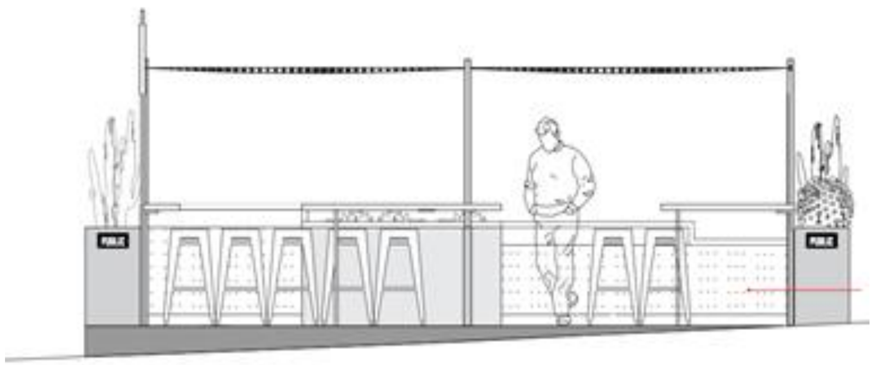
K.1.b

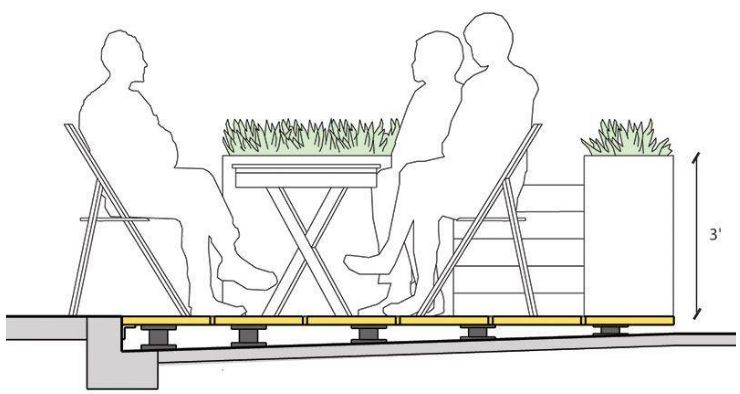



A floor plan showing the existing street, sidewalk, adjacent parking spaces and parklet floor layout and design. Floor plans must be drawn to scale (by hand or computer) and shall contain the following information:

- Applicant's building with tenant space and use identified, and 20' beyond on both sides
- Existing sidewalk width(s).
- Existing curb cuts and driveways
- Adjacent bicycle lane or auto traffic lane
- Wall/Fencing layout
- Full Dimensions

## ELEVATIONS






Elevations showing the proposed wall/rail design existing street, and sidewalk, and incidental equipment, utilities, etc, are required with all applications. Elevations must be drawn to scale (by hand or computer), and shall contain the following information:

- Street elevation
- Sidewalk elevation
- Proposed materials
- Railing design and materials
- Planters
- Lighting

### C. PERMIT APPROVAL, PARKLET CONSTRUCTION, AND INSPECTION

Once Parklet has been approved and the licensing agreement recorded, the Applicant may construct the parklet. The Development Services Department will inspect the parklet prior to occupancy to confirm the design is consistent with the approved plans.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Oxnard
Planning Division
214 South C Street
Oxnard, California 93030

Request recording without fee. Record for the benefit of the
City of Oxnard Pursuant to section 6103 of the Government Code.

(Space above this line for Recorder's use)

A.P.N. XXX-X-XXX-XXX

**CITY OF OXNARD**

**PARKLET MAINTENANCE AND LICENSE AGREEMENT NO. __________________**

**RECITALS**

This Parklet Maintenance and Licensing Agreement ("Agreement") is entered into this ____ day of __________, 20__, by and between the City of Oxnard ("City") and ______________ ("Permittee").

WHEREAS, on March 27, 2018, the City Council adopted Ordinance No. XXXX, approving a pilot program for the development of Parklets within the public right-of-way within the Central Business District, designating authority to the Development Services Director to execute Parklet Maintenance and License Agreements on behalf of the City, and waiving traffic impact fees associated with these improvements; and

WHEREAS, the Permittee desires to construct and operate a Parklet ("Parklet" or "Project") and is the owner of real property adjacent to the proposed parklet, or has obtained permission from the owner of real property commonly known as (ADDRESS) (the "Property") and depicted along with the Parklet on the attached Exhibit A and incorporated herein by this reference; and

WHEREAS, the Permittee, its administrators, co-owners, executors, successors, heirs, assigns, legal representatives, and all persons acquiring any part or portion of the Property (hereinafter collectively referred to as "Permittee") recognizes that the Parklet must be constructed, operated, and maintained as indicated in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and also the benefit received by the Permittee as a result of the City's approval of the Project, all of which are hereby acknowledged, the Permittee hereby covenants and agrees with the City as follows:

A parklet maintenance and license agreement ("Permit") is hereby issued to the Permittee to encroach upon property owned by the City of Oxnard ("City") described and detailed in the diagram set forth in Exhibit A (the "License Area and Parklet Plans"). Exhibit A is hereby incorporated by this reference as though fully set forth at length. In consideration of the issuance of this Permit, Permittee hereby covenants and agrees, for the benefit of the City, as follows:

1. This Permit authorizes the construction and maintenance of the facilities described herein and related improvements (the "Improvements") by Permittee and its successors and assigns only in the manner and for the purposes described herein.

2. The Improvements shall be constructed and maintained in accordance with all applicable federal, state and local standards.

3. This Permit is issued pursuant to section 19-209(C) of the Oxnard City Code to allow construction and maintenance of the Improvements authorized by this Agreement. By issuance of this Permit the City hereby grants to Permittee and its employees, agents, contractors, and tenants a nonexclusive right to encroach upon the Encroachment Area for the following purposes, all at Permittee's sole cost and expense: To install, construct, maintain, modify, repair and remove the Improvements in accordance with the terms of this Permit as depicted on the site plan attached hereto as Exhibit "A". Nothing in this section shall be deemed to modify Permittee's obligations to comply with any additional City permitting requirements, including the above-referenced land use approval.

4. Permittee agrees to pay all costs incurred by the City in enforcing the terms of this Permit, including reasonable attorney's fees and costs, and that the City may record such costs as a special assessment against the Property or as a lien on the Property if Permittee fails to pay such costs within 30 days of the City providing Permittee with an invoice detailing such costs. Failure to make such payment shall also be grounds for revocation of this Permit.

5. The term of this Permit is indefinite and may be revoked by the City or abandoned by Permittee at any time. The City shall mail written notice of revocation to Permittee addressed to the Property, which shall set forth the date upon which the benefits of this Permit are to cease. Permittee waives the right to assert any claim or action against the City arising out of or resulting from the revocation of this Agreement, removal of the Improvements, or any other action by the City, its officers, agents or employees taken in accordance with the terms of this Permit.

6. No material modification, upgrading, or reconstruction of Improvements covered by this Permit is authorized without prior approval by City, which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the City's prior written approval shall not be required for maintenance or repair of the Improvements or in the case of emergency. Nothing contained herein limits Permittee's obligations to obtain and comply with any additional City permitting requirements.

7. Upon revocation of this Permit or abandonment of the Improvements, Permittee shall, at no cost to the City, remove the Improvements and restore the License Area to its pre-permit condition within the time specified in the notice of revocation or prior to the date of abandonment. If Permittee has not completed removal of the Improvements within the specified time, City shall have the right to remove the Improvements and restore the License Area to its pre-permit condition, and Permittee agrees to reimburse the City for the costs incurred.

8. Permittee agrees to indemnify, defend and hold harmless the City and its officers, agents, employees and other authorized representatives from any and all liability, claims, demands, damages (whether contract or tort, including personal injury, death at any time, or property damage), costs and financial loss, including all costs and expenses of litigation or arbitration, which result or are claimed to have resulted directly or indirectly from any acts or omissions related to this Permit performed by Permittee or any of Permittee's employees, agents, or contractors acting on Permittee's behalf; and Permittee's duty to indemnify, defend and hold harmless the City shall apply whether such acts or omissions are willful or are the product of active negligence or passive negligence.

9. This Permit and the covenants and conditions set forth herein shall run with the land and be binding upon and inure to the benefit of future owners, encumbrancers, successors, heirs, transferees and assigns of the respective parties.

10. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation. Permittee shall be solely responsible for payment of any property taxes assessed on such possessory interest.

11. Permittee agrees, as a condition of this Permit, to ensure that the Parklet is maintained in a manner that does not create a nuisance to adjacent properties or the public. Permittee is required to repair and maintain the parklet as needed to conform to the approved condition.

12. Permittee agrees, as a condition of this Permit, to remove debris and trash which may accumulate within the License Area

13. Permittee acknowledges, as a condition of this Permit, that the sale, service and consumption of alcohol within the parklet are prohibited.

14. Permittee, as a condition of this Permit, is responsible for ensuring that use of the Parklet is restricted to patrons of the Permittee's business only.

15. Permittee agrees, as a condition of this Permit, to remove all moveable furniture and improvements from the Parklet during non-operating hours. These items shall be stored within the business and not visible from the public right-of-way.

16. Permittee agrees, as a condition of this permit to repair any damage to the Parklet within 24 hours.

17. Permittee agrees, as a condition of this permit, to provide the Police Department with a trespass letter to assist officers in addressing criminal behavior, including but not limited to loitering, if it occurs after hours within the enclosed area of the Parklet.

18. Permittee agrees, as a condition of this Permit, to design and maintain the Parklet in compliance with the California Standards Code.

19. This Permit shall be recorded in the Office of the Recorder of Ventura County, California.

20. This Permit is approved and issued by the City of Oxnard, California, this xx day of xxxx, 20__.

**AGREED AND ACCEPTED**

**PERMITTEE**

Date: ________________, 20__

________________________________

Name: ______________________________
Title:________________________________

**PROPERTY OWNER**

**(IF PERMITTEE IS NOT THE PROPERTY OWNER)**

Date: ________________, 20__

__________________________________

Name: ______________________________
Title:________________________________

**CITY OF OXNARD**

____________________________________
Ashley Golden
Development Services Director

**SIGNATURES MUST BE ACKNOWLEDGED BY NOTARY**

**EXHIBIT "A" TO PARKLET MAINTENANCE AND LICENSE AGREEMENT NO. _______________**

**LICENSE AREA AND PARKLET PLANS**

# Central Business District (CBD) Zone

CITY OF OXNARD CALIFORNIA


# Downtown Oxnard

| CITY OF OXNARD CALIFORNIA | CITY COUNCIL<br>AGENDA REPORT | TYPE OF ITEM: Report<br>AGENDA ITEM NO.: 1 |
|---|---|---|

**DATE:** March 27, 2018

**TO:** City Council
Finance Authority

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Jim Throop
Chief Financial Officer

Jim Throop

**SUBJECT:** Refinancing of Lease/Revenue Bonds for General Fund. (5/10/5)

**CONTACT:** Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

**RECOMMENDATION:**

1. That the City Council adopt a resolution of the City Council of the City of Oxnard authorizing the sale, issuance, and delivery of not more than $38,000,000 in principal amount of the City of Oxnard Financing Authority Lease-Revenue Bonds, Series 2018, and approving certain documents and authorizing certain actions in connection therewith.

2. That the City of Oxnard Financing Authority adopt a resolution of the Governing Board of the City of Oxnard Financing Authority authorizing the sale, issuance, and delivery of not more than $38,000,000 in principal amount of its Lease-Revenue Refunding Bonds, Series 2018, and approving certain documents and authorizing certain actions in connection therewith.

**BACKGROUND**

In 2003, the City of Oxnard Financing Authority (the "Authority") issued *Variable Rate Demand Lease Revenue Bonds*, 2003 Series B (the "2003 Bonds") to finance construction of a parking structure and library. In 2006, the Authority issued *Variable Rate Demand Lease Revenue Bonds*, Series 2006 (the "2006 Bonds") to finance various civic/service center improvements. Both the 2003 and 2006 Bonds are in weekly interest rate reset mode with a letter of credit provided by MUFG Union Bank, N.A ("MUFG").

In 2006 and 2007, the City entered into two fixed-payer interest rate swap agreements with Royal Bank of Canada (“RBC”) that serve as an interest rate hedge for the 2003 and 2006 Bonds. The notional par amount and amortization included in the interest rate swap agreements match those of the 2003 and 2006 Bonds. As of January 29, 2018, the estimated mark-to-market termination value for the corresponding 2003 and 2006 Bonds was ($1.62) million and ($2.90) million, respectively.

MUFG has communicated its intention to no longer provide letters of credit for the 2003 and 2006 Bonds. The current letters of credit are set to expire on April 30, 2018 and are priced to a 3.00% annualized rate on the letter of credit commitment. Until recently, the restructuring plan assumed replacing the Letter of Credit with a credit facility from JP Morgan Chase Bank, N.A., similar to the Wastewater Bond restructuring recently completed on January 25, 2018, maintaining the variable-rate mode, and leaving outstanding the interest rate swaps with RBC.

However, based on current market conditions and the City’s stabilized General Fund rating, it has been determined that a traditional fixed-rate refinancing provides more benefit to the City. In addition to providing present value savings (estimated between $900K and $1 million), a fixed- rate refinancing also (1) enhances budgetary predictability for the City’s General Fund by locking in a fixed interest rate and re-amortizing the principal to achieve level payments; (2) eliminates future interest rate and letter of credit renewal risks; and (3) eliminates 3rd party interest rate swap risks because the RBC swaps will be terminated as part of the refinancing.

Fixed interest rate bonds are anticipated to bear around 3.50%. Including all costs of issuance and the swap termination fee of approximately $4.5M, the all-in cost of borrowing is about 5.55%, which is 0.30% lower than the 5.85% the City is currently paying on the outstanding variable- rate bonds.

The attached City resolution (Attachment B) approves the following documents related to the Bonds.

(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;

The Resolution also authorizes the Mayor, Mayor Pro Tem, City Clerk, and Chief Financial Officer 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 Termination, Reconveyance, and Quitclaim, the Continuing Disclosure

Agreement, and any other miscellaneous certificate and/or document necessary to complete the transaction.

The attached City of Oxnard Financing Authority (COFA) resolution (Attachment C) approves the following documents related to the Bonds.

(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;

The Resolution also authorizes the Chairman, Vice Chairman, Secretary, and the Controller 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 Termination, Reconveyance, and Quitclaim, the Continuing Disclosure Agreement, and any other miscellaneous certificate and/or document necessary to complete the transaction.

**FINANCIAL IMPACT**

Based on current interest rates and the current swap termination value, present value savings is estimated between $900K and $1 million. Annual cash flow savings will be dependent on the timing of the sale of the bonds and then existing market conditions, the final structure of the bonds, and the ability to obtain a debt service reserve fund surety bond from a municipal bond insurer. With a surety bond, cash flow savings are estimated at about $75,000 annually. If the City cannot purchase a surety bond and must fund a debt service reserve fund out of bond proceeds, annual debt service will be about $125,000 higher than it is currently. However, without the surety bond the City would be required to hold a reserve fund of approximately $3 million, which would then be applied to pay off the 2018 Bonds at maturity in 2036. This reserve fund helps offset the possibly higher annual cost, by setting aside the funds in reserve to pay off the last year, thus essentially freeing up $3 million in the General Fund during the last payment for other City uses.

**ATTACHMENTS:**

2018 Oxnard LRB Termination, Reconveyance, and Quitclaim

2018 Trust Indenture for COFA LRB

City Council Resolution Authorizing Issuance of 2018 Bonds

City of Oxnard Financing Authority Resolution of Issuance 2018 LR Refunding Bonds

Continuing Disclosure Agreement

Contract of Purchase - Oxnard Financing Authority - 2018 LRRBs

Master Lease and Option to Purchase

Official Statement - Oxnard 2018 Lease Revenue Refunding Bonds

Property Lease COFA 2018 LRB Refunding

RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:
FELDMAN LAW GROUP LLP
1112 Montana Avenue, No. 723
Santa Monica, CA 90403
Attention: Lewis G. Feldman, Esq.

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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.

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# TERMINATION, RECONVEYANCE, AND QUITCLAIM

Dated as of April 1, 2018

by and among

CITY OF OXNARD

and

CITY OF OXNARD FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

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Relating to
$32,000,000
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2018

# 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 those certain Property Leases, dated as of December 1, 2003 and December 1, 2006 (the **"Property Leases"**), 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 Leases were recorded on {Dates of Recordation}, as Instruments __________ and ____________ in the Official Records of the County of Ventura, State of California, pursuant to which Property Leases the City leased to the Authority the property described therein and incorporated herein by this reference (the **"Property");** and

WHEREAS, the Authority entered into those certain Master Leases and Options to Purchase, dated as of December 1, 2003 and December 1, 2006 (the **"Leases"),** by and between the Authority, as lessor, and the City, as lessee, which Lease was originally recorded on [Dates of Recordation of Master Leases], as Instrument No. ________ 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 those certain Trust Agreements, dated as of December 1, 2003 and December 1, 2006, as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in entirety those certain Trust Agreements, dated as of August 1, 2008 (the **"Trust Agreements"**), 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 Leases and the Property Leases; and

WHEREAS, the Authority and the City desire to terminate the Property Leases and the Leases 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. <u>Termination.</u> 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. <u>Release and Reconveyance.</u> 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. <u>Acceptance.</u> The City hereby accepts the reconveyance, release, transfer, and quitclaim of the Property.

4. <u>Execution.</u> 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 April 1, 2018.

CITY OF OXNARD

By: Tim Flynn, Mayor

ATTEST:

City Clerk

CITY OF OXNARD FINANCING AUTHORITY

By: Tim Flynn, Chairman

ATTEST:

Secretary

APPROVED AS TO FORM:

By: Stephen M. Fischer,
City Attorney and
Authority General Counsel

APPROVED AS TO CONTENT

By: Jim Throop
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 [March 27, 2018], and the City consents to the recordation thereof by its duly authorized officer.

Dated: April 27, 2018

CITY OF OXNARD

By: ___________________________

City Chief Financial Officer and
Authority Controller

# ACKNOWLEDGMENTS

TRUST AGREEMENT

Dated as of Apri1 1, 2018 by

and among

CITY OF OXNARD FINANCING AUTHORITY

and

CITY OF OXNARD

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

Relating to

~~$[Principal Amount]~~$32,000,000
City of Oxnard Financing Authority
Lease Revenue Refunding Bonds, Series 2018

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# TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of April 1, 2018 (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");**

## W IT N E S S E T H:

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

**WHEREAS,** the Authority issued its Variable Rate Demand Lease Revenue Bonds, 2003 Series B, in the aggregate principal amount of $14,750,000 (the **"2003B Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2003 (the **"Initial 2003B Trust Agreement"**), as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2003B Trust Agreement"**) by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2003B Trustee"**), to finance the acquisition and construction of certain public improvements, as further described in the 2003B Trust Agreement; and

**WHEREAS**, the Authority has issued its Variable Rate Demand Lease Revenue Bonds, Series 2006, in the aggregate principal amount of $24,205,000 (the **"2006 Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2006 (the **"Initial 2006 Trust Agreement"**), as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2006 Trust Agreement"**), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2006 Trustee"**), to finance the acquisition, construction, and improvement of certain public facilities, as further described in the 2006 Trust Agreement; and

**WHEREAS**, pursuant to those certain Property Leases, dated as of May 1, 2003, and dated as of December 1, 2006, each by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described therein (the **"2003B and 2006 Leased Property"**); and

**WHEREAS**, the 2003B Bonds and the 2006 Bonds were secured by the payments to be made by the City pursuant to those certain Master Leases and Options to Purchase, dated as of December 1, 2003 (the **"2003B Lease"**), and dated as of December 1, 2006 (the **"2006 Lease"**) by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the 2003B and 2006 Leased Property; and

**WHEREAS,** the City and the Authority desire to refund the 2003B Bonds and 2006 Bonds on a current refunding basis; and

**WHEREAS,** pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 0f 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 2003B and the 2006 Bonds; 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 Refunding Bonds, Series 2018 (the **"Bonds"),** the proceeds of which will be used to finance the costs to (i) refund the 2003B Bonds, (ii) refund the 2006 Bonds, (iii) terminate certain swap agreements, (iv) fund a debt service reserve fund, (v) and 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 April 1, 2018 (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 April 1, 2018 (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. I (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 hereto and 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.

**"Bond Register"** means the registration books referred to in Section 2.09 hereof.

**"Bonds"** means the Authority's Lease Revenue Refunding Bonds, Series 2018 issued and delivered in the aggregate principal amount of ~~[$________].~~$32,000,000.

**"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, 2018 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 Designated Office of the Trustee 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 April 27, 2018, the date of delivery of the Bonds to the initial purchasers thereof.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"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, 2018, 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; credit enhancement fees, if any; rating agency fees; 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 OTC 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.

**"Designated Office of the Trustee"** means the designated corporate trust office of the Trustee located in Los Angeles, California, or such other office as the Trustee may designate.

**"OTC"** 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 MAY NOT BE NEEDED]**~~

~~**"Escrow Agreement"** means the Escrow Agreement, dated as of April 1, 2018, by and between the Authority and the Escrow Agent. **[ESCROW MAY NOT BE NEEDED]**~~

~~**"Escrow Fund"** means the fund of that name established under the Escrow Agreement. **[ESCROW MAY NOT BE NEEDED]**~~

**"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.

**"Initial 2003B Trust Agreement"** means the Trust Agreement, dated as of December l, 2003, by and among the Authority, the City, and the 2003B Trustee.

**"Initial 2006 Trust Agreement"** means the Trust Agreement, dated as of December l, 2006, by and among the Authority, the City, and the 2006 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, 2018, 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.

**"Moody's"** means Moody's Investors Service, Inc., and its successors and assigns.

**"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.

**"Owner"** means the registered owner, 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.

**"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 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, 2036.

~~**"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.

**"Rule"** means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

**"S&P"** means S&P Global Ratings, a division of Standard and Poor's Financial Services LLC, and its successors and assigns.

**"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.

**"2003B Bonds"** means the $14,750,000 in original principal amount of the City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B.

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

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

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

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

**"2003B Trust Agreement"** means the Trust Agreement, dated as of December l, 2003, as amended by that certain First Supplemental to Trust Agreement, dated as of April 1, 2007, and amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008, by and among the Authority, the City, and the 2003B Trustee.

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

**"2006 Bonds"** means the $24,205,000 in original principal amount of the City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, Series 2006.

**"2006 Costs of Issuance Fund"** has the meaning given to such term in Section 3.01(b) hereof.

**"2006 Debt Service Fund"** has the meaning given to such term in Section 3.01(b) hereof.

**"2006 Rebate Fund"** has the meaning given to such term in Section 3.01(b) hereof.

**"2006 Reserve Fund"** has the meaning given to such term in Section 3.01(b) hereof.

**"2006 Trust Agreement"** means the Trust Agreement, dated as of December l, 2006, by and among the Authority, the City, and the 2006 Trustee.

**"2006 Trustee"** means Wells Fargo Bank, National Association, as trustee under the 2006 Trust Agreement.

**"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

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## 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 Refunding Bonds, Series 2018." 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:

| Principal Payment Date (June 1) | Principal Amount | Interest Rate |
|---|---|---|
| 2018 | | |
| 2019 | | |
| 2020 | | |
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |
| 2028 | | |
| 2029 | | |
| 2030 | | |
| 2031 | | |
| 2032 | | |
| 2034 | | |
| 2035 | | |
| 2036 | | |

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 made available 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, on each Principal Payment Date. Principal of and premium, if any, on each Bond are payable upon surrender of such Bond at the Designated 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 to the transferee in exchange therefor. All such Bonds surrendered to the Trustee shall thereupon be cancelled and destroyed by the Trustee in accordance with its record retention policies then in effect.

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 Designated 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 Designated 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 Designated 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 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 $[Total Purchase Price] (representing $[Principal Amount] of aggregate principal amount of the Bonds, plus a net original issue premium of ${Premium}, less $[Underwriter Discount] of underwriter's discount, shall be applied as follows:

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

(ii) The Trustee shall transfer $[Bond Proceeds for payoff of swaps and prior bonds~~Escrow Fund Deposit~~] of the proceeds of the Bonds to ~~the Escrow Agent for deposit in the Escrow Fund.~~ ~~**[ESCROW MAY NOT BE NEEDED]**~~pay the outstanding 2003B Bonds and 2006 Bonds in full and to pay the swap termination fees of $____________ to the Swap Provider.

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

(i) No amounts are held by the 2003B Trustee in the 2003B Costs of Issuance Fund;

(ii) The 2003B Trustee shall transfer ${DEBT SERVICE FUND COLLECTIONS}, constituting all amounts held in the 2003B Debt Service Fund, to the Escrow Agent for deposit in the Escrow Fund;

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

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

**Section 3.02. Establishment and Application of Costs of Issuance Fund.** There is hereby established in trust a 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 Debt Service Fund.

**Section 3.04. Establishment and Application of Debt Service Fund.** There is hereby established in trust a 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 (i) all required Base Rental is paid in full pursuant to the terms of the Lease, and (ii) 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.IO 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 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 if Independent Counsel to the effect that certain specified requirements herein or therein must be or 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(t)(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(t)(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 l. l 48-8(b) of the Treasury Regulations promulgated thereunder (the **"Rebatable Arbitrage").** The Authority shall obtain expert legal 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(t) 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 (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 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 4.0l(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 4.0 I(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, or (v) any beneficial owner of the Bonds.

**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 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, 2028], are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after [June 1, 2029], are subject to optional redemption prior to maturity on or after [June 1, 2028], 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.

**Section 4.02. Selection of Bonds for Redemption.** Whenever provision 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. 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, 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.

~~[ADD CONDITIONAL CALL PROVISION]~~

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**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, after giving not less than thirty (30) days' prior written notice, 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.

The Trustee's rights to indemnity under this Trust Agreement and reimbursement of outstanding fees and expenses shall survive the Trustee's removal.

**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 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 thirty (30) 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. The Trustee's rights to indemnity under this Trust Agreement and reimbursement of outstanding fees and expenses shall survive the Trustee's resignation.

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, 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.

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 pledge 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 Designated 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.

(b) Notwithstanding Section 6.0l(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, 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, (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 lndependent 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. For the purpose of this section, the Trustee shall be entitled to rely upon and shall be fully protected in relying upon the opinion of Independent Counsel, in the form and substance satisfactory to it, to the effect that such amendment or modification is authorized and permitted by this Trust Agreement, is enforceable against the Authority and the City, and does not materially adversely impact the tax-exempt status of the interest on the Bonds.

**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, 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, (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; 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 (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.

**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 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, depositories, 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.

(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 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 8.0l(b) shall not extend for more than sixty (60) days without the prior written consent of the Trustee.

**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.

(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 and the Owners. If any remedial action is discontinued or abandoned, the Authority, the City, the Trustee, 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 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, 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, and such Owners.

## ARTICLEX MISCELLANEOUS

**Section 10.01. Defeasance.**

(f) 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 on or 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 and in Section 5.06 relating to the indemnification of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

(g) 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) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (iv) securities eligible for "AAA" defeasance under then- existing criteria of S&P, or any combination thereof, 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 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.

(h) 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. ·

**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) 385-7475

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) 385-7475

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 S&P:

S&P Global Ratings, 55 Water Street, 39th 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 changes in this Trust Agreement or the Lease, and any redemption or defeasance of any or all of the Outstanding Bonds.

**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, 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, 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.

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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: Chairman

ATTEST:

______________________
By: Secretary

CITY OF OXNARD

______________________
By: Mayor

ATTEST:

______________________
By: City Clerk

APPROVED AS TO FORM:

______________________
By: Stephen M. Fischer,
City Attorney and
Authority General Counsel

APPROVED AS TO CONTENT:

______________________
By: Jim Throop
City Chief Financial Officer and
Authority Controller

# EXHIBIT A

FORM OF BOND

**CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2018**

**No.___** **$________________**

| Interest Rate | Maturity Date | Dated Date | CUSIP |
|---|---|---|---|
| % | June 1, 20_ | April 27, 2018 | {CUSIP NO.} |

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 April 1, 2018 (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 Refunding Bonds, Series 2018" (the "Bonds"), issued in the aggregate principal amount of [$______]. 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, 2018 (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 [April 27, 2018]; 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, 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 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 designated 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 April 1, 2018 (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 designated 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, 2028] are not subject to optional redemption prior to their stated Principal Payment Dates. The Bonds maturing on or after [June 1, 2029] are subject to optional redemption prior to maturity on or after [June 1, 2028], 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.

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 &mount 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 [April 27, 2018].

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
Authorized Signatory

[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 Refunding Bonds, Series 2018

Requisition No.:______________

Ladies and Gentlemen:

You, as Trustee under that certain Trust Agreement, dated as of April 1, 2018 (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 Issuance 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 Refunding Bonds, Series 2018

Requisition No.:__________

Ladies and Gentlemen:

You, as Trustee under that certain Trust Agreement, dated as of April 1, 2018 (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~~PROPERTY

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Formatted: Centered, Right: 1.17"

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Real property in the City of Oxnard, County of Ventura, State of California, described as follows:

**PARCEL 1**:

PARCEL 4 OF LOT LINE ADJUSTMENT NO. 96-5-1, RECORDED JUNE 13, 1996, AS INSTRUMENT NO. 96-080397, OF OFFICIAL RECORDS, BEING ALL OF LOT 48 AND A PORTION OF LOT 47 OF TRACT NO. 4506-2, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS RECORDED IN BOOK 118, PAGES 37 TO 41 INCLUSIVE, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THECOUNTY RECORDER OF SAID COUNTY, EXCEPTING THEREFROM AN UNDIVIDED ONE-THIRD (1/3) INTEREST IN AND TO ALL OF THE OIL ANDGAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, TOGETHER WITH THERIGHT, IN CONJUNCTION WITH GRANTOR, TO GO THEREON FOR THE PURPOSE OF DEVELOPING,EXTRACTING AND TAKING THE SAME PRODUCTS THEREFROM AND STORING THE SAME UPON SAID REAL PROPERTY, AS CONVEYED IN THE DEED RECORDED NOVEMBER 19, 1952, IN BOOK 1099, PAGE
591, OF OFFICIAL RECORDS. BY INSTRUMENT RECORDED AUGUST 13, 1987 AS INSTRUMENT NO. 37-130462, OF OFFICIAL RECORDS, ALL RIGHTS OF SURFACE AND SUBSURFACE ENTRY LYING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN WERE QUITCLAIMED BACK TO THE SURFACE OWNER. ALSO EXCEPTING THEREFROM THE REMAINING INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE AND SUBSURFACE ENTRY BEING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL,
GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN, AS RESERVED IN DEED FROM ROBERT A. MCINNES, RECORDED SEPTEMBER 17, 1987 AS INSTRUMENT NO. 87-149995, OF OFFICIAL RECORDS.

**PARCEL 2**:

LOTS 3 TO 14 INCLUSIVE, AND THAT PORTION OF THE 20 FOOT WIDE ALLEY BOUNDED EASTERLY BYTHE WESTERLY LINES OF SAID LOTS 3 TO 8 INCLUSIVE AND BOUNDED WESTERLY BY THE EASTERLY LINES OF SAID LOTS 9 TO 14 INCLUSIVE, BLOCK 7, SUBDIVISION NO. 3 OF THE 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. APN: 216-0-153-215,202-0-081-100,202-0-081-180 THROUGH 29.

EXHIBIT E

PERMITTED INVESTMENTS

(I) 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 ("FNMAs") - senior debt obligations rated Aaa by Moody's and AAA by S&P

---

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 byS&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-l or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies 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 (I 0) 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 GNMAs, FNMAs, or FHLMCs. 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:

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 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 Al 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 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 1 l(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 he 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:

1. 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

111. 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 l l(f) above, the Trustee 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:

1. In the event of a deficiency in the debt service account;

11. Upon acceleration after an event of default;

m. 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;

11. Insolvency of the provider or the guarantor (if any) under the investment agreement;

111. 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.

(1) 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;

m. The provider shall be required to immediately notify the Trustee of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;

iv. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and

v. The agreement shall require the provider to submit information reasonably requested by the Trustee, 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 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.

m. 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.

(13) 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.

(14) 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.

(15) The Local Agency Investment Fund ("LAIF").

(16) 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.

# RESOLUTION NO. ______

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE THAN $32,000,000 IN PRINCIPAL AMOUNT OF CITY OF OXNARD FINANCING AUTHORITY LEASE REVENUE REFUNDING BONDS, SERIES 2018, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Oxnard Financing Authority, a joint exercise of powers entity formed, 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 issued its Variable Rate Demand Lease Revenue Bonds, 2003 Series B, in the aggregate principal amount of $14,750,000 (the **"2003B Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2003 (the **"Initial 2003B Trust Agreement"**), as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2003B Trust Agreement"**) by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2003B Trustee"**), to finance the acquisition and construction of certain public improvements, as further described in the 2003B Trust Agreement; and

**WHEREAS**, the Authority has issued its Variable Rate Demand Lease Revenue Bonds, Series 2006, in the aggregate principal amount of $24,205,000 (the **"2006 Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2006 (the **"Initial 2006 Trust Agreement"**), as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2006 Trust Agreement"**), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2006 Trustee"**), to finance the acquisition, construction, and improvement of certain public facilities, as further described in the 2006 Trust Agreement; and

**WHEREAS**, pursuant to those certain Property Leases, dated as of December 1, 2003, and dated as of December 1, 2006, each by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described therein (the "**2003B and 2006 Leased Property**"); and·

**WHEREAS**, the 2003B Bonds and the 2006 Bonds were secured by the payments to be made by the City pursuant to those certain Master Leases and Options to Purchase, dated as of December 1, 2003 (the "**2003B Lease**"), and dated as of December 1, 2006 (the "**2006 Lease**") by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the 2003B and 2006 Leased Property; and

**WHEREAS**, the City and the Authority desire to refund the 2003B Bonds and the 2006

Bonds, each on a current refunding basis; 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 $32,000,000 in aggregate principal amount of the Authority's Lease Revenue Refunding Bonds, Series 2018 (the "**Bonds**"), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2003B Bonds, (2) refund the 2006 Bonds, (3) terminate and pay the termination costs of certain swap agreements concerning the 2003B and the 2006 Bonds, (4) fund a debt service reserve fund, and (5) 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 S 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 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 Property Lease 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 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 City proposes that, in connection with the entering into of the Property Lease and the Lease, the Authority and the City terminate the 2003B and 2006 Property Leases and the Authority and the 2003B Bond Trustee and 2006 Bond Trustee reconvey, release, transfer, and quitclaim to the City all of their right, title, and interest in and to the 2003B Property and the 2006 Property pursuant to one or more Termination, Reconveyance, and Quitclaim (the "**Termination, Reconveyance, and Quitclaim**") by and among the Authority, the City, and the 2003B Trustee and the 2006 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, JP Morgan Securities, Inc. and Samuel A. Ramirez & Co., Inc. as underwriters (the "**Underwriters**"), have agreed to purchase the Bonds pursuant to a Contract of Purchase (the "**Purchase Contract**") by and among the Authority, the City, and the Underwriters; and

**WHEREAS**, 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/or "VIDA," a newspaper of general circulation in the City; and

**WHEREAS**, this City Council has appointed NHA Advisors 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 Hilltop Securities, Inc. as swap advisor (the "**Swap Advisor**") to, advise the City and the Authority with respect to the calculation of certain swap agreement termination values in connection with the issuance of the Bonds; and

**WHEREAS**, this City Council has appointed Feldman Law Group 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 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 Underwriters, 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; and
(7) the Continuing Disclosure Agreement;

**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 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 (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 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 Underwriters, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Chief Financial Officer, Bond Counsel, 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 $32,000,000, the interest rates or yields to maturity on the Bonds are such that the true interest cost does not exceed  our and one-quarter of one percent (4.250%), and the underwriting fee payable to the Underwriters 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 Chief Financial Officer acting as Controller. The Underwriters are 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 Chief Financial Officer acting in such capacity and in the capacity of Controller, and Bond Counsel.

**SECTION 10**. The Bonds, in an aggregate principal amount not to exceed $32,000,000 (which aggregate amount shall be finally determined by the Chief Financial Officer, acting as the Controller), designated "Lease Revenue Refunding Bonds, Series 2018," 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 terminate the interest rate swap agreements and pay swap termination amounts as calculated by the Swap Advisor, as well as to select a credit enhancement provider, including a bond insurer or creditworthy bank, to support all or a portion of payments of principal and interest with respect to the Bonds and/or to provide credit support to fund a reasonable required reserve fund for the Bonds, if the Controller determines that such credit enhancement 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 credit enhancement.

**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 deemed necessary or desirable 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 Termination, Reconveyance, and Quitclaim, the Continuing Disclosure Agreement, and this Resolution, including the termination of the interest rate swaps relating to the 2003B Bonds and the 2006 Bonds, 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 of 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 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.

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

APPROVED AND ADOPTED this ____ day of March, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Mayor, City of Oxnard, California

ATTEST:

______________________________
City Clerk

APPROVED AS TO FORM:

______________________________
City Attorney

APPROVED AS TO CONTENT:

______________________________
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 $32,000,000 IN PRINCIPAL AMOUNT OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2018, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Oxnard Financing Authority, a joint exercise of powers entity formed, 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 issued its Variable Rate Demand Lease Revenue Bonds, 2003 Series B, in the aggregate principal amount of $14,750,000 (the "**2003B Bonds**"), pursuant to that certain Trust Agreement, dated as of December 1, 2003 (the "**Initial 2003B Trust Agreement**"), as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the "**2003B Trust Agreement**") by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "**2003B Trustee**"), to finance the acquisition and construction of certain public improvements, as further described in the 2003B Trust Agreement; and

**WHEREAS**, the Authority has issued its Variable Rate Demand Lease Revenue Bonds, Series 2006, in the aggregate principal amount of $24,205,000 (the "**2006 Bonds**"), pursuant to that certain Trust Agreement, dated as of December 1, 2006 (the "**Initial 2006 Trust Agreement**"), as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the "**2006 Trust Agreement**"), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the "**2006 Trustee**"), to finance the acquisition, construction, and improvement of certain public facilities, as further described in the 2006 Trust Agreement; and

**WHEREAS**, pursuant to those certain Property Leases, dated as of December 1, 2003, and dated as of December 1, 2006, each by and between the City, as lessor, and the Authority, as lessee, the City leased to the Authority the property described therein (the "**2003B and 2006 Leased Property**"); and·

**WHEREAS**, the 2003B Bonds and the 2006 Bonds were secured by the payments to be made by the City pursuant to those certain Master Leases and Options to Purchase, dated as of December 1, 2003 (the "**2003B Lease**"), and dated as of December 1, 2006 (the "**2006 Lease**") by and between the Authority, as lessor, and the City, as lessee, pursuant to which the City leased from the Authority the 2003B and 2006 Leased Property; and

**WHEREAS**, the City and the Authority desire to refund the 2003B Bonds and the 2006 Bonds, each on a current refunding basis; 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 $32,000,000 in aggregate principal amount of the Authority's Lease Revenue Refunding Bonds, Series 2018 (the "**Bonds**"), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2003B Bonds, (2) refund the 2006 Bonds, (3) terminate and pay the termination cost of certain swap agreements, (4) fund a debt service reserve fund, and (5) 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 S of Division 7 of Title 1 of the California Government Code) (the "**Act**"); and

**WHEREAS**, this Governing Board of the Authority (this "**Authority**") has determined that the issuance of the Bonds pursuant to Law and the Act does not require approval of the qualified electors 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 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 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 2003B and 2006 Property Leases and the Authority and the 2003B Bond Trustee and 2006 Bond Trustee reconvey, release, transfer, and quitclaim to the City all of their right, title, and interest in and to the 2003B Property and the 2006 Property pursuant to a Termination, Reconveyance, and Quitclaim (the "**Termination, Reconveyance, and Quitclaim**") by and among the Authority, the City, and the 2003B Trustee and the 2006 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, JP Morgan Securities, Inc. and Samuel A. Ramirez & Co., Inc. as underwriters (the "**Underwriters**"), have agreed to purchase the Bonds pursuant to a Contract of Purchase (the "Purchase Contract") by and among the Authority, the City, and the Underwriters; and

**WHEREAS**, 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/or "VIDA," a newspaper of general circulation in the City; and

**WHEREAS**, this City Council has appointed NHA Advisors 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 Hilltop Securities, Inc. as swap advisor (the "**Swap Advisor**") to, advise the City and the Authority with respect to the calculation of certain swap agreement termination values in connection with the issuance of the Bonds; and

**WHEREAS**, the City Council has appointed Feldman Law Group LLP, Santa Monica, California, 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 forms of the following documents are on file with the Secretary (the “**Secretary**”) of the City and have been submitted to the Authority, 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 Underwriters, 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; and,
(7) the Continuing Disclosure 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 of the Board (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 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 Underwriters, 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 $32,000,000, 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 Underwriters with respect to the Bonds does not exceed four tenths of one percent (0.40%), excluding any original issue discount or premium.

**SECTION 8**. (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.

· 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 Underwriters. The Underwriters are 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 Underwriters and Disclosure Counsel, shall cause sufficient copies of the Preliminary Official Statement to be printed and made available to the Underwriters for said purpose.

(b) 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 Underwriters are directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds.

**SECTION 9**. The Bonds, in an aggregate principal amount not to exceed $38,000,000 (which aggregate amount shall be finally determined by the Controller), designated “City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2018," 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. 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 10**. The Controller is hereby authorized and directed to give or cause to be given notice of redemption of the 2003B Bonds and 2006 Bonds, pursuant to the terms of the 2003B Trust Agreement and the 2006 Trust Agreement.

**SECTION 11**. Wells Fargo Bank, National Association, is appointed as Trustee under and pursuant to the Trust 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 Underwriters in accordance with written instructions to be executed on behalf of the Authority by the Controller.

**SECTION 12**. The Controller is authorized to select a credit enhancement provider, which may be an insurer or a bank, to support payments of principal and interest with respect to the Bonds, and/or to provide a reserve fund facility, if the Controller determines that such credit enhancement 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 13.** 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, 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, and to execute and enter into agreements that terminate the interest rate swaps pertaining to the 2003B Bonds and the 2006 Bonds and to pay the to the swap providers the termination amounts calculated by the Swap Advisor for the 2003B Bonds and the 2006 Bonds.

**SECTION 14**. 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 15**. 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.

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

**SECTION 16**. This Resolution shall take effect from and after its date of adoption.

**APPROVED AND ADOPTED** this ___ day of March 2018, by the following vote:

**AYES**:

**NOES**:

**ABSENT**:

**ABSTAIN**:

______________________________________
Chairman

**ATTEST**:

Secretary

**APPROVED AS TO FORM**:

General Counsel

**APPROVED AS TO CONTENT**:

Controller

STATE OF CALIFORNIA )
) ss.
COUNTY OF VENTURA )

I, ______________________, Secretary of the Governing Board of the City of Oxnard Financing Authority, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. ___ of said Board, that the same was duly and validly adopted on ___________________, and that the same has not been amended or repealed.

DATED: ___________________

____________________________________

Secretary of the Governing Board
of the City of Oxnard Financing Authority

."

# CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated April 27, 2018, 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 $32,000,000 aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of April 1, 2018, 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 Underwriters 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 April 1, 2018 (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 April __, 2018, relating to the Bonds.

"Participating Underwriters" shall mean J.P. Morgan Securities LLC, and Samuel A. Ramirez & Co., Inc., the original underwriters 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, 2019, 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 (10) 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 Underwriters, 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 Underwriters, 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: April 27, 2018

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 Refunding Bonds, Series 2018 |
| Date of Issuance: | April 27, 2018 |

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 April 27, 2018, 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

*Stradling Yocca Carlson & Rauth*
*Draft of 3/13/18*

**$__________**
**City of Oxnard Financing Authority**
**Lease Revenue Refunding Bonds, Series 2018**

April __, 2018

**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, acting on behalf of itself and as representative (the "Representative") of Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriters") 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 Underwriters. 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 Representative 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 Representative upon written notice to the City and the Authority by the Representative at any time before its acceptance.

The Representative represents that it has been duly authorized by the other Underwriter to act hereunder on its behalf and has full authority to take such action as it may deem advisable in respect of all matters pertaining to this Purchase Contract and that the Representative has been duly authorized to execute this Purchase Contract. Any action taken under this Purchase Contract by the Representative will be binding upon all the Underwriters.

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 Representative, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of such transaction, the Underwriters are acting solely as principals and not as agents or fiduciaries of the Authority or the City, (iii) the Underwriters have not assumed (individually or collectively) an advisory or a 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 Underwriters have provided other services or are currently providing other services to the Authority or the City on other matters) and the Underwriters have 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 Underwriters, jointly and severally, hereby agree to purchase from the Authority for reoffering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the $__________ aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2018 (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 April __, 2018 (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 Representative, 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 Representative 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 April 1, 2018 (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. Public Offering and Establishment of Issue Price.

(a) The Underwriters 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 Underwriters reserve the right to change such initial offering prices as the Underwriters 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 Underwriters also reserve the right to (i) overallot 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.

(b) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's municipal advisor, NHA Advisors, San Raphael, California (the "Municipal Advisor") and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

(c) [Except as otherwise set forth in Exhibit A,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Authority the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(d) [The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires; and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party;

(ii) "underwriter" means: (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

4. The Authority hereby authorizes the use by the Underwriters of (i) the Trust Agreement, (ii) the Property Lease, dated as of April 1, 2018 (the "Property Lease"), by and between the Authority and the City, (iii) the Master Lease and Option to Purchase, dated as of April 1, 2018 (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, and (v) 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 Underwriters 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 Underwriters, 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 Underwriters, 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 Underwriters may reasonably request in order to comply with the obligations of the Underwriters pursuant to the Rule and the rules of the Municipal Securities Rulemaking Board. As soon as practicable following receipt thereof from the Authority, the Representative shall deliver the Official Statement to the Municipal Securities Rulemaking Board.

5. At 8:00 a.m., Los Angeles time, on April __, 2018, or at such other time or on such other business day as shall have been mutually agreed upon by the Authority and the Representative (the "Closing Date"), the Authority will cause the Trustee to authenticate and deliver to the Representative at the office of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the Authority and the Representative 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 Representative 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 Representative. 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 Underwriters 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 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 and the book-entry only system) 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 Underwriters 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. The Official Statement describes the incidences during the last five years in which the Authority has failed to comply with previous undertakings to provide annual continuing disclosure reports and notices of material events.

(g) The Authority covenants with the Underwriters 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 Representative thereof, and if in the opinion of the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Representative 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 Representative.

(h) The Authority will advise the Representative 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 Representative. The Authority will advise the Representative 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 Representative). 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 Underwriters as the Underwriters 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 Underwriters 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 Representative, 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 Underwriters pursuant to this Purchase Contract shall be deemed a representation and warranty by the Authority to the Underwriters as to the truth of the statements therein made.

7. The City represents, warrants, and covenants to the Underwriters 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 and the book-entry only system) 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 Representative 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 Representative thereof, and if in the opinion of the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Representative 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 Representative.

(g) The City will advise the Representative 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 Representative. The City will advise the Representative 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 Underwriters as the Underwriters 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 Underwriters 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 Representative, 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) The Official Statement describes the incidences during the last five years in which the City has failed to comply with previous undertakings 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 Underwriters pursuant to this Purchase Contract shall be deemed a representation and warranty by the City to the Underwriters as to the truth of the statements therein made.

8. The Underwriters have 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 Underwriters' 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 Underwriters 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 Underwriters); 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 Representative); all actions that, in the opinion of Feldman Law Group LLP, Santa Monica, 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 Representative 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 Representative 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 Representative (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 Representative (after consultation with, and receipt of advice from, the City or its municipal 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 Representative (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 Representative, 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, which, in the Representative'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 Representative, 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 Representative, 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 Representative 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 Underwriters, the City, and the Trustee);

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

(ii) the Purchase Contract has been duly executed and delivered by the Authority and the City and (assuming due authorization, execution and delivery by and enforceability against the Underwriters) is valid and binding upon the Authority and the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(iii) 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;

(iv) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "THE FINANCING PLAN," "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; and

(v) the Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B (the "2003 Bonds") and the Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, Series 2006 have been defeased in accordance with the respective indenture pursuant to which each was issued;

(3) an opinion of the City Attorney of the City, in form and substance satisfactory to the Representative, dated the Closing Date, addressed to the Authority and the Underwriters, 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 and the book-entry only system, 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 Representative, dated the Closing Date, addressed to the City and the Underwriters, 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 Feldman Law Group LLP, Santa Monica, California, disclosure counsel to the Authority ("Disclosure Counsel"), dated the Closing Date, addressed to the Underwriters, 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 its date and as of the Closing Date, 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, and the information included in the Appendices thereto, as to which no view need be expressed) contained or contains any untrue statement of a material fact or omits to state any 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 Representative, 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 Representative, 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, in the form attached hereto as Exhibit B;

(9) an opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriters, the Authority, and the City, to the effect that:

(i) the Trustee 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 and the Continuing Disclosure Agreement (collectively, the "Trustee Documents") would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Trustee Documents;

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

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

(iv) the Trustee has duly executed and delivered the Trustee Documents. Assuming the due authorization, execution and delivery thereof by the other parties thereto, the Trustee Documents are the legal, valid, and binding agreements of the Trustee enforceable against the Trustee 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 Trustee;

(vi) the execution, delivery and performance of the Trustee Documents by the Trustee 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 Trustee is a party or by which the Trustee is bound or to which any of the property or assets of the Trustee 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 Trustee, 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 Trustee 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 Trustee before any court, administrative agency or tribunal (a) asserting the invalidity of the Trustee 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 Trustee of its obligations under, or the validity or enforceability of the Trustee Documents;

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

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

(iii) the Trustee Documents constitute the legal, valid, and binding obligations of the Trustee 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 Trustee;

(v) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Trustee Documents or the performance by the Trustee of its duties and obligations under the Trustee 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 Trustee is a party or any administrative or judicial decision by which the Trustee 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 Trustee, or to the best knowledge of the Trustee, threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trustee Documents or contesting the powers of the Trustee or its authority to enter into and perform its obligations thereunder;

(11) a letter from Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, counsel to the Underwriters ("Underwriters' Counsel"), dated the Closing Date, addressed to the Underwriters, in form and substance acceptable to the Representative;

(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 that the rating on the Bonds of "___" by S&P is in full force and effect on the Closing Date;

(16) copies of the statements with respect to the sale of the Bonds required to be delivered to the California Debt and Investment Advisory Commission;

(17) evidence that a debt management policy which complies Sections 8855 of the California Government Code has been adopted by both the City and the Authority;

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

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

(20) a copy of an ALTA or CLTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Property, subject only to permitted encumbrances or such other encumbrances approved in writing by the Representative;

(21) evidence that the swap transactions being terminated with a portion of the proceeds of the Bonds have been terminated; and

(22) such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriters, Underwriters' 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 Underwriters' obligations contained in this Purchase Contract or if the Underwriters' 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 Underwriters 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 Underwriters of their obligations hereunder and

(ii) receipt by the Authority, the City, and the Representative 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 Underwriters, 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 municipal advisor to the City, and fees and expenses of Bond Counsel or Disclosure Counsel for the City, shall be paid by the Underwriters. Except as indicated above, all out-of-pocket expenses of the Underwriters, including the California Debt and Investment Advisory Commission fee, traveling, and other expenses and the fees and expenses of the Underwriters, including Underwriters' Counsel, shall be paid by the Underwriters.

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 Underwriters 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: Juan Fernandez. The approval of the Representative when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Representative 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 Underwriters and is made solely for the benefit of the City, the Authority, and the Underwriters (including the successors or assigns of the Underwriters 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 Underwriters (but, if the Underwriters do discover by their 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 Underwriters 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 Representative, the City, and the Authority.

Very truly yours,

J.P. MORGAN SECURITIES LLC, as Representative of the Underwriters

By: ______________________________________
Juan Fernandez, Executive Director

The foregoing is hereby agreed to and accepted at __________ [a.m./p.m.] Pacific Standard Time this __th day of April, 2018:

CITY OF OXNARD FINANCING AUTHORITY

______________________________________
James Throop
Controller

CITY OF OXNARD

______________________________________
James Throop
Chief Financial Officer

# EXHIBIT A

**$__________**
**City of Oxnard Financing Authority**
**Lease Revenue Refunding Bonds, Series 2018**

| *Maturity Date (June 1)* | *Principal Amount* | *Interest Rate* | *Yield* | *Price* | *10% Test Used* | *Hold the Offering Price Rule Used* |
|---|---|---|---|---|---|---|
| | $ | % | % | | | |

---
(1) Priced to first optional redemption date of June 1, 20__; callable at par.

# EXHIBIT B

**$__________***
**City of Oxnard Financing Authority**
**Lease Revenue Refunding Bonds, Series 2018**

## RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that the undersigned is the duly appointed and acting representative of the City of Oxnard Financing Authority (the "**Authority**"), and as such is duly authorized to execute and deliver this Certificate on behalf of the Authority, and further hereby certifies and reconfirms on behalf of the Authority as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above captioned bonds (the "**Bonds**") in order to enable the underwriters of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "**Rule**").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds and the Authority (the "**Preliminary Official Statement**").

(3) As used herein, "**Permitted Omissions**" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule, and the information therein is accurate and complete except for the Permitted Omissions.

Dated: ________ __, 2018

CITY OF OXNARD FINANCING AUTHORITY

By:________________________________________
James Throop, Controller

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* *Preliminary; subject to change*.

# EXHIBIT C

**$__________***
**City of Oxnard Financing Authority**
**Lease Revenue Refunding Bonds, Series 2018**

## UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of J.P. Morgan Securities LLC, acting on behalf of itself and as representative (the "**Representative**") of Samuel A. Ramirez & Co., Inc. (collectively, the "**Underwriting Group**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. [***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(b) As set forth in the Contract of Purchase, dated April __, 2018, by and between the Representative and the Issuer, the Underwriting Group agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"); and (ii) any selling group agreement (to which the Representative is a party) shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement (to which the Representative is a party) shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."

(b) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (April __, 2018), or (ii) the date on which the Underwriting Group sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the City of Oxnard Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [*Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April __, 2018.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

J.P. MORGAN SECURITIES LLC, representative of itself and of Samuel A. Ramirez & Co., Inc.

By:__________________________________
Name:________________________________

Dated: April __, 2018

## Schedule I

## SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]

(*Attached*)

**Schedule II**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

(*Attached*)

RECORDING REQUESTED AND
WHEN RECORDED MAIL TO:

Feldman Law Group LLP
1112 Montana Avenue, No 723
Santa Monica, California 90017-5704
Attention: Lewis G. Feldman

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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 April 1, 2018 by

and between

CITY OF OXNARD FINANCING AUTHORITY,
as Lessor

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and

CITY OF OXNARD,
as Lessee

Relating to

$32,000,000]
City of Oxnard Financing Authority
Lease Revenue Refunding Bonds, Series 2018

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**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 Refunding Bonds, Series 2018 (the **"Bonds"),** the proceeds of which will be used to finance the costs to (i) refund the 2003B Bonds, (ii) refund the 2006 Bonds, (iii) terminate certain swap agreements, (iv) fund a debt service reserve fund, (v) and 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 April 1, 2018 (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.l(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, 2018, 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; 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; easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions established following the Closing Date or existing on any real property substituted for the Sites, to which the Authority and the City 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, 2036 (which is the final maturity date of the Bonds); provided that in the event the principal of and interest on the Bonds and all other amounts payable hereunder and under the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due hereunder shall have been abated at any time as permitted by the terms of this Lease, then the term of this Lease shall be extended, except that the term shall in no event be extended beyond June 1, 2046 (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 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) <u>Base Rental.</u> 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 amounts required to be paid by the Authority, other than from Pledged Assets, under the Trust Agreement; and

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

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

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

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

**3.4 Payment; Credit.** Amounts necessary to pay Base Rental shall be deposited by the City on the dates set forth in Section 3.l(a) hereof in lawful money of the United States of America, at the Designated 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 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 Tenn. 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 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 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 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.

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

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

Notwithstanding the foregoing, if no default or event of default has occurred and is continuing hereunder, the City may 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 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 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 Authority 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.

· 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-lease 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 thegeographical 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.

**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 RESP.ECT THERETOON 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 4.0l(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 4.0l(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 4.0l(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 4.0l(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 4.0l(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 I 0.0I 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 4.0l(a) of the Trust Agreement, as applicable}e, 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 4.0l(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 by another 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.

[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.

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee**

By: Vice President

**CITY OF OXNARD FINANCING AUTHORITY**

By: Chairman

ATTEST:

By: Secretary

CITY OF OXNARD

By: Mayor

ATTEST:

By: City Clerk

APPROVED AS TO FORM:

By: Stephen M. Fischer,
City Attorney/Authority General Counsel

APPROVED AS TO CONTENT:

By: Jim Throop,
Chief Financial
Officer/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 [March 27, 2018], and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: April 27, 2018

CITY OF OXNARD

By: ______________________
Mayor

Attest:

__________________________
City Clerk

# ACKNOWLEDGMENT

**[__]**

EXHIBIT A

Legal Descriptions of Original Components of the Property Real property in the City of Oxnard, County of Ventura, State of California, described as follows:

**PARCEL 1**:

PARCEL 4 OF LOT LINE ADJUSTMENT NO. 96-5-1, RECORDED JUNE 13, 1996, AS INSTRUMENT NO. 96-080397, OF OFFICIAL RECORDS, BEING ALL OF LOT 48 AND A PORTION OF LOT 47 OF TRACT NO. 4506-2, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS RECORDED IN BOOK 118, PAGES 37 TO 41 INCLUSIVE, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THECOUNTY RECORDER OF SAID COUNTY, EXCEPTING THEREFROM AN UNDIVIDED ONE-THIRD (1/3) INTEREST IN AND TO ALL OF THE OIL ANDGAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, TOGETHER WITH THERIGHT, IN CONJUNCTION WITH GRANTOR, TO GO THEREON FOR THE PURPOSE OF DEVELOPING,EXTRACTING AND TAKING THE SAME PRODUCTS THEREFROM AND STORING THE SAME UPON SAID REAL PROPERTY, AS CONVEYED IN THE DEED RECORDED NOVEMBER 19, 1952, IN BOOK 1099, PAGE
591, OF OFFICIAL RECORDS. BY INSTRUMENT RECORDED AUGUST 13, 1987 AS INSTRUMENT NO. 37-130462, OF OFFICIAL RECORDS, ALL RIGHTS OF SURFACE AND SUBSURFACE ENTRY LYING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN WERE QUITCLAIMED BACK TO THE SURFACE OWNER. ALSO EXCEPTING THEREFROM THE REMAINING INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE AND SUBSURFACE ENTRY BEING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL,
GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN, AS RESERVED IN DEED FROM ROBERT A. MCINNES, RECORDED SEPTEMBER 17, 1987 AS INSTRUMENT NO. 87-149995, OF OFFICIAL RECORDS.

**PARCEL 2**:

LOTS 3 TO 14 INCLUSIVE, AND THAT PORTION OF THE 20 FOOT WIDE ALLEY BOUNDED EASTERLY BYTHE WESTERLY LINES OF SAID LOTS 3 TO 8 INCLUSIVE AND BOUNDED WESTERLY BY THE EASTERLY LINES OF SAID LOTS 9 TO 14 INCLUSIVE, BLOCK 7, SUBDIVISION NO. 3 OF THE 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. APN: 216-0-153-215,202-0-081-100,202-0-081-180 THROUGH 29.

# EXHIBIT B-1

Base Rental With Respect to Component 1

# EXHIBIT B-2

Base Rental With Respect to Component 2

# EXHIBIT B-3

Aggregate Base Rental for All Components of the Property

| Five Business Days Prior To: | Principal | Interest | Total |
|---|---|---|---|

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2018**

**NEW ISSUE – BOOK-ENTRY ONLY** **RATING: S&P: "__"**
**(See "RATING.")**

*In the opinion of Feldman Law Group LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS*

**$32,000,000***
**CITY OF OXNARD FINANCING AUTHORITY**
**LEASE REVENUE REFUNDING BONDS**
**SERIES 2018**

**Dated: Date of Delivery** **Due: 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 Refunding Bonds, Series 2018 (the "Bonds"), are being issued in the aggregate principal amount of $[Principal Amount] by the City of Oxnard Financing Authority (the "Authority") pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 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 April 1, 2018 (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 2003B Bonds (as defined herein), (ii) refund the 2006 Bonds (as defined herein), (iii) fund a debt service reserve fund, (iv) fund costs of terminating certain interest rate swap agreements, and (v) pay the costs incurred in connection with the issuance, sale, and delivery of the Bonds. See "THE FINANCING PLAN," 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 of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "APPENDIX F – Book-Entry Only System."

Payments of 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, 2018, until the maturity or the earlier redemption thereof.

**The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, and mandatory redemption, as described herein. See "THE BONDS – Redemption of Bonds."**

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 April 1, 2018 (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 Property, as such terms are defined in the Lease and described herein under the heading "THE PROPERTY." 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.

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 THE 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.

**[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 Feldman Law Group LLP, Santa Monica, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney and by Disclosure Counsel, Feldman Law Group LLP, Santa Monica, California, and for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, 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 April 27, 2018.*

**J. P. Morgan** **Ramirez & Co., Inc.**

Dated: April __, 2018.
*Preliminary, subject to change

## MATURITY SCHEDULE

| Maturity Date (June 1) | Principal Amount | Interest Rate | Yield | Price | CUSIP(1) No. | Maturity Date (June 1) | Principal Amount | Interest Rate | Yield | Price | CUSIP(1) No. |
|---|---|---|---|---|---|---|---|---|---|---|---|

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(2) Priced to first optional redemption date of June 1, 20__; callable at par.

**CITY OF OXNARD, CALIFORNIA**

**MAYOR AND CITY COUNCIL**

Tim Flynn, *Mayor*
Carmen Ramirez, Esq., *Mayor Pro Tem*
Bryan A. MacDonald, *Councilman*
Oscar Madrigal, *Councilman*
Bert E. Perello, *Councilman*

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**GOVERNING BOARD OF THE AUTHORITY**

Tim Flynn, *Chairman*
Carmen Ramirez, Esq., *Vice Chairman*
Bryan A. MacDonald, *Board Member*
Oscar Madrigal, *Board Member*
Bert E. Perello, *Board Member*

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**CITY OFFICIALS**
Scott Whitney, *Interim City Manager*
Jesus Nava, *Assistant City Manager*
Michelle Ascencion, *City Clerk*
Stephen Fischer, *City Attorney*
Phillip S. Molina, *City Treasurer*
Jim Throop, *Chief Financial Officer*

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**PROFESSIONAL SERVICES**

***Municipal Advisor***
NHA Advisors, San Rafael, California
***Swap Advisor***
Hilltop Securities, Inc.
***Bond Counsel and Disclosure Counsel***
Feldman Law Group LLP, Santa Monica, California
***Trustee/Tender Agent***
Wells Fargo Bank, National Association Los Angeles, California

No dealer, broker, salesperson, or other person has been authorized by the City, the Authority, or J.P. Morgan or Ramirez & Co., Inc. (the "Underwriters") 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 Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters 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 UNDERWRITERS 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 UNDERWRITERS 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 UNDERWRITERS.

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# OFFICIAL STATEMENT

**$32,000,000***
**CITY OF OXNARD FINANCING AUTHORITY**
**LEASE REVENUE REFUNDING BONDS**
**SERIES 2018**

## 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 Refunding Bonds, Series 2018, in the aggregate principal amount of $32,000,000* [*](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 April 1, 2018 (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 2003B Bonds (as defined herein), (ii) to refund the 2006 Bonds (as defined herein), (iii) fund a debt service reserve fund, (iv) fund termination payments due under certain swap agreements entered into by the City in connection with the 2003B Bonds and the 2006 Bonds, and (v) 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, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be

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[*] Preliminary, subject to change.

dated the date of 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**

Principal and interest (including the redemption price, if any) will be paid by the Trustee directly to DTC on behalf of the Authority. Upon receipt of payments of principal and interest, DTC is to in turn remit such principal and interest to its participants for disbursement by the participants to the beneficial owners of the Bonds. See "THE BONDS – Authorization and Payment of Bonds" "APPENDIX F – Book-Entry Only System."

**Redemption of Bonds**

The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, and mandatory redemption from excess moneys, 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 April 1, 2018 (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 April 1, 2018 (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, 2018. 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 XIIIB of the California Constitution," and "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

**Debt Service Reserve Fund**

Pursuant to the Trust Agreement, a Reserve Fund is established for the benefit of the Owners of the 2018 Bonds. The Reserve Fund, which is held by the Trustee, is required to be funded in an amount equal to the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement may, at the Authority's discretion, be satisfied with a surety bond.

**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, 2018 (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 initially registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Bonds. Beneficial interests in the Bonds may be purchased in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Principal and interest (including the redemption price, if any) will be paid by the Trustee directly to DTC on behalf of the Authority. Upon receipt of payments of principal and interest, DTC is to in turn remit such principal and interest to the participants in DTC for disbursement by the participants to the beneficial owners of the Bonds. Neither the Trustee nor the Underwriters can give any assurance that DTC will distribute to direct participants, or that participants or others will distribute to the beneficial owners, payment of principal of and interest on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the Trustee nor the Underwriters are responsible or liable for the failure of DTC or any participant to make any payments or to give any notice to an beneficial owner with respect to the Bonds or for any error or delay relating thereto. 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 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 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 of its 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."

**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 will have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed on the date set forth in the Redemption Notice. 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 2003B Bonds and 2006 Bonds**

A portion of the proceeds from the sale of the Bonds will be used to refund the outstanding City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, 2003 Series B, which were issued by the Authority on December 4, 2003 (the "2003B Bonds"), of which $9,400,000 in principal amount is currently outstanding. The 2003B Bonds were issued by the Authority to finance and refinance the acquisition, construction, and/or installation of certain public facilities within the City.

The 2003B Bonds will be refunded and defeased in accordance with the terms of that certain Trust Agreement, dated as of December 1, 2003, as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (the “2003B Trust Agreement”), by and among the Authority, the City, and the Trustee, as trustee for the 2003B Bonds (the “2003B Trustee”). The 2003B Bonds to be refunded and defeased are listed below:

| Maturity Date (June 1) | Redemption Price | Principal Amount Called | CUSIP No. |
|---|---|---|---|
| 2033 | 100% | $9,400,000 | 691875 AP3 |

A portion of the proceeds from the sale of the Bonds will be used to refund the outstanding City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, Series 2006, which were issued by the Authority on December 14, 2006 (the “2006 Bonds”), of which $18,385,000 in principal amount is currently outstanding. The 2006 Bonds were issued by the Authority to finance and refinance the acquisition, construction, and/or installation of certain public facilities within the City.

The 2006 Bonds will be refunded and defeased in accordance with the terms of that certain Trust Agreement, dated as of December 1, 2006, as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (the “2006 Trust Agreement”), by and among the Authority, the City, and the Trustee, as trustee for the 2006 Bonds (the “2006 Trustee”). The 2006 Bonds to be refunded and defeased are listed below:

| Maturity Date (June 1) | Redemption Price | Principal Amount Called | CUSIP No. |
|---|---|---|---|
| 2036 | 100% | 18,385,000 | 691875 AQ1 |

On the date of delivery of the Bonds, a portion of the proceeds from the sale of the Bonds (the “2003B Bond Refunding Proceeds” and “2006 Bond Refunding Proceeds”, together the “Bond Refunding Proceeds”), together with certain moneys currently on deposit in the funds and accounts established under the 2003B Trust Agreement and 2006 Trust Agreement and currently being held by the 2003B Trustee and 2006 Trustee (together with the Bond Refunding Proceeds, the “Refunding Deposit”), will be delivered to the Trustee. Subsequent to receipt of Refunding Deposit, the Trustee will redeem all outstanding 2003B Bonds and 2006 Bonds on April 27, 2018.

**Swap Termination Payments**

In connection with the refunding of the 2003B Bonds and 2006 Bonds, a portion of the proceeds of the 2018 Bonds will be applied, together with other available moneys, to fund costs of terminating various interest rate swap transactions to which the City is a party. Such interest rate swaps being terminated represent $27,785,000 in notional amount and represent all outstanding fixed rate payor swap agreements secured by annual appropriations from the City’s General Fund.

## 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 2003B Bonds and 2006 Bonds.

**Table 1**
**Estimated Sources and Uses of Funds**

| | |
|---|---|
| **Estimated Sources:** | |
| Principal Amount | $ |
| Transferred by the 2003B Trustee from the 2003B Debt Service Fund | |
| Transferred by the 2006 Trustee from the 2006 Debt Service Fund | |
| Plus: Net Original Issue Premium | |
| Total Sources | $ |
| **Estimated Uses:** | |
| Refunding Deposit (1) | $ |
| Debt Service Reserve Fund | |
| Swap Termination Payments | |
| Costs of Issuance (2) | |
| Total Uses | $ |

(1) Comprised of the amounts transferred by the 2003B Trustee from the 2003B Debt Service Fund and the 2006 Trustee from the 2006 Debt Service Fund established under the 2003B 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, Municipal Advisor, Swap Advisor, Underwriter Discount, and the Trustee, as well as printing costs and other miscellaneous costs related to the Bonds, including, at the Authority's discretion, a surety bond for the Debt Service Reserve Fund.

## DEBT SERVICE SCHEDULE

**The table below presents the annual debt service on the Bonds, assuming that no optional, mandatory, or extraordinary redemptions occur:**

**Table 2**
**Debt Service Schedule**

| Year Ending June 1 | Principal of Bonds | Interest on Bonds | Total Debt Service on Bonds |
|---|---|---|---|
| 2018 | | | |
| 2019 | | | |
| 2020 | | | |
| 2021 | | | |
| 2022 | | | |
| 2023 | | | |
| 2024 | | | |
| 2025 | | | |
| 2026 | | | |
| 2027 | | | |
| 2028 | | | |
| 2029 | | | |
| 2030 | | | |
| 2031 | | | |
| 2032 | | | |
| 2033 | | | |
| 2034 | | | |
| 2035 | | | |
| 2036 | | | |
| **Totals** | | | |

## THE PROPERTY

The Property, which the City is leasing pursuant to the Lease, consists of the following Components, each located in the City and located at 3001 Sturgis Road, Oxnard, California (Police Department Annex) and 251 S. C Street, Oxnard California (Police Station.)

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.

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."

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.

## 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."

**Debt Service Reserve Fund**

Pursuant to the Trust Agreement, a Reserve Fund is established for the benefit of the Owners of the 2018 Bonds. The Reserve Fund, which is held by the Trustee, is required to be funded in an amount equal to the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement relating to the 2018 Bonds is, as of any date of calculation (calculated on a Bond Year basis), an amount equal to the lesser of (i) maximum annual debt service on all 2018 Bonds Outstanding, (ii) 125% of average annual debt service on all 2018 Bonds Outstanding, or (iii) 10% of the [stated] principal amount of 2018 Bonds [then Outstanding]. See APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS — Selected Definitions — "Debt Service Reserve Fund Requirement" attached hereto. On the date of issuance of the 2018 Bonds, the Debt

Service Reserve Fund Requirement will be [$___]. A surety bond may be substituted for the Debt Service Reserve Fund in the Authority's discretion.

**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 GENERAL AND FINANCIAL INFORMATION

The City of Oxnard 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. Services provided by the City include public safety (police and fire), highways and streets, parks and recreation, public improvements, planning and zoning, utilities (wastewater, water, and solid waste systems) and general administrative services. Additionally, the City Council approved in March 2018 the formation of Council Districts, and these new districts, of which there are six districts, plus the Mayor who is elected at-large, will take effect for the November 2018 election.

The City enjoys a diversified economy that supports a stable financial picture. The service industry, including agriculture and related commerce, provides the largest source of employment in the City. While population growth in the City has remained relatively flat since 2004, averaging just over 1% annually, the City benefitted from higher employment gains and lower housing costs when compared to other California regions. The City experienced a significant drop in its unemployment rate since 2010, averaging 5.6% in 2017, as compared with 14.4% in 2010.

**City Tax Revenues and Expenditures**

*Revenues*. The following table shows historical audited tax revenues for Fiscal Years 2013-14 through 2016-17 and budgeted tax revenues for Fiscal Year 2017-18.

**GENERAL FUND TAX REVENUES BY SOURCE**

| Source | Audited FY 2013-14 | Audited FY 2014-15 | Audited FY 2015-16 | Audited FY 2016-17 | Adopted Budget FY 2017-18 |
|---|---|---|---|---|---|
| Property Taxes | $ 42,115,585 | $44,964,466 | $48,476,175 | $50,886,499 | $54,140,500 |
| Sales Taxes | 38,287,439 | 40,624,737 | 43,163,411 | 44,092,707 | 44,348,000 |
| Transient Occupancy Taxes | 4,239,110 | 4,649,292 | 5,044,231 | 5,174,427 | 5,195,880 |
| Business License Taxes | 5,125,801 | 5,104,859 | 5,422,499 | 5,348,086 | 5,404,000 |
| Franchise Taxes | 3,507,431 | 3,619,684 | 3,473,814 | 3,238,967 | 3,617,594 |
| Other Taxes | 677,091 | 758,502 | 690,805 | 729,609 | 747,152 |

The City experienced significant revenue growth since the recession in Fiscal Years 2008-09 and 2009-10. Strong economic growth has resulted in an 18% increase in General Fund revenues over the past four years.

Property taxes, which represent about 35% of total General Fund revenues, have grown 20.8%, from $42.1 million to $50.9 million, from Fiscal Years 2013-14 through 2016-17. Sales taxes, which represent about 30% of total General Fund revenues, have grown 15.2%, from $38.3 million to $44.1 million, from Fiscal Years 2013-14 to 2016-17. For the 2017-18 budget, the City projects a 6% increase in property taxes (which is in line with assessed valuation growth for 2018), and a 6% growth in sales tax revenues.

In November 2008, City voters approved a one-half cent sales tax increase known as "Measure O". Collection of Measure O sales taxes began in April 2009. While Measure O sales taxes represent a general purpose tax, the City's policy is to use additional revenue generated from Measure O sales taxes to improve services to the community by adding and improving City facilities and programs. Measure O sale tax revenues have strengthened the City's cash and fund balance positions, growing from $8.9 million in Fiscal Year 2009-10 to $14.1 million in Fiscal Year 2016-17.

The following table shows historical sales tax revenues from Fiscal Years 2009-10 through 2016-17.

OXNARD HISTORICAL SALES TAX REVENUES

| Fiscal Year | Measure O Sales Tax Revenues | All Other Sales Tax Revenues | Total Sales Tax Revenues |
|---|---|---|---|
| 2010 | $ 8,908,667 | $ 19,194,384 | $28,103,051 |
| 2011 | 11,161,453 | 22,235,284 | 33,396,737 |
| 2012 | 13,268,841 | 24,184,283 | 37,453,124 |
| 2013 | 10,091,602 | 25,064,411 | 35,156,013 |
| 2014 | 12,509,580 | 25,777,859 | 38,287,439 |
| 2015 | 13,398,405 | 27,385,772 | 40,624,737 |
| 2016 | 13,225,990 | 29,937,421 | 43,163,411 |
| 2017 | 14,174,002 | 29,918,706 | 44,092,707 |

*Pension Override Tax.* The City collects a tax dedicated to paying fire and police safety employee pension costs in the California State Employees Retirement System (PERS). This tax is referred to as the "Carman Override" based upon the California Supreme Court case *Carman v. Alvord* in which the Court ruled that voter approved pension costs constituted debt that could be supported by a tax levy in excess of the 1% maximum allowed by Proposition 13 (California Constitution, Article XIIIA). Each year, the City determines the amount of eligible costs that can be covered by the Carmen Override. The City is also limited by a maximum tax rate of $0.076637 per $100,000 of assessed valuation. For Fiscal Year 2017-18, the City is anticipating collecting $13.9 million of Carmen Override revenues, representing 75% of the total expected safety plan PERS costs of $18.6 million. As eligible retirement costs are expected to increase with PERS increases, the City will likely be assessing the maximum Carmen Override tax rate in future years. Based on current assessed valuations, such collections will generate approximately $14 million per year and will increase as assessed valuations increase.

*Expenditures*. The Fiscal Year 2017-18 General Fund budget for operating expenditures represents an increase of approximately $2.8 million, or 2%, as compared to Fiscal Year 2016-17 actual expenditures. The City's Fiscal Year 2017-18 budget includes the full year impact of approved salary increases effective January 1, 2018, which are estimated to be an additional $221,000 paid from the General fund per year. The budget also reflects increases to California Public Employee Retirement System ("PERS") retirement costs due to recent assumption changes and investment performance. The costs associated with PERS rate adjustments added approximately $1.6 million to the total City budget for Fiscal Year 2017-18. Based on current estimates from CalPERS, the City is expecting PERS increases of approximately $2.0 million to $3.0 million per year from Fiscal Year 2018-19 to Fiscal Year 2022-23, and $1.0 million to $2.0 million per year from Fiscal Year 2023-24 to Fiscal Year 2027-28. Costs are then expected to level off through Fiscal Year 2032-33, before dropping quickly after the unfunded liability is more fully amortized.

**Interagency Obligations**

The City, as successor agency to the Community Development Commission ("CDC") the former redevelopment agency, satisfied all requirements and received approval from the California Department of Finance for the lawful repayment to the City of loans made by the City to the CDC. The City has calculated the total repayment obligation to the General Fund based on historical Local Agency Investment Fund ("LAIF") rates at $7.6 million, which began being paid in Fiscal Year 2014-15 at the rate of approximately $770,000 annually (representing a total annual repayment of $960,000, less 20% to required low- and moderate- income housing obligations). The City recently hired a consultant to review the City's Required Obligation Payment Schedule (ROPS) and recommend any changes to the schedule to resolve prior years' issues. The City as successor to CDC, received approval from both the State and County as to its recent ROPS submission. Accounting staff is trained as to the proper form of accounting for the ROPS and costs associated with the former redevelopment agency.

**Reserve and Fund Balance Policies**

The City's current reserve policies state the following reserve targets:

- Adequate reserves will be maintained for all known liabilities, including payable employee leave balances, workers' compensation, and self-insured retention limits.

- The City Council will endeavor to maintain an operating reserve equal to 18% of the General Fund operating budget. The operating reserve shall be available to: cover cash flow requirements; meet unanticipated revenue shortfalls; take advantage of unexpected opportunities; invest in projects with a rapid payback; ensure against physical or natural disasters; and provide interest earnings.

- The City Council will endeavor to maintain operating reserves in the utility funds equal to 25% of the operating budgets.

The City's Fund Balance Policy establishes procedures for reporting unrestricted fund balances in the General Fund financial statements. Certain commitments and assignments of fund balances help ensure adequate financial resources to protect the City against unforeseen circumstances and events, such as revenue shortfalls and unanticipated expenditures.

The City's current debt policy, adopted on April 3, 2018, is in accordance with requirements stated in California State Senate Bill No. 1029. The debt policy provides guidance to the City as to the timing of when debt may be issued, eligible types of debt, coordination of debt issuance and capital improvement plans and budgets, goals and objectives, establishment of internal control procedures with respect to continuing disclosure, arbitrage rebate, and annual reporting requirements.

The results of the Fiscal Year 2014-15 annual external financial audit resulted in 111 audit findings. The vast majority of the findings resulted in a breakdown of policy and procedural controls, primarily in the Finance department. The City also hired a consultant to do an operational review of the Finance department, Human Resources department, Information Technology department, and City Manager's Office, given the results of the external audit. This review identified 128 operational areas that were in need of being addressed.

One audit finding was that the Finance department was critically under-staffed. The City began, in earnest, to hire qualified individuals as quickly as possible. In September 2016, a new Chief Financial Officer and a new Assistant Chief Financial Officer were hired, as well as a number of new accounting staff. By the year-end audit for Fiscal Year 2016-17 the number of new audit findings had decreased to five, with four of the findings relating to reporting for Community Development Block Grants. Only one pertained to City operations -- separation of duties between Human Resources and Payroll -- which was immediately addressed.

The City created a 'Correction Action Plan' (CAP) for the 111 audit findings and submitted it to the State Controller's Office. This plan was a three-year correction plan, such that all outstanding findings would be completed by Fiscal Year 2020. Currently, the City is on track to accomplish this task. The City hired an external consultant to assist in creating the CAP so finance staff could continue to work on other improvements to City finances and controls.

The City's current external auditor has been brought in at different milestones to review the process of the CAP, and has been in agreement and approved of the progress that the City has been making on the corrections. The full CAP is expected to be presented to the external auditors at the end of the Fiscal Year 2018-19 for their full review and, if appropriate, approval.

In Fiscal Year 2016, the City, in order to meet budgetary needs, borrowed approximately $16 million from its "Measure O" fund; which holds the revenue from the additional one-half cent sales tax that the City's voters approved in November 2008. Although the funds are technically General Fund monies, the City had taken an approach to keep the funds segregated for the residents of the city. In doing so, the City Council approved the use of the $16 million loan to the General Fund, but with a promissory note that the General Fund will repay the Measure O fund, with interest, at a rate of approximately $1.8 million for 10 years. The General Fund has made two payments to date.

The following Tables 3 and 4 provide the City's balance sheet for its General Fund for Fiscal Years 2013-14 through 2016-17 and a statement of revenues, expenditures, and changes in fund balances for the City's General Fund for Fiscal Years 2013-14 through 2016-17. See also "APPENDIX B -- General Information Concerning The City", and "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017."

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**Table 3**
**City of Oxnard General Fund Budget**
**For Fiscal Year 2013-14 through Fiscal Year 2017-18**

| | Fiscal Year 2013-14 | Fiscal Year 2014-15 | Fiscal Year 2015-16 | Fiscal year 2016-17 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $24,986,652 | $25,362,750 | $26,734,805 | $39,640,935 |
| Accounts and other receivables | 1,752,191 | 2,777,639 | 3,434,464 | 4,770,932 |
| Due from other funds | 6,645,417 | 6,091,653 | 4,166,549 | 4,438,064 |
| Due from Successor Agency | 7,643,860 | 5,495,520 | 8,190,308 | 42,184 |
| Due from other governments | 7,958,839 | 6,419,557 | 10,945,452 | 9,698,347 |
| **Total Assets** | **$48,986,959** | **$46,147,119** | **$53,471,578** | **$58,590,462** |
| **LIABILITIES AND FUND BALANCE** | | | | |
| Liabilities | | | | |
| Accounts payable | $3,479,546 | $7,441,678 | $5,631,919 | $3,780,851 |
| Other liabilities | 5,385,144 | 10,561,136 | 9,060,214 | 6,840,403 |
| Due to other funds | - | - | 117,611 | 121,139 |
| Due to other agencies | - | 251,343 | - | - |
| Advances for other funds | - | - | 1,230,666 | 1,109,527 |
| Deferred/unearned revenues | 3,042,356 | 3,117,197 | 3,143,096 | 61,027 |
| **Total Liabilities** | **$11,907,046** | **$21,371,354** | **$19,183,506** | **$12,321,672** |
| Fund balances | | | | |
| Nonspendable | | | | |
| Long-term receivable | $4,620,492 | $- | $- | $- |
| Restricted | - | - | 550,000 | 835,296 |
| Assigned | | | | |
| Capital projects | - | 5,116,158 | 7,792,386 | 11,303,187 |
| Measure "O" service enhancement | 18,261,567 | 3,534,921 | 7,181,145 | 10,480,885 |
| Other purposes | 147,850 | 2,664,780 | 905,561 | 1,499,019 |
| Unassigned | 13,916,093 | 13,459,906 | 17,858,980 | 22,150,403 |
| **Total Fund Balances** | **$36,946,002** | **$24,775,765** | **$34,288,072** | **$46,268,790** |
| **Total Liabilities and Fund Balances** | **$48,853,048** | **$46,147,119** | **$53,471,578** | **$58,590,462** |

Source: City of Oxnard

**Table 4**
**City of Oxnard**
**Statement of Revenues, Expenditures, and Changes**
**In General Fund Balances**
**For Fiscal Year 2013-14 through Fiscal Year 2016-17**

| | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $93,952,457 | $99,721,540 | $106,270,935 | $109,470,295 |
| Licenses and permits | 2,456,359 | 2,320,034 | 2,589,992 | 3,473,506 |
| Intergovernmental | 13,168,255 | 19,457,413 | 1,486,594 | 1,839,567 |
| Charges for services | 8,871,669 | 9,624,476 | 24,457,214 | 23,524,718 |
| Fines and forfeitures | 444,099 | 482,142 | 901,025 | 2,376,171 |
| Interest on investments | 411,506 | 200,761 | 166,072 | 362,830 |
| Miscellaneous | 4,421,389 | 3,041,321 | 4,169,837 | 4,599,121 |
| **Total Revenues** | **$123,725,734** | **$134,847,687** | **$140,041,669** | **$145,646,208** |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General government | $9,541,347 | $13,177,222 | $11,173,996 | $13,295,412 |
| Public safety | 70,075,583 | 71,735,237 | 75,785,330 | 76,500,306 |
| Transportation | 3,464,755 | 1,956,210 | 1,079,338 | 1,591,295 |
| Community development | 9,069,503 | 7,395,196 | 8,039,067 | 9,362,535 |
| Culture and leisure | 13,004,072 | 18,486,607 | 16,436,617 | 17,477,538 |
| Library services | 4,222,264 | 4,461,784 | 3,923,546 | 3,483,561 |
| Debt Service | - | - | - | 1,357,544 |
| Capital Outlay | 2,213,224 | 4,622,469 | 3,022,068 | 1,319,347 |
| **Total Expenditures** | **$111,590,748** | **$121,834,725** | **$119,459,962** | **$124,387,538** |
| **Excess (deficiency) of revenues over expenditures** | **$12,134,986** | **$13,012,962** | **$20,581,707** | **$21,258,670** |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | $37,000 | ($4,603,617) | $37,000 | $ $46,960 |
| Transfers out | ($5,989,482) | ($17,708,272) | ($9,758,123) | ($9,416,588) |
| **Total other financing sources (uses)** | **($5,952,482)** | **($22,311,889)** | **($9,721,123)** | **($9,369,628)** |
| **Net changes in fund balances** | **$6,182,504** | **($9,298,927)** | **$10,860,584** | **$11,889,042** |
| **Fund balances, July 1** | **$32,215,045** | **$36,946,002** | **$24,775,765** | **$34,288,072** |
| Prior period adjustment | ($1,451,547) | ($2,871,310) | ($1,348,277) | $91,676 |
| **Fund balances, June 30** | **$36,946,002** | **$24,775,765** | **$34,288,072** | **$46,268,790** |

Source: City's Comprehensive Annual Financial Report for applicable Fiscal Years.

## 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 XIIIB of the California Constitution" and "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017."

### 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 within in the City: The Oxnard Police Annex and the Oxnard Police Facilities. The 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 or 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.

**Measure M Litigation**

The City is currently a party in a suit filed with the Ventura County Superior Court~~s~~, City of Oxnard v. Aaron Starr. The City filed suit against the sponsor of the "Measure M Initiative" ballot measure, claiming the Measure M Initiative was invalid because it set wastewater rates too low. The Measure M Initiative, which received the required votes for passage, repealed wastewater service charges adopted on January 26, 2016 and effective on March 1, 2016. The City's suit claims the Measure M initiative compels the City to violate both State and Federal contract laws and therefore cannot be legally enforced. The City was granted a temporary restraining order on the implementation of the Measure M Initiative by the Ventura County Superior Court~~s~~, which will remain in place until a final court ruling is handed down. The temporary restraining order allows the City to continue to collect wastewater service charges as prescribed in the rates effective on March 1, 2016. The City subsequently adopted wastewater services charges on May 23, 2017 that became effective on July 1, 2017, none of which are subject to the Measure M Initiative. A ruling against the City could potentially expose the City to refund claims of up to approximately $8.5 million by the City's wastewater customers to be paid from the City's Wastewater Fund. A trial was held in December for City of Oxnard v. Aaron Starr, the ruling for which is anticipated by late May 2018. As any refund would be payable from the Wastewater Fund, the City believes that any adverse ruling in such litigation would not have a materially adverse impact on the City's ability to make Base Rental Payments when due

**Infrastructure Use Fee Litigation**

The City is currently a party in a lawsuit filed in Ventura County Superior Court, Aaron Starr v. City of Oxnard. Mr. Starr filed suit against the City to challenge the legality of the City's collection of infrastructure use fees paid by the City's utility funds to the City's General Fund. The suit calls for the reimbursement of all infrastructure use fees paid to date (approximately $21 million) to the City's utility funds and eliminating the infrastructure use fee charge in all future years. A ruling in favor of Mr. Starr could potentially compel the City to transfer back approximately $21 million to the City's Wastewater, Water, and Solid Waste Funds from the City's General Fund. No trial dates have been set for Aaron Starr v. City of Oxnard Infrastructure Use Fee litigation.

**City Council Recall and Redistricting Matters**

Recall elections will occur on May 1, 2018 for four of the five City Council seats. Subject to recall election results, the City Council membership composition could change, and discretionary decisions by new Council members relating to the City's General Fund could diverge from decisions of prior Council members. Additionally, in March 2018, the City Council approved changing the City's method of electing the City Council to six Council Districts, with one Council seat per district and the Mayor elected at large. Beginning in November of 2018, the City Council will have seven elected City Council members versus five such members prior thereto.

The City and the Authority will certify that there is no action, suit, or proceeding known to the City or the Authority to be pending or threatened, restraining or enjoining the issuance of the Bonds 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 Lease Payments when due.

## CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

**Article XIIIA of the California Constitution**

Section 1(a) of Article XIIIA of the California Constitution ("Article XIIIA") limits the maximum *ad valorem* tax on real property to 1% of full cash value (as defined in Section 2 of Article XIIIA), 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 XIIIA 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 XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value 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 XIIIA provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax that exceeds the 1% limitation imposed by Article XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIA.

Future assessed valuation growth allowed under Article XIIIA (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 XIIIA 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 XIIIB of the California Constitution**

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIIIB to the California Constitution (“Article XIIIB”). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations 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 XIIIB allows voters to approve a temporary waiver of a government's Article XIIIB 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 XIIIB 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 XIIIB 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 XIIIA, (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 Ca1.4th 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 XIIIA, Article XIIIB, Article XIIIC, and Article XIIID, 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:

| Name | Office |
|---|---|
| Tim Flynn | Chairman |
| Carmen Ramirez | Vice Chair |
| Bryan A. MacDonald | Board Member |
| Oscar Madrigal | Board Member |
| Bert E. Perello | Board Member |

The Authority is also served by the officers listed below who, in the case of the Authority Controller and General Counsel, serve in these capacities by virtue of their duties as Chief Financial Officer and 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:

| Name | Position |
|---|---|
| Jim Throop | Controller |
| Stephen Fischer | General Counsel |
| Michelle Ascencion | Secretary |

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.

## TAX MATTERS

### Bond Counsel Opinion

In the opinion of Feldman Law Group 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. 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 Global Ratings, a division of Standard & Poor's Financial Services LLC. ("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. See "APPENDIX E – Form of Continuing Disclosure Agreement."

During the last five years, the City and the Authority failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply were limited to the failure to provide material event notices regarding changes in the ratings of outstanding bonded indebtedness of the Authority resulting from changes in the ratings to the applicable bonds or of the bond insurers insuring such bonded indebtedness. As of the date of this Official Statement, the Authority has filed material event notices with respect to all such changes in the ratings of its outstanding bonded indebtedness or of the bond insurers insuring such bonded indebtedness.

Other than as set forth above, the Authority believes that, in the last five years, the City and the Authority have materially complied with their respective continuing disclosure undertakings.

## UNDERWRITING

The Bonds are being purchased by J.P. Morgan Securities, LLC and Ramirez & Co., Inc. (the "Underwriters"). The Underwriters have agreed to purchase the Bonds at a price of $__________ (which represents the aggregate principal amount of the Bonds, less an Underwriter's discount of $_______, plus a net original issue premium of $__________).

J.P. Morgan Securities LLC ("JPMS") has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

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

The Underwriters 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 Underwriters 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 Underwriters or others.

## MUNICIPAL ADVISOR

NHA Advisors, San Rafael, California, is employed as Municipal Advisor to the Authority and the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Municipal 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 Municipal Advisor to the Authority and the City has provided the following sentence for inclusion in this Official Statement. The Municipal 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 Municipal Advisor does not guarantee the accuracy or completeness of such information.

## LITIGATION

The City and the Authority will certify, and the 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

Feldman Law Group LLP, Santa Monica, 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 City Attorney and by Disclosure Counsel, Feldman Law Group LLP, Santa Monica, California, and for the Underwriter by Stradling Yocca Carlson & Rauth, P.C., Newport Beach, 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.*

## SELECTED DEFINITIONS

"Additional Rental" means the amounts specified as such in the Lease.

"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 the 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 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" 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, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Register" means the registration books referred to in the Trust Agreement.

"Bond Year" means the period of twelve consecutive months commencing on April 2 and ending on April 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 April 1, 2019, 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 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 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 the Trust Agreement, the Lease, the Property Lease, and all other agreements related thereto.

"Closing Date" means November 20, 2014, the date of delivery of the Bonds to the initial purchasers thereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"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 the Lease.

"Computation Year" means with respect to the Bonds the period beginning on the Closing Date and ending on April 1, 2019, and thereafter each successive twelve month period commencing on each April 2 and ending on the following April 1.

"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 the 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; 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 the Trust Agreement.

"Debt Service Fund" means the fund of that name established pursuant to the Trust Agreement.

"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 the Trust Agreement, 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.

"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 the Trust Agreement.

"Interest Payment Date" means each June 1 and December 1, commencing on April 1, 2018, so long as any Bonds remain Outstanding under the Trust Agreement.

"Investment Earnings" means interest received in respect of the investment of money on deposit in any fund or account maintained under the Trust Agreement.

"Lease Term" means the term of the Lease as provided therein.

"Lease Year" means the period from the Closing Date through April 1, 2018, and thereafter the period from each April 2 to and including the following April 1, during the Lease Term.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"Nominee" means, initially, Cede & Co., as nominee of the Depository, as determined from time to time pursuant to the Trust Agreement.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Trust Agreement) 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 the Trust Agreement;

(c) Bonds paid or deemed to have been paid within the meaning of the Trust Agreement;

(d) Bonds described as no longer Outstanding in the Trust Agreement; and

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

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

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

"Permitted Investments" means any of the following investments, 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:

(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 obligations1 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 ("FNMAs") - senior debt obligations rated Aaa by Moody's and AAA by S&P

(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

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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").

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 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 GNMAs, FNMAs, or FHLMCs. 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:

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 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 Al 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 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 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;

iii. The provider shall be required to immediately notify the Trustee of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;

iv. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and

v. The agreement shall require the provider to submit information reasonably requested by the Trustee, 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 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 under the Trust Agreement) 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 payment of 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.

(13) 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.

(14) 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.

(15) The Local Agency Investment Fund ("LAIF").

(16) 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.

"Pledged Assets" means 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 the Trust Agreement (except for amounts on deposit in the Rebate Fund and the Project Fund).

"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 April 1 maturity dates set forth in the Trust Agreement, with a final maturity date of April 1, 202_.

"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 the Trust Agreement.

"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 the Lease, but excluding such Component of the Property for which a new Component has been substituted in accordance with the Lease.

"Rebate Fund" means the fund of that name established pursuant to the Trust Agreement.

"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" means the notice required to be given by the Trustee under the Trust Agreement when redemption of the Bonds is authorized or required pursuant thereto.

"Rule" means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

"S&P" means Standard & Poor's Global Ratings, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

"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.

"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.

"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.

**TRUST AGREEMENT**

**Assignment.** Pursuant to the Trust Agreement, the Authority will 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 the Lease, its right to indemnification pursuant to the Lease, and its right to receive certain notices under the Lease and 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 under the Trust Agreement shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement.

**Funds and Accounts.** Under the Trust Agreement, the Trustee will establish and hold the Costs of Issuance Fund, the Debt Service Fund, the Project Fund, and the Rebate Fund and will invest, transfer, and disburse moneys on deposit therein. Subject to the terms of the Trust Agreement, the Authority has pledged all amounts deposited from time to time in the funds established pursuant to the Trust Agreement (except for amounts on deposit in the Rebate Fund) to be held in trust for the benefit of the Owners of the Bonds.

Costs of Issuance Fund. Pursuant to the Trust Agreement, the Cost of Issuance Fund shall be established in trust, shall be held by the Trustee, and 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 the Trust Agreement 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 to the Trust Agreement, 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 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 Project Fund.

Debt Service Fund. Pursuant to the Trust Agreement, the Debt Service Fund shall be established in trust, shall be held by the Trustee, and 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 the Trust Agreement is discharged in accordance with the Trust Agreement.

Except as otherwise provided in the Trust Agreement, 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 in the Trust Agreement.

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 the 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 the Trust Agreement, 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 the Trust Agreement.

All moneys transferred by the City to the Trustee pursuant to the Lease 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 the Trust Agreement.

Rebate Fund. Pursuant to the Trust Agreement, the Rebate Fund shall be created and held by the Trustee. The Authority shall comply with the requirements in the Trust Agreement 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 the Trust Agreement and the Tax Certificate, unless the Authority obtains an opinion of Independent Counsel to the effect that certain specified requirements in the Trust Agreement or the Tax Certificate no longer need to be satisfied.

**Surplus.** After (a) payment or redemption or provision for payment or redemption of all amounts due with respect to the Bonds as provided in the Trust Agreement, and payment of all fees, reimbursement amounts, and expenses of the Trustee, 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 the Trust Agreement and the Tax Certificate, any amounts remaining in any of the funds or accounts established under the Trust Agreement (other than in the Rebate Fund) and not required for such purposes shall after payment of any amounts due to the Trustee be remitted to the Authority and used for any lawful purpose.

**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 the Trust Agreement.

**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 the Trust Agreement.

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 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 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 the Trust Agreement, 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 as described above 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.

**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 the Trust Agreement.

**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 the Lease, after a default by the City under the Lease or the Trust Agreement, 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 the Trust Agreement and the remainder shall be deposited into the Debt Service Fund and applied in the manner specified in the Trust Agreement.

**Investments Authorized.** Money held by the Trustee in any fund or account under the Trust Agreement shall be invested by the Trustee in Permitted Investments pending application as provided in the Trust Agreement, 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 under the Trust Agreement 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 under the Trust Agreement.

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 under the Trust Agreement to the Debt Service Fund. For purposes of determining the amount of Investment Earnings in any fund held under the Trust Agreement, 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 the Trust Agreement, 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 under the Trust Agreement 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 under the Trust Agreement, 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 under the Trust Agreement.

**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 under the Trust Agreement.

**The 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 under the Trust Agreement. 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.

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 the Trust Agreement, 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.

The Trustee or any successor may at any time resign by giving not less than 60 days prior written notice to the Authority 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 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 the Trust Agreement.

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 the Trust Agreement), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything in the Trust Agreement to the contrary notwithstanding.

The Trust Agreement further describes the duties of the Trustee. It also provides provisions that protect the Trustee and limit the liability of the Trustee.

**Paying Agents.** Pursuant to the Trust Agreement, the Trustee is 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.

**Appointment of Co-Trustee or Agent.** It is the purpose of the 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 the 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 granted in the Trust Agreement to the Trustee or hold title to the properties, in trust, as granted in the Trust Agreement, 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 Trust Agreement includes provisions related to these ends.

**Amendments to Trust Agreement.** Except as set forth therein, the 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.

Notwithstanding the foregoing paragraph, the Trust Agreement and the rights and obligations provided thereby 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, 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 Trust Agreement, (2) in regard to questions arising under the Trust Agreement that the City, the Authority, and the Trustee may deem necessary or desirable and not inconsistent with the Trust Agreement and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding, (3) to qualify the 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 of the Trust Agreement 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.

The Trustee may in its discretion, but shall not be obligated to, enter into any such amendment authorized by the Trust Agreement as described in the foregoing paragraphs that adversely affects the Trustee's own rights, duties, or immunities under the Trust Agreement or otherwise.

**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, 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, (3) to effect any substitution of the Property or any portion thereof in accordance with the Lease or 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; 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 (iii) impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner’s Bond.

**Covenants.** The Authority and the City have covenanted in the Trust Agreement as set forth below:

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.

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 in the Trust Agreement 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.

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.

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 under the Trust Agreement.

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 the Trust Agreement.

The Authority and the City certify in the Trust Agreement 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 the 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.

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 in the Trust Agreement.

(g) Taxable Bonds. This provision and the covenants set forth in the Trust Agreement shall not be applicable to, and nothing contained in the Trust Agreement 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.

Performance. Each of the Authority and the City shall faithfully observe all covenants and other provisions contained in the Trust Agreement, in each Bond issued and delivered under the Trust Agreement, and in the Lease and the Property Lease. Except as provided in the Trust Agreement 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.

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.

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 the Trust Agreement, and for the better assuring and confirming to the Owners the rights and benefits provided therein.

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.

Continuing Disclosure. Pursuant to the Trust Agreement, the Authority and the Trustee covenant and agree that they shall each comply with and carry out their respective obligations under the Continuing Disclosure Agreement. The City covenants and agrees in the Trust Agreement 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 the Trust Agreement, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an event of default under the Trust Agreement; however, the Trustee may (and, at the request of any Participating

Underwriter or the Owners of at least 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 the Trust Agreement as described in this paragraph. For purposes of this paragraph, "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, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

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.

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 under the Trust Agreement, other than the pledge and lien thereof. The City, the Authority, and the Trustee shall not encumber the Property other than in accordance with the Property Lease, the Lease Agreement, and the Trust Agreement.

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.

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

(a) An event of default shall have occurred under the Lease.

(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 the Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a) above, for a period of 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 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 described in this paragraph shall not extend for more than sixty (60) days without the prior written consent of the Trustee.

**Notice of Events of Default.** In the event that an event of default has occurred and is continuing under the Trust Agreement, 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 under the Trust Agreement 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 described in this paragraph shall be given by first-class mail, postage prepaid, to the Owners within 30 days of such occurrence of default.

**Remedies on Default.** (a) Upon the occurrence and continuance of any event of default specified under the Trust Agreement, the Trustee may, and shall, at the 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 the Lease or available to the Trustee under the Trust Agreement.

(b) In addition to the remedies described in paragraph (a) above and upon the occurrence and continuance of any event of default specified in the Trust Agreement, 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 the Trust Agreement by appropriate judicial proceedings or proceedings as the Trustee deems most effectual. The provisions of the 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 the 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.

**Action by Owners.** In the event the Trustee fails to take any action to eliminate an event of default under the Lease or the Trust Agreement, 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 the 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.

**Application of Moneys.** Any moneys received by the Trustee pursuant to the Trust Agreement, together with any moneys that upon the occurrence of an event of default under the Trust Agreement, are held by the Trustee in any of the funds under the Trust Agreement (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 the 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 the Trust Agreement, 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.

**Defeasance**. 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 therein and in the Trust Agreement, then the Owners of such Bonds shall cease to be entitled to the pledge of the Pledged Assets as provided in the Trust Agreement, and all agreements, covenants, and other obligations of the Authority to the Owners of such Bonds under the Trust Agreement 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 to the Trust Agreement 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 the Trust Agreement required or contemplated to be kept, performed, and observed by the Authority or the City, as applicable, or on its part on or prior to that time, then the 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 the Trust Agreement and such lien and all covenants, agreements, and other obligations of the Authority and the City under the Trust Agreement shall cease, terminate, become void, and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the 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 the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the Trust Agreement relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

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 above 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 the Trust Agreement, a Redemption Notice for such Bonds on said redemption date, such Redemption Notice to be given in accordance with the Trust Agreement, (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) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (iv) securities eligible for "AAA" defeasance under then existing criteria of S&P, or any combination thereof, 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 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 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 the Trust Agreement 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 described above shall preclude redemptions pursuant to the Trust Agreement.

After the payment of all the interest of and principal on all Outstanding Bonds as described above, 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 to the Trust Agreement that are not required for the payment of the interest and principal represented by such Bonds. Notwithstanding the discharge and satisfaction of the 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 the Trust Agreement and from no other source.

**LEASE**

**Lease Term; Transfer of Title to City.** Pursuant to the Lease, the Authority will sublease all Components of the Property to the City, and the City will sublease all Components of the Property from the Authority, and the City will agree to pay the Base Rental and the Additional Rental as provided in the Lease for the right to the use and possession of the Property, all on the terms and conditions set forth in the Lease.

The term of the Lease shall begin on the Closing Date and end on the earliest of (a) April 1, 20__ (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 the Lease shall be extended, except that the term shall in no event be extended beyond April 1, 204_ (which is 10 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 the Trust Agreement, or (c) the date of termination of the Lease due to condemnation in accordance with the terms of the Lease, or (d) the date on which (i) the City has exercised its right to purchase all the Components of the Property pursuant to the Lease 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 the Lease, and upon defeasance of the allocable portion of the Bonds related to such Component or Components of the Property in accordance with 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 the 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 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 City covenants in the Lease that, on the Closing Date, the City shall be in possession of the Property.

**Rental Payments.** Pursuant to the Lease, the City agrees, subject to the terms of the Lease, 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 the 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 the Lease. On the Closing Date, the City shall deliver a certificate to the Authority and the Trustee that shall set forth the fair rental value of each Component of the Property. In satisfaction of its obligations under the Lease, the City shall pay the Base Rental and Additional Rental in the amounts, at the times, and in the manner set forth in the Lease, such amounts constituting in the aggregate the rent payable under the Lease.

Base Rental. The City agrees to pay, from legally available funds, aggregate Base Rental in the amounts set forth in the Lease, 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 the Lease. The Base Rental payable by the City shall be due five 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 the Lease.

Additional Rental. In addition to the Base Rental set forth in the Lease, 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 the Lease;

(ii) Insurance premiums, if any, on all insurance required under the provisions of the Lease;

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

(iv) 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;

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

(vi) Any other fees, costs, or expenses incurred by the Authority or the Trustee in connection with the execution, performance, or enforcement of the Lease or any assignment of the Lease or of the Trust Agreement or any of the transactions contemplated by the Lease or the Trust Agreement related to the Property.

Amounts constituting Additional Rental payable under the Lease 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 30 days after notice in writing from the Trustee or the Authority to the City stating the amount of Additional Rental then due and payable and the purpose thereof.

**Consideration.** The payments of Base Rental and Additional Rental under the 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 the Lease 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 to the Lease 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 the Lease and to the general public by reason of the City's right to the use of the Property.

**Budget.** Pursuant to the Lease, the City covenants to take such action as may be necessary to include all Base Rental and Additional Rental due under the Lease 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 the Lease. The covenants on the part of the City contained in the Lease 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 the 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.

**Payment; Credit.** Amounts necessary to pay Base Rental shall be deposited by the City on the dates set forth in the Lease 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 under the Lease until the same shall be paid. Notwithstanding any dispute between the City and the Authority under the Lease, 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 under the Lease shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of the Lease. Amounts required to be deposited with the Trustee as described in this paragraph 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.

**Rental Abatement.** Except to the extent of amounts available to the City for payments under the Lease (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, or in accordance with the provisions of the Lease, Base Rental and Additional Rental payments due under the Lease 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 the Lease by virtue of any such interference and the 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 the Lease. The City and the Authority shall calculate such abatement and shall provide the Trustee 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 the Lease shall be extended as provided in the Lease, except that the term shall in no event be extended beyond the maximum term provided in the 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 the 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.

**Triple Net Lease.** The Lease is intended to be a triple net lease. Pursuant to the Lease, the City agrees that the Base Rental and Additional Rental provided for therein shall be an absolute net return to the Authority free and clear of any expenses, charges, or setoffs whatsoever, except as otherwise described under the subheadings "Consideration" and "Rental Abatement" above.

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

<u>Maintenance and Ordinary Repairs</u>. 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 provided for in the Lease, 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. Pursuant to the Lease, the City 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 the Lease and covered by the exceptions and exclusions set forth in the title policies delivered pursuant to the Lease, 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 the Lease as expressly approved by the City and the Authority prior to the Closing Date, subject only to the provisions of the Lease.

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, pursuant to the Lease, the City 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 the 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 the Lease or subject any portion of the Property to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under the Lease and shall be payable directly to the entity assessing such taxes or charges.

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 of the Lease to include risk sharing pools) to the extent specifically permitted in the Lease, all insurance coverage on the Property required by the Lease. 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 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 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 under the Lease.

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 30 days prior written notice to the Trustee. The City shall deliver to the Trustee 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 the Lease 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.

All policies or certificates of insurance held by the City provided for in the Lease 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.

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.

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.

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

**Application of Insurance Proceeds.**

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 the Trust Agreement. If there is an abatement of rental payments pursuant to the Lease as a result of such casualty or event, and the City elects pursuant to 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 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 the Lease, 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.

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 the Trust Agreement.

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

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 the 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 the Lease. Pursuant to the Lease, the City and the Authority 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 the Trust Agreement. If the City elects pursuant to 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 the Lease), then rental payments shall again begin to accrue with respect the replacement portion of the Property upon restoration of the City to its right to use and possess such replacement portion of the Property.

The City covenants and agrees in the Lease, 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 in the Lease, 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.

**Assignment and Lease.** The City shall not sell, mortgage, pledge, assign, or transfer any interest of the City in the 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 subleasehold interest or a license to use a portion of the Property; provided, however, that such sublease or grant shall be subject to the terms of the Lease. The City shall at all times remain primarily liable for the performance of the covenants and conditions on its part to be performed under the Lease, notwithstanding any subletting or granting of concessions that may be made. Nothing contained in the Lease shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental as provided in the Lease or to relieve the City from any other obligations contained therein. 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 of the Lease, assign all of its right, title, and interest in and to the Lease (except for its right to payment of its expenses under the Lease, its right to indemnification pursuant to the Lease, and its right to receive certain notices under the Lease), including without limitation its right to receive Base Rental payable under the Lease, to the Trustee pursuant to the Trust Agreement, and the City consents to and approves such assignment. The parties to the Lease 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 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. 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 the 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 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 the 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 under the Lease), 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 or the Trustee pursuant to the terms of the Lease or the Trust Agreement.

**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 the 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 the 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.

**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 the Lease 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 the Lease; (iii) the City shall breach any other terms, covenants, or conditions contained in the Lease or in the Trust Agreement, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof shall have been given to the City from the Authority 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 this clause (iii) is not cured within 60 days, the City shall obtain the prior written consent of the Authority to, and thereafter the City shall pursue the same to completion beyond the grace period provided in this paragraph); or (iv) the City shall file a case in bankruptcy, or any right or interest of the City under the 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 under the Lease.

**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 the 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), 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 of the Lease. 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 the Lease shall of itself operate to terminate the Lease, and no termination of the Lease on account of default by the City shall be or become effective by operation of law or acts of the parties to the Lease, 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 the Lease. The City covenants and agrees that no surrender of the Property or of the remainder of the Lease Term or any termination of the 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 the Lease, (A) collect each installment of Base Rental and Additional Rental as it becomes due and enforce any other terms or provisions of the Lease 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 the Lease in the manner provided for in subparagraph (i) above, the City shall remain liable and shall keep or perform all covenants and conditions contained in the Lease 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 under the Lease, notwithstanding that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Lease, 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 provided in the Lease, the City 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 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 of the Lease. The City agrees that the terms of the 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 the Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of the 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 the 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 specified in the Lease and 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.

Pursuant to the Lease, the City 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 provided in the Lease 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.

In addition to the other remedies set forth in the Lease, upon the occurrence of an event of default as described in the Lease, 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 the Lease or by law. The provisions of the 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:

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.

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.

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 in the Lease.

The termination of the Lease by the Authority and its assignees on account of a default by the City under the Lease 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 under the Lease 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 under the Lease, 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 the Lease shall be applied in the manner set forth in the Trust Agreement.

Notwithstanding anything to the contrary contained in the 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.

**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 the Lease or the Trust Agreement and only in the manner provided in the Lease.

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 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 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 under the Lease is, in accordance with the terms 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 under the Lease not less than 45 days prior to the Business Day on which it intends to exercise its option under the Lease and shall arrange for the deposit with the Trustee by the date on which it intends to exercise its option to purchase under the Lease an amount equal to the option price.

If the Business Day on which the City intends to exercise its option under the Lease is not a date on which the Bonds are subject to optional redemption pursuant to the terms of the Trust Agreement, the City shall exercise its option to purchase by giving notice thereof to the Trustee not later than 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 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 under the Lease, shall satisfy the provisions in 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 to the Lease 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 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 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 the Lease 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 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 the Trust Agreement, as applicable, and (B) the Authority shall execute and deliver the quitclaim deed to the Component as aforesaid, then the 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 set forth in the Lease and shall not affect the City's obligation to pay Base Rental and Additional Rental with respect to any other Component.

**PROPERTY LEASE**

The Property Lease will be entered into between the Authority and the City and, pursuant to its terms, the Authority will agree to lease all the Components of the Property from the City.

**Term.** The Property Lease shall commence on the Closing Date and end on the earlier to occur of (i) April 1, 20__ (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 the Property Lease shall be extended, except that the term shall in no event be extended beyond June 1, 20__, or (ii) the date upon which the Trust Agreement shall have been discharged in accordance with the Trust Agreement.

**Right of Substitution of Property.** Pursuant to the Property Lease, 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 the provisions 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 the Property Lease and the Lease and to include the substituted Component or Components to constitute the released Component or Components of the Property under the Property Lease and the Lease.

**Assignment and Lease.** So long as no event of default has occurred and is continuing under the Lease, subject to the provisions of the Lease, the Authority shall not sell, assign, mortgage, hypothecate, or otherwise encumber the Property Lease and any rights thereunder, and the leasehold created thereby, 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 the 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 the Property Lease and the City shall not have any consent rights in respect thereto.

# APPENDIX B

## GENERAL INFORMATION CONCERNING THE CITY

***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 208,000 in 2017, accounting for over 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 194,905 people in 2008 to approximately 208,000 in 2016. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2008 through 2017.

**Population of**
**City, County, State, and United States**
**2008 through 2017 [(1)]**

| Year | City | County | State | United States |
|---|---|---|---|---|
| 2008 | 194,905 | 794,778 | 38,134,496 | 304,094,000 |
| 2009 | 197,067 | 802,983 | 38,487,889 | 306,771,500 |
| 2010 | 200,004 | 825,298 | 37,332,685 | 309,348,193 |
| 2011 | 199,722 | 831,130 | 37,676,861 | 311,663,358 |
| 2012 | 200,390 | 835,416 | 38,011,074 | 313,998,379 |
| 2013 | 200,855 | 840,964 | 38,335,203 | 316,204,908 |
| 2014 | 203,645 | 846,119 | 38,680,810 | 318,563,456 |
| 2015 | 206,148 | 850,536 | 38,993,940 | 320,896,618 |
| 2016 | 206,997 | 849,738 | 39,250,017 | 323,127,513 |
| 2017 | 207,772 | N/A | 39,536,653 | 325,719,178 |

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

Sources: United States Bureau of the Census.

## Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIIIA to the California Constitution. Article XIIIA limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations of the City are comprised of an obligation of the City referred to as the "Public Safety Retirement Debt." The following table details the City's property tax rates since fiscal year 2007-08.

**City of Oxnard**
**Property Tax Rates**
**Fiscal Years 2007-08 through 2016-17**

| Year Ended June 30 | Article XIIIA Basic Tax Rate | City District (Public Safety Retirement Debt) | School Districts | Water Districts | Total Tax Rates |
|---|---|---|---|---|---|
| 2008 | 1.00 | 0.17864 | 0.10500 | 0.03372 | 1.31736 |
| 2009 | 1.00 | 0.19334 | 0.11160 | 0.01720 | 1.31784 |
| 2010 | 1.00 | 0.20384 | 0.11470 | 0.01720 | 1.33574 |
| 2011 | 1.00 | 0.22054 | 0.11990 | 0.01480 | 1.35524 |
| 2012 | 1.00 | 0.20544 | 0.12200 | 0.01110 | 1.33754 |
| 2013 | 1.00 | 0.20424 | 0.11980 | 0.00350 | 1.32404 |
| 2014 | 1.00 | 0.23154 | 0.14140 | 0.00350 | 1.37644 |
| 2015 | 1.00 | 0.22204 | 0.12060 | 0.00350 | 1.34614 |
| 2016 | 1.00 | 0.21146 | 0.12640 | 0.00350 | 1.37671 |
| 2017 | 1.00 | 0.22456 | 0.13840 | 0.00350 | 1.36646 |

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

## 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 2007-08.

**City of Oxnard**
**Property Tax Levies, Collections and Delinquencies**
**Fiscal Years 2007-08 through 2016-17**

| Year Ended June 30 | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Subsequent Years' Collections | Total Tax Collections | Total Collections as a Percentage of Tax Levy |
|---|---|---|---|---|---|---|
| 2008 | $73,234,168 | $71,707,923 | 97.92 | $121,075 | $71,828,998 | 98.08 |
| 2009 | 71,489,249 | 71,034,625 | 99.36 | 145,945 | 71,180,570 | 99.57 |
| 2010 | 75,929,128 | 71,755,189 | 94.50 | 136,565 | 71,891,754 | 94.68 |
| 2011 | 72,434,536 | 71,118,203 | 98.18 | 105,158 | 71,223,361 | 98.33 |
| 2012 | 70,330,220 | 63,176,888 | 89.83 | 9,629 | 63,186,517 | 89.84 |
| 2013 (1) | 53,833,600 | 52,537,321 | 97.59 | 1,560 | 52,538,881 | 97.59 |
| 2014 | 55,367,000 | 50,243,275 | 90.75 | 456,769 | 50,700,044 | 91.57 |
| 2015 | 56,032,000 | 53,289,829 | 95.11 | 910,819 | 54,200,648 | 96.73 |
| 2016 | 61,480,511 | 57,222,321 | 93.07 | 350,407 | 57,572,728 | 93.64 |
| 2017 | 59,960,303 | 50,883,749 | 84.86 | 1,523,414 | 52,407,163 | 87.40 |

(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.

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

## Assessed Property Values

The following table details the unequalized assessed value of the property within the City for since fiscal year 2007-08.

**City of Oxnard**
**Assessed Property Values**
**Fiscal Years 2007-08 through 2017-18**

| | Assessed Value |
|---|---|
| 2008 | $15,918,112,344 |
| 2009 | 16,158,716,867 |
| 2010 | 15,176,505,240 |
| 2011 | 15,058,226,607 |
| 2012 | 14,971,225,595 |
| 2013 | 15,198,347,582 |
| 2014 | 15,607,919,376 |
| 2015 | 16,699,350,111 |
| 2016 | 17,642,466,719 |
| 2017 | 18,475,985,600 |
| 2018 | 19,333,822,794 |

Source: County Assessor's Office.

## Principal Taxpayers

The following table lists the principal taxpayers in the City as of June 30, 2017.

**City of Oxnard**
**Principal Taxpayers**
**(As of June 30, 2017)**

| Taxpayer | Assessed Valuation | Percentage of Total Assessed Valuation |
|---|---|---|
| Procter & Gamble Paper Products | $322,623,055 | 1.739% |
| Essex Arbors LP | 210,176,045 | 1.133 |
| Vintage Production California, LLC | 166,511,320 | 0.897 |
| Serenade Apartment Property Owner LLC | 106,439,583 | 0.574 |
| HAAS Automation Inc. | 86,618,468 | 0.496 |
| SOCM I LLC | 85,304,653 | 0.489 |
| Prime Peninsula LP. | 84,400,700 | 0.474 |
| New-Indy Oxnard LLC | 76,146,182 | 0.424 |
| Duesenberg Investment Company | 70,144,595 | 0.390 |
| MC Gaelic Group | 71,167,681 | 0.384 |
| **Subtotal for Principal Taxpayers** | **1,279,532,282** | **6.557%** |
| **Total Assessed Valuation for all Taxpayers:** | **$18,554,177,212** | |

Source: City Oxnard Comprehensive Financial Report, Fiscal Year Ended June 30, 2017.

## 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 2007-08 are set forth in the following table. See also the notes to the City's Comprehensive Annual Financial Report for fiscal year 2016-17, a copy of which is attached as Appendix C, for a description of the City's long-term liabilities.

**City of Oxnard**
**Outstanding Debt**
**(Fiscal Years 2007-08 through 2016-17)**

| | Governmental Activities | | | | Business-Type Activities | | |
|---|---|---|---|---|---|---|---|
| Year Ended June 30 | Revenue Bonds | Certificates of Participation | Tax Allocation Bonds | Capital Leases | Revenue Bonds | Capital Leases | Total Outstanding Debt |
| 2008 | 41,746,367 | 34,835,000 | 37,040,000 | 493,471 | 286,428,643 | 4,603,874 | 405,147,355 |
| 2009 | 40,337,356 | 34,350,000 | 47,755,000 | 293,886 | 278,427,654 | 4,053,370 | 405,217,266 |
| 2010 | 38,877,717 | 33,600,000 | 46,475,000 | 1,436,151 | 370,257,293 | 3,632,411 | 494,278,572 |
| 2011 | 37,359,198 | 32,820,000 | 45,155,000 | 2,552,594 | 383,230,810 | 3,623,438 | 504,741,270 |
| 2012 | 35,781,802 | 32,010,000 | -- | 5,665,006 | 372,713,206 | 2,963,438 | 449,133,452 |
| 2013 | 34,146,715 | 25,335,000 | -- | 11,101,548 | 361,808,291 | 2,620,593 | 435,012,147 |
| 2014 | 32,453,939 | 24,755,000 | -- | 9,943,968 | 347,340,473 | 2,093,846 | 416,587,226 |
| 2015 | 71,026,930 | 24,064,918 | -- | 22,159,563 | 316,333,774 | 1,546,350 | 435,131,535 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2016 | 66,823,533 | 23,464,945 | -- | 22,014,760 | 305,514,850 | 1,034,693 | 418,879,781 |
| 2017 | 64,280,135 | 22,839,972 | -- | 19,873,685 | 295,316,653 | 552,843 | 402,863,288 |

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

The City entered into three interest rate swaps to hedge its variable rate bond exposure. All three interest rate swaps qualifed for treatment as 'Hedging Derivative Instruments' pursuant to the requirements of GASB Statement No. 53. The terms of the swaps were consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006. Two of the swaps entered into in conncection with the 2003B Bonds and the 2006 Bonds will be terminated pursuant to their terms with proceeds from the Bonds.

The interest rate swap which remains outstanding relates to the June 2007 floating-to-fixed interest rate swap entered into between the City and Royal Bank of Canada in the original notional amount of $23,975,000 with respect to the outstanding 2004 Series B Bonds that relate to the Wastewater system. Pursuant to such swap, the City pays a fixed rate of 4.017% and receives variable payments computed as 68% of the one-month LIBOR. The bonds and the related swap agreement mature on June 1, 2034, and as of June 30, 2017 the swap's notional amount of $15,725,000 matches the $15,725,000 in variable-rate bonds. The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. The swap terminates by its terms on June 1, 2034. As of June 30, 2017, this swap had a negative fair value to the City of $3.21 million as a result of a decline in interest rates since execution of the swap. As of June 30, 2017, the City is not adversely exposed to counterparty credit risk due to the negative fair value of the swap.

**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 2007-08.

**City of Oxnard**
**Employment and Personal Income**
**(Fiscal Years 2007-08 through 2016-17)**

| Fiscal Year | Unemployment Rate | Personal Income (in thousands) | Per Capita Income |
|---|---|---|---|
| 2007 | 6.1 | 3,494,586 | 18,463 |
| 2008 | 7.4 | 3,680,019 | 19,185 |
| 2009 | 11.0 | 3,751,908 | 19,352 |
| 2010 | 14.4 | 3,707,181 | 18,829 |
| 2011 | 14.2 | 3,739,475 | 18,697 |
| 2012 | 13.0 | 3,968,123 | 19,802 |
| 2013 | 10.1 | 4,018,506 | 20,007 |
| 2014 | 8.6 | 4,063,329 | 19,953 |
| 2015 | 5.8 | 4,112,210 | 20,210 |
| 2016 | 6.2 | 4,166,242 | 20,127 |
| 2017 | 5.6 | 4,149,665 | 19,972 |

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

The following table sets forth the top employers in the City as of June 30, 2017.

# City of Oxnard
## Top Employers
## (As of June 30, 2017)

| Employer | Industry | Number of Employees |
|---|---|---|
| City of Oxnard | Government | 1,406 |
| St. John's Regional Medical Center | Medical | 1,286 |
| Haas Automation | Manufacturer | 1,200 |
| Frontier Communications | Communications | 860 |
| Procter & Gamble-Paper Products | Manufacturing | 650 |
| Boskovich Farms | Produce | 610 |
| Waterway Plastics Inc. | Manufacturing | 600 |
| Dole Berry Co. | Produce | 500 |
| Oxnard College | Education | 500 |
| Gills Onions | Produce | 400 |

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2017.

## Taxable Retail Sales

Consumer spending in calendar year 2015 resulted in $2.52 billion in taxable sales in the City, which is approximately 18.8% 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 2011 through 2015.

**City of Oxnard**
**Taxable Retail Sales by Type of Business**
**2011 to 2015**
**(in thousands)**

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Motor Vehicles and Parts Dealers | 379,666 | 437,495 | 483,755 | 522,560 | $ 557,468 |
| Home Furnishings and Appliance Stores | 130,962 | 129,447 | 134,845 | 134,740 | 137,872 |
| Building Materials and Garden Equipment and Supplies | 96,614 | 118,598 | 124,439 | 129,878 | 144,467 |
| Food and Beverage Stores | 93,340 | 96,718 | 102,128 | 111,430 | 137,686 |
| Gasoline Stations | 253,645 | 262,972 | 257,479 | 252,932 | 196,839 |
| Clothing and Clothing Accessories Stores | 80,811 | 87,509 | 95,741 | 104,941 | 113,533 |
| General Merchandise Stores | 286,540 | 304,546 | 316,222 | 314,382 | 269,768 |
| Food Services and Drinking Places | 201,967 | 215,340 | 231,391 | 255,262 | 278,569 |
| Other Retail Group | 109,500 | 113,004 | 118,247 | 121,728 | 127,820 |
| Total Retail and Food Services | 1,633,046 | 1,765,630 | 1,864,247 | 1,947,853 | 1,964,023 |
| All Other Outlets | 489,175 | 524,959 | 530,922 | 554,519 | 557,290 |
| Total All Outlets | $2,122,220 | $2,290,589 | $2,395,169 | $2,502,372 | $2,521,312 |

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 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, Standard & Poor's, Fitch, etc.).

***Authorized and Suitable Investments.*** California Government Code Section 53601 (Appendix 3) 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.

Municipal 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 CD Rating Services. A rating equivalent to FDIC rating of "One" or "Two," or Sheshunoff performance rating of "A" or better is required for those institutions not rated by Moody's, Standard & Poor's, or Fitch. NCDs are considered liquid, trading actively in the secondary market.

Certificates of Deposit ("CDs"). Certificates of Deposit or "time deposits" of up to $250,000 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% of government securities, or collateral of at least 150% of mortgage-backed securities. Statute does not limit CDs, however, the Investment Policy shall limit such investments to a maximum of 30% of the portfolio (GC 53601(i)). In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to FDIC rating of "One" or "Two," or 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 53601, are permitted investments. California Government Code Section 53601(l) further defines requirements. A maximum of 20% of the portfolio may be so invested.

Local, State or County Agency Investment Fund. 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 and the Ventura County Investment Pool operated under the control of the County Treasurer, and CALTRUST consistent with California Government Code Section 53635.

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

City Inter-fund Loans. By duly adopted resolution of the City Council in consultation with the City Treasurer, funds may be invested in short term loans to provide specific funding to City Programs, provided no loan shall violate the time or source limitations prescribed by California Law.

***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 (DVP) 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. U.S. Treasury securities and authorized pools, and any portfolio or institutional limits shall comply with the California Government Code. Investments are further limited by specific language relating to each investment type as stated in the City’s Investment Policy, dated January 24, 2017.

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 Treasurer shall form the investment committee, whose members may include the City Manager and Chief Financial Officer, or their designated alternate plus members of the public whose interest and knowledge can provide sound advice to the Investment Review Committee tasked with quarterly review of procedures and adherence to the Investment Policy.

Investment Portfolio Guidelines. Guidelines have been established in the City's Investment Policy 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 FASB and GASB) outside audit firm.

***Performance Standards.*** The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasurer shall seek to augment returns above the market-average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matched the average maturity of the portfolio. In addition, the City portfolio will be compared with LAIF from time to time and expected to maintain a higher positive annual yield than 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, Chief Financial Officer and City Clerk. Within 30 days of the end of each quarter, these reports will be provided with additional information such as market pricing. Also available for review are summarized reports from Trustees regarding investments of bond proceeds, deferred compensation, and retirement funds.

Annual Report. The Investment Policy will be presented annually, following the close of the fiscal year, to the City Council for approval.

Financial Statements per GASB no. 31. City Treasurer will provide the portfolio's market value gains/losses to the Finance Department to be incorporated in the fiscal year-end balance sheet.

Financial Statements per GASB no. 40. Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to the Finance Department to be incorporated in the Comprehensive Annual Financial Report.

**City Labor Contracts**

The City finalized labor contracts with three labor groups, SEIU, IUOE, and its mid-manager group, OMMA, in 2017. These labor contracts run through September 2019. The City is about to undertake labor negotiations with both Police and Fire unions, as their contracts are ending in August 2018.

**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, 2016 was $83,103,286. PERS issues a separate comprehensive annual financial report, and annual actuarial reports for the City's retirement plans. Copies of PERS' annual financial report may be obtained from their executive office at 400 "P" Street, Sacramento, California 95814, or at their website at http://www.calpers.ca.gov. The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

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<br>2% at age 62 |
| Police Employees | 3% at age 50<br>2.7% at 57 |
| Fire Employees | 3% at age 50<br>2.7% at 57 |

For employees hired on or before December 31, 2012 ("classic" employees), the benefits are calculated at the highest consecutive 12 months for miscellaneous employees and safety employees multiplied by a total number of years employed. For new (PEPRA) members, hired January 1, 2013 or later, final compensation is the average annual pensionable compensation for a 36-consecutive-month period of employment.

For employees hired on or before December 31, 2012, 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 6.00% of compensation for miscellaneous employees, 13.75% 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 for the years ended June 30, 2017, and 2016 were $22,209,040 and 22,332,568, respectively, and were equal to required contributions for each year. Contribution rates for each participating employer are determined based on the benefit structure established.

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 2017-18 for public safety employees is approximately $18.6 million and the property tax override is expected to generate approximately $13.75 million.

The funded status of each plan as of June 30, 2016, on an actuarial value of assets basis is as follows (dollar amounts in thousands):

| | Market Value of Assets (MVA) | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) | Funded Ratio (MVA/AAL) | Covered Payroll | UAAL as a percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| Police | $237,907 | $335,188 | $ 97,281 | 71.0% | $25,539 | 366.55% |
| Fire (1) | 98,572 | 144,000 | 45,427 | 68.5 | 9,030 | 503.07 |
| Miscellaneous | 312,347 | 430,113 | 110,657 | 73.8 | 52,251 | 211.80 |

(1) The amounts for Fire reflect the City's share of the PERS fire risk pool, which includes multiple fire agencies as well as the City's fire employees.

Source: 2017 City of Oxnard Comprehensive Annual Financial Report.

The actuarial studies referenced above incorporate recent changes in actuarial methods and assumptions. In the PERS' June 30, 2016 actuarial valuations, PERS used the new actuarial methods for the calculation of the projected contribution rates. CalPERS states that *"Projected results reflect the adopted changes to the discount rate… Actuarial Methods and Assumptions. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. The projected normal cost percentages in the projections below do not reflect that the normal cost will decline over time as new employees are hired into PEPRA or other lower cost benefit tiers."*

The projected rates for each plan as of June 30, 2016, the most recent actuarial valuation, are as follows:

**Projected Future Employer Contribution Rates**

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|---|
| Police | 24.483% | 25.5 | 27.5 | 27.5 | 27.5 | 27.5 |
| Fire | 12.965% | 13.2 | 13.9 | 13.9 | 13.9 | 13.9 |
| Miscellaneous | 8.039% | 8.5 | 9.4 | 9.4 | 9.4 | 9.4 |

Source: PERS June 30, 2016, actuarial valuations. The information in this table has been updated from the information set forth in the Remarketing Memorandum.

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:

| | City Contributions | Employee Contributions |
|---|---|---|
| IUOE | 2.7% | 5.3% |
| SEIU | 3.5 | 4.5 |
| Management | 3.0 | 5.0 |
| Confidential | 2.5 | 5.5 |

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, 2016 was 1.55% of eligible employee gross wages. The City's payroll for employees covered by PARS for the year ended June 30, 2016, was $31,089,909. 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, or at their website at http://www.pars.org. *The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.* .

For fiscal year 2016-17 the City recognized a pension expense of $2,112,000 for the PARS plan. The City contributed $4,360,966 to the plan in fiscal year 2016-17.

At June 30, 2017, the plan net position as a percentage of total pension liability was 64.48%.  Net pension liability as a percentage of covered payroll was 104.66%

***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. The City's payable to the plan at June 30, 2017 was $405,060.

***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 post-employment 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, or at their website at http://www.calpers.ca.gov. *The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference..*.

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 2017 was $128.00 per active member. 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 2016-17, the City's annual OPEB (Other Post Employment Benefit) cost of $2,381,329 was higher than the actual contribution of $1,097,267. As of June 30, 2015, the unfunded actuarial accrued liability of the plan was $25,758,026.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions (OPEB). This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. For the City, GASB 75 will be effective for the fiscal year ending June 30, 2018. The GASB has also issued Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. That statement is applicable to OPEB plans administered through one or more trusts which meet particular criteria. GASB 74 does not apply to the City, since its OPEB plan is not administered through a trust.

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, 2017

## 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
$[Principal Amount] City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2018

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 $[Principal Amount] 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, 2018 (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 April 1, 2018 (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 April 1, 2018 (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 April 2_, 2018, or other offering material relating to the Bonds and express no opinion with respect thereto. We express no opinion regarding the 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 Lease is valid and binding with respect to the Authority, and 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 Trust Agreement consistutes the valid and legally binding obligation of the City and the Authority. 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.

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 Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of April 1, 2018, 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 April __, 2018, 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, 2019, 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 (10) 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. <u>Counterparts</u>. 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 Refunding Bonds, Series 2018 |
| 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 takes 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 a Standard & Poor's rating of 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. *The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.*

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.

RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:
FELDMAN LAW GROUP LLP
1112 Montana Avenue, No. 723
Los Angeles, California 90403
Attention: Lewis G. Feldman

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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

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# PROPERTY LEASE

Dated as of April 1, 2018

by and between

CITY OF OXNARD,
as Lessor

and

CITY OF OXNARD FINANCING AUTHORITY,
as Lessee

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Relating to
$32,000,000
City of Oxnard Financing Authority
Lease Revenue Refunding Bonds, Series 2018

# PROPERTY LEASE

THIS PROPERTY LEASE, dated as of April 1, 2018 (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,** the Authority issued its Variable Rate Demand Lease Revenue Bonds, 2003 Series B, in the aggregate principal amount of $14,750,000 (the **"2003B Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2003 (the **"Initial 2003B Trust Agreement"**), as amended by that certain First Supplement to Trust Agreement, dated as of April 1, 2007, and as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2003B Trust Agreement"**) by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2003B Trustee"**), to finance the acquisition and construction of certain public improvements, as further described in the 2003B Trust Agreement; and

**WHEREAS,** pursuant to that certain Property Lease, dated as of December 1, 2003 (the **"2003B 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 December 1, 2003 (the **"2003B 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 Authority has issued its Variable Rate Demand Lease Revenue Bonds, Series 2006, in the aggregate principal amount of $24,205,000 (the **"2006 Bonds"**), pursuant to that certain Trust Agreement, dated as of December 1, 2006 (the **"Initial 2006 Trust Agreement"**), as amended and restated in its entirety that certain Trust Agreement, dated as of August 1, 2008 (as amended and restated, the **"2006 Trust Agreement"**), by and among the Authority, the City, and Wells Fargo Bank, National Association, as trustee (the **"2006 Trustee"**), to finance the acquisition, construction, and improvement of certain public facilities, as further described in the 2006 Trust Agreement; and

**WHEREAS,** pursuant to that certain Property Lease, dated as of December 1, 2006 (the **"2006 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 2006 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 December 1, 2006 (the **"2006 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 2003B and the 2006 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 2003B Bonds and the 2006 Bonds; and

**WHEREAS,** the City further desires to refinance the 2003B Bonds and the 2006 Bonds**,** as more particularly described in that certain Trust Agreement, dated as of April 1, 2018 (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 Refunding Bonds, Series 2018 (the **"Bonds"**), the proceeds of which will be used to finance the costs to (i) refund the 2003B Bonds, (ii) refund the 2006 Bonds, (iii) terminate certain swap agreements, (iv) fund a debt service reserve fund, and (v) 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 April l, 2018 (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 (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

SECTION 5. Rent.

The Authority shall pay to the City an advance rent of $[NET PROCEEDS] (which amount is equal to the amount of net proceeds of the Bonds) 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.

SECTION 13. Eminent Domain.

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.

SECTION 14. Default.

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 Ill, 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 shall give prompt written notice thereof to the Authority (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 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 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 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, 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 l 7(c) shall survive any sale, assignment, or re letting 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.

SECTION 18. Notices.

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.

SECTION 21. Execution in Counterparts.

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.

[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.

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee**

By: Vice President

**CITY OF OXNARD FINANCING AUTHORITY**

By: Chairman

ATTEST:

By: Secretary

**CITY OF OXNARD**

By: Mayor

ATTEST:

By: City Clerk

APPROVED AS TO FORM:

By: Stephen M. Fischer,
City Attorney/Authority General Counsel

APPROVED AS TO CONTENT:

By: Jim Throop,
City Chief Financial
Officer/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 [March 27, 2018], and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: April 27, 2018

CITY OF OXNARD

By: ______________________
Mayor

Attest:

__________________________
City Clerk

# ACKNOWLEDGMENT

# ACKNOWLEDGMENT

# ACKNOWLEDGMENT

**GOVERNMENT CODE SEC. 27361.7**

I CERTIFY UNDER THE PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATIACHED READS AS FOLLOWS:

NAME OF NOTARY:

COUNTY OF PRINCIPAL PLACE OF

BUSINESS: NOTARY'S VENDOR NUMBER:

COMMISSION No:

DATE COMMISSION EXPIRES:

*****

PLACE OF EXECUTION: DATE:

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:

Real property in the City of Oxnard, County of Ventura, State of California, described as follows:

**PARCEL 1**:

PARCEL 4 OF LOT LINE ADJUSTMENT NO. 96-5-1, RECORDED JUNE 13, 1996, AS INSTRUMENT NO. 96-080397, OF OFFICIAL RECORDS, BEING ALL OF LOT 48 AND A PORTION OF LOT 47 OF TRACT NO. 4506-2, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS RECORDED IN BOOK 118, PAGES 37 TO 41 INCLUSIVE, OF MISCELLANEOUS RECORDS (MAPS), IN THE OFFICE OF THECOUNTY RECORDER OF SAID COUNTY, EXCEPTING THEREFROM AN UNDIVIDED ONE-THIRD (1/3) INTEREST IN AND TO ALL OF THE OIL ANDGAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, TOGETHER WITH THERIGHT, IN CONJUNCTION WITH GRANTOR, TO GO THEREON FOR THE PURPOSE OF DEVELOPING,EXTRACTING AND TAKING THE SAME PRODUCTS THEREFROM AND STORING THE SAME UPON SAID REAL PROPERTY, AS CONVEYED IN THE DEED RECORDED NOVEMBER 19, 1952, IN BOOK 1099, PAGE
591, OF OFFICIAL RECORDS. BY INSTRUMENT RECORDED AUGUST 13, 1987 AS INSTRUMENT NO. 37-130462, OF OFFICIAL RECORDS, ALL RIGHTS OF SURFACE AND SUBSURFACE ENTRY LYING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN WERE QUITCLAIMED BACK TO THE SURFACE OWNER. ALSO EXCEPTING THEREFROM THE REMAINING INTEREST IN AND TO ALL OF THE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES ON, IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT OF SURFACE AND SUBSURFACE ENTRY BEING ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPMENT, EXTRACTING AND TAKING THEREFROM THE OIL,
GAS AND OTHER HYDROCARBON SUBSTANCES THEREIN, AS RESERVED IN DEED FROM ROBERT A. MCINNES, RECORDED SEPTEMBER 17, 1987 AS INSTRUMENT NO. 87-149995, OF OFFICIAL RECORDS.

**PARCEL 2**:

LOTS 3 TO 14 INCLUSIVE, AND THAT PORTION OF THE 20 FOOT WIDE ALLEY BOUNDED EASTERLY BYTHE WESTERLY LINES OF SAID LOTS 3 TO 8 INCLUSIVE AND BOUNDED WESTERLY BY THE EASTERLY LINES OF SAID LOTS 9 TO 14 INCLUSIVE, BLOCK 7, SUBDIVISION NO. 3 OF THE 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. APN: 216-0-153-215,202-0-081-100,202-0-081-180 THROUGH 29

NOTICE OF INTENT TO EXERCISE OPTION TO PURCHASE PROPERTY
UNDER MASTER LEASE AND OPTION TO PURCHASE
CITY OF OXNARD FINANCING AUTHORITY
VARIBLE RATE DEMAND LEASE REVENUE BONDS
2003 SERIES B AND SERIES 2006

Wells Fargo Bank, National Association
Los Angeles, California 90017
Attn: Corporate Trust Department

Pursuant to Section 15 of the Master Leases and Options to Purchase, dated as of December 1, 2003 and December 1, 2006 (the **"Leases"),** by and between the City of Oxnard (the **"City"),** as lessee, and the City of Oxnard Financing Authority (the **"Authority"),** as lessor, notice is hereby given 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 Leases), by paying the Redemption Price (as defined below) to Wells Fargo Bank, National Association, as trustee (the **"Trustee"),** on or before April 27, 2018 (the **"Redemption Date").** The City intends to exercise its option to purchase the Property on the Redemption Date.

In connection with the City's exercise of its option to purchase the Property pursuant to Section 15 of the Lease, the City requests that the above-referenced bonds (the **"Bonds"**) in the aggregate principal amount of $[redemption price] as listed below be called for redemption on 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, in accordance with Section 4.0l (a) of the Trust Agreements dated as of December 1, 2003 and December 1, 2006, as amended by that certain First Supplement to Trust Agreement dated as of April 1, 2007, and as amended and restated in entirety those certain Trust Agreements, dated as of August 1, 2008 (the **"Trust Agreements"**), by and among the Authority, the City, and the Trustee. The City intends that such redemption will be accomplished through the Authority's issuance of refunding bonds, a portion of the proceeds of which, along with certain other moneys, will be used to pay the Redemption Price of the Bonds on the Redemption Date. The Authority’s issuance of such refunding bonds and the redemption of the Bonds on the Redemption Date are subject to the satisfaction of certain conditions and the completion of certain actions, including, without limitation, the approval, execution, and delivery of certain financing documents by each of the Authority and the City. No assurance can be given that such conditions shall be satisfied or that such actions shall be completed.

| Maturity Date | Interest Rate | Redemption Price | Amount Called | CUSIP No. |
|---|---|---|---|---|

Dated: April 27, 2018

**CITY OF OXNARD**

____________________________
Jim Throop, Chief Financial Officer

**CITY OF OXNARD FINANCING AUTHORITY**

____________________________
Jim Throop, Controller

**ACKNOWLEDGED AND AGREED TO BY TRUSTEE:**

____________________________
Vice President

| CITY OF OXNARD CALIFORNIA | CITY COUNCIL<br>AGENDA REPORT | TYPE OF ITEM: Report<br>AGENDA ITEM NO.: 2 |
|---|---|---|

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Jim Throop
Chief Financial Officer

Jim Throop

**SUBJECT:** Use of Line of Credit for Large Capital Projects (10/10/5)

**CONTACT:** Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

**RECOMMENDATION:**

That the City Council:

1. Award and authorize the Mayor to execute an escrow agreement in the amount of $10,000,000 relating to the master equipment lease/purchase agreement for the acquisition, financing, and leasing of certain equipment;

2. Authorize the City Manager and City Attorney to execute all other documents required in connection therewith; and

3. Authorize the City Manager to take all other actions necessary to the consummation of the transactions, including but not limited to providing a schedule of projects.

**BACKGROUND**

On June 17, 2014, the City Council approved Master Equipment Lease Purchase Agreement (A-7667) between the City of Oxnard and Banc of America Public Capital Corp. in the amount not to exceed $10,000,000 (the "Agreement"). The selection of Banc of America was based on an RFP process completed by City staff in February 2014. Banc of America had previously provided master equipment lease financing to the City in 2009.

Upon the City Council approval, activation of the Agreement required the identification of specific capital projects to be funded. Typical projects that are funded with proceeds from the Agreement would include vehicles, heavy equipment, communications equipment, software systems and other larger capital projects.

Given the City's focus on operations and differing capital projects, no projects were identified in 2014. Due in part to significant City staff turnover during the ensuing period, no further attention was placed on the use of the line of credit. **The availability of the Agreement funds terminates on April 1, 2018, if no action is taken tonight**. Thus, the escrow agreement places these funds into escrow with Banc of America Public Capital Corporation as lessor and Bank of America, National Association as the escrow agent, for identified projects as long as the anticipated expenditure is within 18 months of the deposit into escrow. Any funds that are drawn must be repaid within 10 years.

The City Manager's office, working with the department directors, has identified a variety of deferred capital projects that are appropriate for financing through the Agreement. Based on useful life and City funds, all or a portion of the following projects could be funded through the Agreement and related escrow agreement.

- Public Safety Communication Equipment
- Fire Apparatus/Trucks
- Enterprise Resource Management Software System (hardware, software, installation and training)

Each of these items is anticipated to be included in the FY 2018/19 budget cycle and identifying the funding source from the City's existing Agreement will improve the financial health of the City by maintaining liquidity with its existing reserves. In addition, given the City's current refinancing process of the two general fund lease revenue bonds to remove the swap agreements and variable rate nature of the obligations, the City anticipates renewed focus on the financial health and reserve levels as part of the credit review and underwriting process.

**FINANCIAL IMPACT**

Based on discussions with the City's Municipal Advisor (NHA Advisors) and Banc of America, the existing interest rate index is below current market rates based on the change in tax law on January 1, 2018. The anticipated interest rate index is approximately 0.60% lower than current market rates from competing financial institutions. Banc of America is committing to hold to the pre-2018 interest rate index given the existing Agreement terms. If no action is taken to enter into the escrow agreement and to identify projects, the Agreement will terminate, and the funds will no longer be available to the City for future equipment needs.

Current indicative interest rates, which were based on the bank's corporate tax rate of 35%, are shown below. Based on the new tax law, bank's corporate tax rate has been reduced to 20%, effectively increasing the interest rate required for any loans made to public agencies. Indicative market rates are included for comparison.

| **Lease Term** | **Agreement Indicative Rate** | | **Anticipated New Market Indicative Rate (if Agreement expires)** |
|---|---|---|---|
| 5 Years | 2.45% | | 3.03% |
| 7 Years | 2.63% | | 3.26% |
| 10 Years | 3.00% | | 3.74% |

The City has the option to assign a portion of the Agreement proceeds to each amortization term. It is recommended, based on the proposed equipment purchase list, that portions of the Agreement proceeds be repaid under 5-year, 7-year and 10-year repayment schedules. City staff recommends allocating a portion of the Agreement proceeds ($2,000,000) to the 5-year term, another portion ($3,000,000) to the 7-year term and the balance ($5,000,000) to the 10-year term. Based on the identified projects, each of the equipment items is expected to have a useful life exceeding any of the proposed terms. Staff will return to Council for approval of any required budget appropriations.

**ATTACHMENTS:**

Attachment A - Master Lease Agreement

Attachment B - City Council Approval of MLA 6-17-14

Attachment C - Escrow Agreement

# MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

This Master Equipment Lease/Purchase Agreement (the *"Agreement"*) dated as of April 8, 2014, and entered into between Banc of America Public Capital Corp., a Kansas corporation (*"Lessor"*), and City of Oxnard, California, a municipal corporation existing under the laws of the State of California (*"Lessee"*).

## WITNESSETH:

WHEREAS, Lessee desires to lease and acquire from Lessor certain Equipment described in each Schedule (as each such term is defined herein), subject to the terms and conditions of and for the purposes set forth in each Lease; and in the event of a conflict the terms of a Schedule prevail; and

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment may be added to the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein; and

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the Schedules hereto for the purposes set forth herein; and

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

## ARTICLE I

*Section 1.01. Definitions.* The following terms will have the meanings indicated below unless the context clearly requires otherwise:

*"Acquisition Amount"* means the amount specified in each Lease and represented by Lessee to be sufficient to acquire the Equipment listed in such Lease.

*"Acquisition Fund"* means, with respect to any Lease, the fund established and held by the Acquisition Fund Custodian pursuant to the related Acquisition Fund Agreement, if any.

*"Acquisition Fund Agreement"* means, with respect to any Lease, an Acquisition Fund and Account Control Agreement, substantially in the form of Exhibit A attached hereto, in form and substance acceptable to and executed by Lessee, Lessor and the Acquisition Fund Custodian, pursuant to which an Acquisition Fund is established and administered.

*"Acquisition Fund Custodian"* means the Acquisition Fund Custodian identified in any Acquisition Fund Agreement, and its successors and assigns.

*"Acquisition Period"* means, with respect to each Lease, that period stated in the Schedule to such Lease during which the Lease Proceeds attributable to such Lease may be expended on Equipment Costs.

A-7667

COUNCIL APPROVAL
DATE: 6/17/14 AGENDA # S-12

*"Agreement"* means this Master Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to the Agreement pursuant to Section 13.05.

*"Code"* means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

*"Commencement Date"* means, for each Lease, the date when Lessee's obligation to pay rent commences under such Lease, which date shall be the earlier of (i) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 5.01, and (ii) the date on which sufficient moneys to purchase the Equipment listed in such Lease are deposited for that purpose with an Acquisition Fund Custodian.

*"Contract Rate"* means the rate identified as such in the applicable Schedule.

*"Equipment"* means the property listed in each of the Leases and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article V. Whenever reference is made in this Agreement to Equipment listed in a Lease, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

*"Equipment Costs"* means the total cost of the Equipment listed in each Lease, including soft costs such as freight, installation and taxes paid up front by Lessor and all capitalizable consulting and training fees approved by Lessor, legal fees, financing costs, and other costs necessary to vest full, clear legal title to the Equipment in Lessee, subject to the security interest granted to and retained by Lessor as set forth in each Lease, and otherwise incurred in connection with the financing provided by the lease-purchase of the Equipment as provided in each Lease; *provided* that (i) any such soft costs on a cumulative basis shall not exceed a percentage of the Maximum Equipment Cost approved by Lessor and (ii) in no event shall capitalizable delivery charges, installation charges, taxes and similar capitalizable soft costs relating to such Equipment be included without Lessor's prior consent.

*"Event of Default"* means an Event of Default described in Section 12.01.

*"Lease"* means a Schedule and the terms of this Agreement which are incorporated by reference into such Schedule. Each Schedule shall constitute a separate and independent Lease.

*"Lease Proceeds"* means, with respect to each Lease, the total amount of money to be paid by Lessor to the Acquisition Fund Custodian for deposit and application in accordance with such Lease and the Acquisition Fund Agreement.

*"Lease Term"* for each Lease means the Original Term and all Renewal Terms therein provided and for this Agreement means the period from the date hereof until this Agreement is terminated.

*"Lessee"* means the entity referred to as Lessee in the first paragraph of this Agreement.

*"Lessor"* means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to the Equipment under a Lease or any Lease (including Rental Payments thereunder) pursuant to Section 11.01, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform under a Lease.

*"Material Adverse Change"* means (a) prior to the Utilization Period Expiration, a downgrade in Lessee's external debt rating of two or more subgrades by either Moody's Investors Service, Inc, or Standard & Poor's Ratings Group or any equivalent successor credit rating agency, or any downgrade by either such agency that would cause Lessee's credit rating to be below investment grade, and (b) thereafter, any change in Lessee's creditworthiness that could have a material adverse effect on (i) the financial condition or operations of Lessee and its subsidiaries taken as a whole, or (ii) Lessee's ability to perform its obligations under this Agreement or any Lease.

*"Maximum Equipment Cost"* means the cumulative amount specified in the latest Schedule executed under this Agreement.

*"Original Term"* means the period from the Commencement Date for each Lease until the end of the fiscal year of Lessee in effect at such Commencement Date.

*"Purchase Price"* means, with respect to the Equipment listed on a Lease, the amount that Lessee may pay to Lessor to purchase such Equipment as provided in such Lease.

*"Renewal Terms"* means the renewal terms of each Lease, each having a duration of one year and a term coextensive with Lessee's fiscal year, as specified in the Schedule applicable thereto.

*"Rental Payments"* means the basic rental payments payable by Lessee under each Lease pursuant to Section 4.01, in each case consisting of a principal component and an interest component.

*"Schedule"* means each separately numbered Schedule of Property substantially in the form of Exhibit B-1 hereto together with a Rental Payment Schedule attached thereto substantially in the form of Exhibit B-2 hereto.

*"State"* means the State of California.

*"Utilization Period Expiration"* means the date, with respect to each Lease not funded under an Acquisition Fund Agreement, by which Lessee must deliver an Acceptance Certificate for the Equipment under such Lease as indicated in Section 3.04(b).

*"Vendor"* means the manufacturer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer or supplier with whom Lessor arranged Lessee's acquisition and financing of the Equipment pursuant to the applicable Lease.

## ARTICLE II

*Section 2.01. Representations and Covenants of Lessee.* Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows:

(a) Lessee is a political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, with full power and authority to enter into this Agreement and each Lease and the transactions contemplated hereby and to perform all of its obligations hereunder and under each Lease.

(b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and each Lease.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(e) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition by Lessee of the Equipment as provided in each Lease.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid under each Lease.

(g) Lessee has kept, and throughout the Lease Term of any Lease shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows and notes, and (4) schedules and attachments to the financial statements) within 270 days of its fiscal year end, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) its annual budget for the following fiscal year when approved but not later than 30 days prior to its current fiscal year end. The financial statements described in subsection (i) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule. Lessee's need for the

Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the Lease Term to such item.

(i) The payment of the Rental Payments or any portion thereof is not (under the terms of any Lease or any underlying arrangement) directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Equipment Costs for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) There is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations hereunder. Lessee will, at its expense, maintain its legal existence in good standing and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's security interest in the Equipment and Lessor's rights and benefits under this Lease.

## ARTICLE III

*Section 3.01. Lease of Equipment.* Subject to the terms of this Master Lease, Lessor agrees to provide the funds specified in each Lease to be provided by it to acquire the Equipment, up to an amount equal to the Maximum Equipment Cost. Upon the execution of each Lease, Lessor demises, leases, transfers and lets to Lessee, and Lessee acquires, rents and leases from Lessor, the Equipment as set forth in such Lease and in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue each Lease for the next Renewal Term unless Lessee shall have terminated such Lease pursuant to Section 3.03 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease.

*Section 3.02. Continuation of Lease Term.* Lessee intends, subject to Section 3.03, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee affirms that sufficient funds are available for the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term of each Lease can be obtained from legally available funds of Lessee. Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due hereunder, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law, to have such portion of the budget or appropriation request approved and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved.

*Section 3.03. Nonappropriation.* Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination promptly after any decision to non-appropriate is made, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment to Lessor at the location(s) to be specified by Lessor.

*Section 3.04. Conditions to Lessor's Performance.*

(a) As a prerequisite to the performance by Lessor of any of its obligations pursuant to any Lease, Lessee shall deliver to Lessor the following:

(i) A fully completed Schedule, executed by Lessee;

(ii) An Acquisition Fund Agreement, executed by Lessee and the Acquisition Fund Custodian, unless Lessor pays 100% of the Acquisition Amount directly to the Vendor upon execution of the Lease;

(iii) A Certificate executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit C, completed to the satisfaction of Lessor;

(iv) A certified copy of a resolution, ordinance or other official action of Lessee's governing body authorizing the execution and delivery of this Lease and performance by Lessee of its obligations hereunder;

(v) An opinion of counsel to Lessee in substantially the form attached hereto as Exhibit D respecting such Lease and otherwise satisfactory to Lessor;

(vi) Evidence of insurance as required by Section 7.02 hereof;

(vii) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time pursuant to Section 6.02;

(viii) A copy of a fully completed and executed Form 8038-G;

(ix) If any Equipment units are motor vehicles, properly completed certificates of title for such vehicles; and

(x) Such other items, if any, as are set forth in such Lease or are reasonably required by Lessor.

(b) In addition, the performance by Lessor of any of its obligations pursuant to any Lease shall be subject to: (i) no material adverse change in the financial condition of Lessee since the date of this Lease, (ii) no Event of Default having occurred, and (iii) if no Acquisition Fund has been established, the Equipment must be accepted by Lessee no later than the date listed as the Utilization Period Expiration in the applicable Schedule.

(c) Subject to satisfaction of the foregoing, Lessor will pay the Acquisition Amount for Equipment described in a Schedule to the Vendor or, if authorized by Lessee's governing body, will reimburse Lessee for the prior payment of any such Acquisition Amounts by Lessee to the Vendor, upon receipt of the documents described in Sections 5.01(a) and (b); or if an Acquisition Fund has been established pursuant to an Acquisition Fund Agreement, Lessor will deposit the Acquisition Amount for Equipment described in the Schedule with the Acquisition Fund Custodian.

(d) This Agreement is not a commitment by Lessor to enter into any Lease not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion.

(e) Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

## ARTICLE IV

*Section 4.01. Rental Payments.* Subject to Section 3.03, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the dates and in such amounts as provided in each Lease. Lessee shall pay Lessor a charge on any Rental Payment not paid on the date such payment is due at a rate equal to the Contract Rate plus 5% per annum or the maximum amount permitted by law, whichever is less, from such date. Lessee shall not permit the federal government to guarantee any Rental Payments under any Lease. Rental Payments consist of principal and interest payments as more fully detailed on each Schedule, the interest on which begins to accrue as of the Commencement Date for each such Schedule.

*Section 4.02. Interest and Principal Components.* A portion of each Rental Payment is paid as, and represents payment of, interest, and the Balance of each Rental Payment is paid as, and represents payment of, principal. Each Lease shall set forth the principal and interest components of each Rental Payment payable thereunder during the Lease Term.

*Section 4.03. Rental Payments to Constitute a Current Expense of Lessee.* Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each

Lease shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein or in a Lease constitute a pledge of the general tax revenues, funds or moneys of Lessee.

*Section 4.04. Rental Payments to be Unconditional.* Except as provided in Section 3.03, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in each Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, after it has been accepted by Lessee, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances.

*Section 4.05. Tax Covenants.*

(a) Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

(b) In the event that Lessee does not spend the moneys in the Acquisition Fund within six (6) months of the date the deposit is made pursuant to Section 3.04(c), Lessee will, if required by section 148(f) of the Code to pay rebate: (i) establish a Rebate Account and deposit the Rebate Amount (as defined in Section 1.148-3(b) of the Federal Income Tax Regulations) not less frequently than once per year after the applicable Commencement Date; and (ii) rebate to the United States, not less frequently than once every five (5) years after the applicable Commencement Date, an amount equal to at least 90% of the Rebate Amount and within 60 days after payment of all Rental Payments or the Purchase Price as provided in Section 10.01(a) hereof, 100% of the Rebate Amount, as required by the Code and any regulations promulgated thereunder. Lessee shall determine the Rebate Amount, if any, at least every year and upon payment of all Rental Payments or the Purchase Price and shall maintain such determination, together with any supporting documentation required to calculate the Rebate Amount, until six (6) years after the date of the final payment of the Rental Payments or the Purchase Price.

*Section 4.06. Event of Taxability.* Upon the occurrence of an Event of Taxability, the interest component shall be at a Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate identified in the related Lease.

For purposes of this Section, *"Event of Taxability"* means a determination that the interest component is includible for federal income tax purposes in the gross income of the owner thereof due to Lessee's action or failure to take any action.

*Section 4.07. Mandatory Prepayment.* If the Lease Proceeds are deposited into an Acquisition Fund, any funds remaining in the Acquisition Fund on or after the Acquisition Period and not applied to Equipment Costs, shall be applied by Lessor on the next Rental Payment date, pro rata to the prepayment of the principal component of the outstanding Rental Payments due under the applicable Schedule.

## ARTICLE V

*Section 5.01. Delivery, Installation and Acceptance of Equipment.*

(a) Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in the Leases and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit E.

(b) Lessee shall deliver to Lessor original invoices and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee. With respect to Equipment not purchased through an Acquisition Fund, Lessor shall, upon receipt of an Acceptance Certificate from Lessee, prepare a Schedule of Property and Rental Payment Schedule in the forms attached hereto as Exhibits B-1 and B-2. Lessee shall execute and deliver such Schedules to Lessor within 5 business days of receipt.

*Section 5.02. Quiet Enjoyment of Equipment.* So long as Lessee is not in default under the related Lease, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term.

*Section 5.03. Location; Inspection.* Once installed, no item of the Equipment will be relocated from the base location specified for it in the Lease on which such item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

*Section 5.04. Use and Maintenance of the Equipment.* Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest (including the reversionary interest) of Lessor in and to the Equipment or its interest or rights under the Lease.

Lessee agrees that it will maintain, preserve, and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for herein.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

## ARTICLE VI

*Section 6.01. Title to the Equipment.* During each Lease Term, and so long as Lessee is not in default under Article XII hereof, all right, title and interest in and to each item of the Equipment shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of the applicable Lease. Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default or upon termination of a Lease pursuant to Section 3.03 hereof, full and unencumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such legal title to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 12.02. Upon purchase of the Equipment under a Lease by Lessee pursuant to Section 10.01, Lessor's security interest or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security interest in the Equipment subject to the related Lease.

*Section 6.02. Security Interest.* To secure the payment of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a security interest constituting a first lien on (a) the Equipment applicable to such Lease, (b) moneys and investments held from time to time in the Acquisition Fund and (c) any and all proceeds of any of the foregoing. Lessee agrees to execute and authorizes Lessor to file such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain Lessor's security interest in the Equipment, the Acquisition Fund and the proceeds thereof.

*Section 6.03. Personal Property.* The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

## ARTICLE VII

*Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges.* Lessee shall keep the Equipment free of all levies, liens, and encumbrances except those created by each Lease. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during each Lease Term.

*Section 7.02. Insurance.* Lessee shall during each Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the then applicable Purchase Price of the Equipment; (b) liability insurance naming Lessor as additional insured that protects Lessor from liability in all events in form and amount satisfactory to Lessor; and (c) worker's compensation coverage as required by the laws of the State; *provided* that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clause (a). Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout each Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification.

*Section 7.03. Risk of Loss.* Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Lease. Whether or not covered by insurance or self-insurance, Lessee hereby agrees to reimburse Lessor (to the fullest extent permitted by applicable law, but only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Lessor, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into of this Agreement or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item the Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of Lessee in connection with a Lease or any material misrepresentation provided by Lessee in connection with a Lease. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under all Leases or the termination of the Lease Term under any Lease for any reason.

*Section 7.04. Advances.* In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at a rate equal to the Contract Rate plus 5% per annum or the maximum amount permitted by law, whichever is less.

## ARTICLE VIII

*Section 8.01. Damage, Destruction and Condemnation.* Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price as provided in the related Lease, if, prior to the termination of the applicable Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

If Lessee elects to replace any item of the Equipment (the *"Replaced Equipment"*) pursuant to this Section, the replacement equipment (the *"Replacement Equipment"*) shall be of similar type, utility and condition to the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment. Lessor shall receive a first priority security interest in any such Replacement Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Agreement and the related Lease. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment date after the occurrence of a casualty event, or be required to exercise the Purchase Option with respect to the damaged equipment.

For purposes of this Article, the term *"Net Proceeds"* shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

*Section 8.02. Insufficiency of Net Proceeds.* If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Purchase Price for the Equipment, and, upon such payment, the applicable Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 6.01 hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing such Equipment and such other Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

## ARTICLE IX

*Section 9.01. Disclaimer of Warranties.* Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, any Lease, the Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement or any Lease.

*Section 9.02. Vendor's Warranties.* Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during each Lease Term, so long as Lessee shall not be in default under the related Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to any Lease, including the right to receive full and timely payments under a Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Equipment.

## ARTICLE X

*Section 10.01. Purchase Option.* Lessee shall have the option to purchase all of the Equipment listed in a Lease, at the following times and upon the following terms:

(a) From and after the date specified in the related Schedule (the "*Purchase Option Commencement Date*"), on the Rental Payment dates specified in each Lease, upon not less than 30 days' prior written notice, and upon payment in full of the Rental Payments then due under such Lease plus the then applicable Purchase Price, which may include a prepayment premium on the unpaid balance as set forth in the applicable Schedule; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option (which shall be the earlier of the next Rental Payment date or 60 days after the casualty event) upon payment in full to Lessor of the Rental Payments then due under such Lease plus the then applicable Purchase Price; or

(c) Upon the expiration of the Lease Term, upon payment in full of all Rental Payments then due and all other amounts then owing under the Lease, and the payment of $1.00 to Lessor.

After payment of the applicable Purchase Price, Lessee will own the related Equipment, and Lessor's security interests in and to such Equipment will be terminated.

## ARTICLE XI

*Section 11.01. Assignment by Lessor.*

(a) Lessor's right, title and interest in and to Rental Payments and any other amounts payable by Lessee under any and all of the Leases, its security interest in the Equipment subject to each such Lease, and all proceeds therefrom may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor, without the necessity of obtaining the consent of Lessee; *provided,* that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made in a manner that conforms to any applicable State law. Nothing in this Section 11.01 shall be construed, however, to prevent Lessor from executing any such assignment, transfer or conveyance that does not involve funding through the use of certificates of participation within the meaning of applicable State law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust; *provided* such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represent that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (ii) such purchaser understands neither the Lease nor certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided further,* that in any event, Lessee shall not be required to make Rental Payments, to send notices or to otherwise deal with respect to matters arising under a Lease with or to more than one individual or entity.

(b) Unless to an affiliate controlling, controlled by or under common control with Lessor, no assignment, transfer or conveyance permitted by this Section 11.01 shall be effective until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; *provided,* that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Rental Payments payable under a Lease, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank or trust company as trustee or paying agent. During each Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. Assignments in part may include without limitation assignment of all of Lessor's security interest in and to the Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. The option granted in this Section may be separately exercised from time to time with respect to the Equipment listed in each Lease, but such option does not permit the assignment of less than all of Lessor's interests in the Equipment listed in a single Lease.

(c) If Lessor notifies Lessee of its intent to assign the Lease, Lessee agrees that it shall execute and deliver to Lessor a Notice and Acknowledgement of Assignment substantially in the form of Exhibit F attached to this Lease within five (5) business days after its receipt of such request.

*Section 11.02. Assignment and Subleasing by Lessee.* None of Lessee's right, title, and interest in, to and under any Lease or any portion of the Equipment may be assigned or encumbered by Lessee for any reason.

## ARTICLE XII

*Section 12.01. Events of Default Defined.* Any of the following events shall constitute an *"Event of Default"* under a Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under any Lease within 10 days of the date when due as specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to any Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor under which there is outstanding, owing or committed an aggregate amount of at least 10% of Lessee's aggregate current long- and short-term indebtedness, if such default consists of (i) the failure to pay any indebtedness when due or (ii) the failure to perform any other obligation thereunder and gives the holder of the indebtedness the right to accelerate the indebtedness;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator or Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

*Section 12.02. Remedies on Default.* Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease or the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 3.03. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or the Equipment listed therein; and

(c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Lease or as a secured party in any or all of the Equipment subject to such Lease.

*Section 12.03. No Remedy Exclusive.* No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice other than such notice as may be required in this Article.

*Section 12.04. Application of Moneys.* Any net proceeds from the exercise of any remedy under this Agreement, including the application specified in Section 12.02(b)(ii) (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees), shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment.

(b) If such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro rata.

## ARTICLE XIII

*Section 13.01. Notices.* All notices, certificates or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

*Section 13.02. Binding Effect.* Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

*Section 13.03. Severability.* In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

*Section 13.04. Amendments, Changes and Modifications.* This Agreement and each Lease may only be amended by Lessor and Lessee in writing.

*Section 13.05. Execution in Counterparts.* This Agreement and each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 13.06. Applicable Law.* This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

*Section 13.07. Captions.* The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:
Banc of America Public Capital Corp.
555 California Street, 4th Floor
San Francisco, California 94104
Attention: Contract Administration
Fax No.: (415) 765-7373

By: Bridgett Arnold
Name: Bridgett Arnold
Title: Authorized Agent

LESSEE:
City of Oxnard, California
300 West Third Street, Suite 302
Oxnard, California 93030
Attention: Rena Bassett
Fax No.: ______________________

By: ______________________
Name: ______________________
Title: ______________________

(Seal)

Attest:

By: James Cameron
Name: ______________________
Title: ______________________

List of Exhibits

Exhibit A -- Acquisition Fund and Account Control Agreement
Exhibit B-1 -- Schedule of Property
Exhibit B-2 -- Rental Payment Schedule
Exhibit C -- Certificate
Exhibit D -- Opinion of Counsel Form
Exhibit E -- Acceptance Certificate
Exhibit F -- Notice and Acknowledgement of Assignment

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:
Banc of America Public Capital Corp.
555 California Street, 4th Floor
San Francisco, California 94104
Attention: Contract Administration
Fax No.: (415) 765-7373

By: ______________________________
Name: ______________________________
Title: ______________________________

LESSEE:
City of Oxnard, California
300 West Third Street, Suite 302
Oxnard, California 93030
Attention: Rena Bassett
Fax No.: ______________________________

By: Carmen Ramirez
Name: Carmen Ramirez,
Title: Mayor Pro Tem

(Seal)

Attest:

By: James Cameron
Name: James Cameron
Title: Chief Financial Officer

List of Exhibits

Exhibit A -- Acquisition Fund and Account Control Agreement
Exhibit B-1 -- Schedule of Property
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Exhibit E -- Acceptance Certificate
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# Exhibit A

## Acquisition Fund and Account Control Agreement

(Will be provided upon request)

# EXHIBIT B-1

## SCHEDULE OF PROPERTY NO. ___

Re: Master Equipment Lease/Purchase Agreement, dated as of April 8, 2014, between Banc of America Public Capital Corp., as Lessor, and City of Oxnard, California, as Lessee

1. *Defined Terms*. All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the *"Master Equipment Lease"*).

2. *Equipment*. The following items of Equipment are hereby included under this Schedule of the Master Equipment Lease.

| Quantity | Description | Serial No. | Model No. | Location |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

3. *Payment Schedule*.

(a) *Rental Payments*. The Rental Payments shall be in such amounts and payable on such dates as set forth in the Rental Payment Schedule attached to this Schedule as Exhibit _____. Rental Payments shall commence on the date on which the Equipment listed in this Schedule is accepted by Lessee, as indicated in an Acceptance Certificate substantially in the form of Exhibit E to the Master Equipment Lease or the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Acquisition Fund Custodian, whichever is earlier.

(b) *Purchase Price Schedule*. The Purchase Price on each Rental Payment date for the Equipment listed in this Schedule shall be the amount set forth for such Rental Payment date in the "Purchase Price" column of the Rental Payment Schedule attached to this Schedule. The Purchase Price is in addition to all Rental Payments then due under this Schedule (including the Rental Payment shown on the same line in the Rental Payment Schedule).

4. *Representations, Warranties and Covenants*. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Equipment Lease are true and correct as though made on the date of commencement of Rental Payments on this Schedule. Lessee further represents and warrants that (a) no material adverse change in Lessee's financial condition has occurred since the date of the Master Equipment Lease; (b) the governing body of Lessee has authorized the execution and delivery of this

Agreement and the Leases pursuant to [Resolution No. _______________] [Ordinance No. _______________], approved on ____________________, 20___; (c) the Equipment described in the Agreement referenced above is essential to the functions of Lessee or to the services Lessee provides its citizens; (d) lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (f) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. *The Lease*. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

**[OPTION: IF ACQUISITION FUND AGREEMENT IS USED:**

6. *Lease Proceeds*. The Lease Proceeds which Lessor shall pay to the Acquisition Fund Custodian in connection with this Schedule is $____________, of which $____________ is for deposit to the Expense Fund and the balance is for deposit to the Acquisition Fund. It is expected that by [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Schedule No. __________, Lessee will have taken possession of all items of Equipment shown above and that a Lessee's Acceptance Certificate, or Acceptance Certificates, will be signed by Lessee and delivered to Lessor on or before [six (6)] [twelve (12)] [eighteen (18)] months from the date of this Schedule No. __________.

**OR IF VENDOR PAID DIRECTLY USE:**

6. *Acquisition Amount*. The Acquisition Amount for the Equipment described in this Schedule to be paid to the Vendor is $ ______________________.]

**[OPTION: IF ACQUISITION FUND AGREEMENT IS USED:**

7. *Acquisition Period*. The Acquisition Period applicable to this Schedule shall end at the conclusion of the ____ month following the date hereof.]

[7][8]. *Lease Term*. The Lease Term shall consist of the Original Term and ____ consecutive Renewal Terms, with the final Renewal Term ending on ____________.

[8][9]. *Purchase Option Commencement Date*. For purposes of Section 10.01 of the Lease, the Purchase Option Commencement Date is _______________.

**[OPTION: IF NO ACQUISITION FUND AGREEMENT IS USED:**

[9][10]. *Utilization Period Expiration*. The Utilization Period Expiration is ___________________.]

[10][11]. *Maximum Equipment Cost*. The Maximum Equipment Cost approved on a cumulative basis under the Lease for this Schedule and all previous Schedules is $___________________.

[11][12]. *Contract Rate*. The Contract Rate for this Schedule is _________%.

**[OPTION: IF MOTOR VEHICLES ARE BEING FINANCED:**

[12][13]. *Registration.* Any Equipment that is a motor vehicle is to be registered and titled as follows:

Any Equipment that is a motor vehicle is to be registered and titled as follows:

(a) Registered Owner: City of Oxnard, California

(b) Lienholder: Banc of America Public Capital Corp.
555 California Street, 4th Floor
Mail Code CA5-705-04-01
San Francisco, California 94104

Lessee shall be responsible for the correct titling of all Equipment leased hereunder. Lessee will cause the original Certificates of Title to be delivered to Lessor for retention in Lessor's files throughout the term of the Lease.

Dated: ______________________________

LESSOR:
Banc of America Public Capital Corp.
555 California Street, 4th Floor
San Francisco, California 94104
Attention: Contract Administration

By: ______________________________

Name: ______________________________

Title: ______________________________

LESSEE:
City of Oxnard, California
300 West Third Street, Suite 302
Oxnard, California 93030
Attention: Rena Bassett

**EXHIBIT ONLY-DO NOT EXECUTE**

By: ______________________________

Name: ______________________________

Title: ______________________________

(Seal)

Attest:

By: ______________________________

Name: ______________________________

Title: ______________________________

Counterpart No. _____ of _____ manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

# EXHIBIT B-2

## RENTAL PAYMENT SCHEDULE

| Rental Payment Date | Rental Payment Amount | Interest Portion | Principal Portion | Outstanding Balance | Purchase Price [excluding Prepayment Premium] |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Prepayment Premium for purposes of Section 10.01(a) is ______[insert formula]______.

For purposes of this Lease, *"Taxable Rate,"* with respect to the interest component of Rental Payments, means an annual rate of interest equal to _____%.

LESSEE:
City of Oxnard, California

**EXHIBIT ONLY-DO NOT EXECUTE**

By: ______________________________

Name: ______________________________

Title: ______________________________

# Exhibit C

## Certificate

The undersigned, a duly elected and acting __________________ [Secretary] [City Clerk] of City of Oxnard, California (*"Lessee"*) certifies as follows:

A. The following listed persons are duly elected and acting officials of Lessee (the *"Officials"*) in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Master Equipment Lease/Purchase Agreement dated as of April 8, 2014 and the Schedule(s) thereunder and all future Schedule(s) (the *"Agreements"*) by and between Lessee and Banc of America Public Capital Corp., and these Agreements are binding and authorized Agreements of Lessee, enforceable in all respects in accordance with their terms.

| Name of Official | Title | Signature |
| --- | --- | --- |
| ______________________ | ______________________ | ______________________ |
| ______________________ | ______________________ | ______________________ |
| ______________________ | ______________________ | ______________________ |

**EXHIBIT ONLY-DO NOT EXECUTE**

Dated: ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

**(The signer certifying this Certificate cannot be listed above as authorized to execute the Agreements.)**

# EXHIBIT D

## OPINION OF COUNSEL TO LESSEE

(to be typed on letterhead of counsel)

Banc of America Public Capital Corp.
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. ______, dated ____________________, to Master Equipment Lease/Purchase Agreement, dated as of April 8, 2014, between Banc of America Public Capital Corp., as Lessor, and City of Oxnard, California, as Lessee

Ladies and Gentlemen:

As legal counsel to City of Oxnard, California (*"Lessee"*), I have examined (a) an executed counterpart of a certain Master Equipment Lease/Purchase Agreement, dated as of April 8, 2014, and Exhibits thereto by and between Banc of America Public Capital Corp. (*"Lessor"*) and Lessee (the *"Agreement"*) and an executed counterpart of Schedule of Property No. ______, dated ____________________, by and between Lessor and Lessee (the *"Schedule"*), which, among other things, provides for the lease of certain property listed in the Schedule (the *"Equipment"*) and a certain Acquisition Fund and Account Control Agreement among Lessor, Lessee, and ________________________________ as Acquisition Fund Custodian, dated ____________________, (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease", and the Lease and the Acquisition Fund and Account Control Agreement are referred to collectively as the "Transaction Documents."

Based on the foregoing, I am of the following opinions:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and [has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power][is a political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code].

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Lease.

3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are valid and binding obligations of Lessee enforceable in accordance with their respective terms.

4. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws; and

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or the security interest of Lessor or its assigns, as the case may be, in the Equipment or other collateral thereunder.

[6. The portion of rentals designated as and constituting interest paid by Lessee and received by Lessor is excluded from Lessor's gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of _______________ personal income taxes; and such interest is not a specific item of tax preference or other collateral for purposes of the federal individual or corporate alternative minimum taxes.]

All capitalized terms herein shall have the same meanings as in the Transaction Documents unless otherwise provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Printed Name: ________________________ Signature: ___________________________

Firm: ________________________________ Dated: ______________________________

Address: _____________________________

Telephone No.: ________________________

# EXHIBIT E

## ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp.
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. ______, dated ____________________, to Master Equipment Lease/Purchase Agreement, dated as of April 8, 2014, between Banc of America Public Capital Corp., as Lessor, and City of Oxnard, California, as Lessee

Ladies and Gentlemen:

In accordance with the Master Equipment Lease/Purchase Agreement (the *"Agreement"*), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the *"Schedule"*) has been delivered, installed and accepted on the date hereof.

2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.

4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

Date: ________________________________

LESSEE:
City of Oxnard, California

**EXHIBIT ONLY-DO NOT EXECUTE**
By: ______________________________
Name: ______________________________
Title: ______________________________

(Seal)

# EXHIBIT F

## NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

## DATED ____________________

BANC OF AMERICA PUBLIC CAPITAL CORP. (*"Assignor"*) hereby gives notice that it has assigned and sold to [________________________] (*"Assignee"*) all of Assignor's right, title and interest in, to and under [Schedule of Property] No. [______], dated [____________________] (the *"Lease"*) to the Master Equipment Lease/Purchase Agreement (*"Equipment Lease"*) dated as of [____________________], between Assignor and _________________________ (*"Lessee"*).

For purposes of this Notice and Acknowledgment of Assignment (the *"Acknowledgment"*), "Lease" means collectively the Lease identified above, together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith. The term "Lease" specifically excludes all other [Schedules of Property] entered into under the Equipment Lease and rental payments other than with respect to the [Schedule of Property] identified above. Each capitalized term used but not defined herein has the meaning set forth in the Equipment Lease described above.

1. Pursuant to the authority of Resolution __________ adopted on ____________________, Lessee hereby acknowledges the effect of the assignment of the Lease and absolutely and unconditionally agrees to deliver to Assignee all rental payments and other amounts coming due under the Lease in accordance with the terms thereof on and after the date of this Acknowledgment.

2. Lessee hereby agrees that: (i) Assignee shall have all the rights of Lessor under the Lease and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the equipment in accordance with the terms of the Lease, to declare a default and to exercise all remedies thereunder; and (ii) except as provided in Section [_____] of the Lease, the obligations of Lessee to make rental payments and to perform and observe the other covenants and agreements contained in the Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. Lessee agrees that, as of the date of this Acknowledgment, the following information about the Lease is true, accurate and complete:

| | | |
|---|---|---|
| Number of Rental Payments Remaining | – | ________________ |
| Amount of Each Rental Payment | – | $_______________ |
| Total Amount of Rents Remaining | – | $_______________ |
| Frequency of Rental Payments | – | ________________ |

Next Rental Payment Due – ________________

Funds Remaining in Escrow Fund – $________________

4. The Lease remains in full force and effect, has not been amended and no nonappropriation or event of default (or event which with the passage of time or the giving of notice or both would constitute a default) has occurred thereunder.

5. Any inquiries of Lessee related to the Lease and any requests for escrow disbursements, if applicable, and all rental payments and other amounts coming due pursuant to the Lease on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to Lessee in writing from time to time by Assignee):

______________________________

______________________________

______________________________

**ACKNOWLEDGED AND AGREED:**

LESSEE: ____________________________
[FOR EXHIBIT PURPOSES ONLY]

By: ____________________________

Name: ____________________________

Title: ____________________________

ASSIGNOR: BANC OF AMERICA PUBLIC CAPITAL CORP.
[FOR EXHIBIT PURPOSES ONLY]

By: ____________________________

Name: ____________________________

Title: ____________________________

CITY OF
OXNARD
CALIFORNIA

Meeting Date: 06/17/2014

| ACTION DM | TYPE OF ITEM |
|---|---|
| ☑ Approved Recommendation | ☑ Info/Consent |
| ☐ Ord. No(s). | ☐ Report |
| ☐ Res. No(s). | ☐ Public Hearing (Info/consent) |
| ☑ Other A-7667 | ☐ Other |

Prepared By: Rena Bassett, Financial Analyst Agenda Item No. S-12

Reviewed By: City Manager KM City Attorney RT Finance JC Other *(Specify)*

**DATE:** June 9, 2014

**TO:** City Council

**FROM:** Jim Cameron, Chief Financial Officer James Cameron
Finance Department

**SUBJECT:** **Master Equipment Lease Purchase Agreement**

## RECOMMENDATION

That the City Council:

1. Approve and authorize the Mayor to execute a Master Equipment Lease Purchase Agreement (A-7667) in substantially the form of the attached document (Attachment No. 1) in an amount not to exceed $10 million, with such changes and deemed necessary or desirable by the City Manager, such approval to be evidenced by the execution and delivery thereof.

2. Approve and authorize the Mayor to execute any and all certificates and ancillary documents that may be necessary to consummate the execution of the Master Equipment Lease Purchase Agreement.

## DISCUSSION

Through an RFP process conducted in February 2014, Banc of America Public Capital Corp. was selected based upon its RFP response as the financial institution providing the best services at the lowest interest cost to the City. In addition to the review of the RFP responses, staff was satisfied with services provided by Bank of America, N.A. during the term of the first Agreement A-7211 originally executed on October 7, 2009.

Banc of America Public Capital Corp. has approved the attached Master Lease Purchase Agreement ("Master Lease") with the City, which operates similar to a line of credit. Staff is not requesting that any funds be drawn from this line of credit at this time. Consistent with past practice, when the need for equipment financing arises, staff will return for City Council approval for any draws on the Master Lease.

## FINANCIAL IMPACT

Equipment leases provide an option for the City to make critical purchases under favorable financing conditions. Each purchase will be evaluated as to the benefit of using a lease purchase compared to a cash purchase. No purchases will be made without Council authorization.

RB

Attachment #1 - Master Equipment Lease Purchase Agreement

# EXHIBIT I

## Escrow and Account Control Agreement

This Escrow and Account Control Agreement (this "Agreement"), dated as of March 28, 2018, by and among Banc of America Public Capital Corp, a Kansas corporation (together with its successors and assigns, hereinafter referred to as "Lessor"), the City of Oxnard, a municipal corporation organized and existing under and by virtue of the constitution and laws of the State of California (hereinafter referred to as "Lessee") and Bank of America, National Association, a national banking association organized under the laws of the United States of America ("Escrow Agent").

Reference is made to that certain Schedule of Property No. 1 dated as of March 28, 2018 to Master Equipment Lease/Purchase Agreement executed on June 17, 2014, between Lessor and Lessee (hereinafter referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is a requirement of the Lease that the Acquisition Amount ($10,000,000) be deposited into a segregated escrow account under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. <u>Creation of Escrow Account</u>.

(a) There is hereby created an escrow fund to be known as the "Oxnard Equipment Escrow Account" (the "Escrow Account") to be held by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) Lessee may, from time to time, provide written instructions for Escrow Agent to use any available cash in the Escrow Account to purchase any money market fund or liquid deposit investment vehicle that Escrow Agent from time to time makes available to the parties hereto. Such written instructions shall be provided via delivery to Escrow Agent of a signed and completed Escrow Account Investment Selection Form (such form available from Escrow Agent upon request). All funds invested by Escrow Agent at the direction of Lessee in such short-term investments shall be deemed to be part of the Escrow Account and subject to all the terms and conditions of this Agreement. If any cash is received for the Escrow Account after the cut-off time for the designated short-term investment vehicle, the Escrow Agent shall hold such cash uninvested until the next business day. In the absence of written instructions designating a short-term investment for cash, cash in the Escrow Account shall remain uninvested. Escrow Agent shall have no obligation to pay interest on cash in respect of any period during which it remains uninvested. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Escrow Account. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this Agreement, "Qualified Investments" means any investments which meet the requirements of California State law.

(c) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written instruction(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall deposit into the Escrow Account any funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Escrow Account on or after the earlier of (i) the expiration of the Acquisition Period or (ii) the date on which Lessee executes an Acceptance Certificate shall be applied as provided in Section 4 hereof.

(d) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account, (ii) the date on which Lessee executes a final Acceptance Certificate or (iii) written notice given by Lessor of the occurrence of an Event of Default under the Lease or termination of the Lease due to an event of non-appropriation under Section 3.03 of the Lease. Notwithstanding the foregoing, this Agreement shall not terminate nor shall the Escrow Account be closed until all funds deposited hereunder have been disbursed.

(e) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. Notwithstanding and without limiting the generality of the foregoing, concurrent with the execution of this Agreement, Lessee and Lessor, respectively, shall deliver to the Escrow Agent an authorized signers form in the form of Exhibit A-1 (Lessee) and Exhibit A-2 (Lessor) attached hereto and incorporated hereto by this reference. Notwithstanding the foregoing sentence, the Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, Lessee and Lessor agree to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent’s reliance upon and compliance with instructions or directions given by written or electronic transmission given by each, respectively, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, it being understood that forbearance on the part of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person shall not be deemed to constitute gross negligence or willful misconduct.

In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(f) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, subject to appropriation, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does, subject to appropriation, indemnify the Escrow Agent against any and all expenses; including reasonable attorneys’ fees and the cost of defending any action, suit or proceeding or resisting any claim to the extent caused by reason of its acting as Escrow Agent under this Agreement.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action including an interpleader action to resolve the disagreement. Subject to appropriation, the Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys’ fees, in connection with such civil action, and be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received. To the extent that Lessor is found to be liable or at fault in connection with the interpleader action, Lessor shall reimburse Lessee for any amounts paid to the Escrow Agent with respect to such action.

(h) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its gross negligence or willful misconduct.

(i) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent’s attorneys, agents and employees incurred for non-routine administration of the Escrow Account and the performance of the Escrow Agent’s powers and duties hereunder in connection with any Event of Default under the Lease, any termination of the Lease due to an event of non-appropriation under Section 3.03 of the Lease or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(j) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 60 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved in writing by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor, approved in writing by Lessee, regarding further disposition of the Escrow Account.

(k) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no implied duties responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof. Escrow Agent shall have no duty to monitor or enforce Lessee's compliance with the foregoing covenant.

(b) Authorized Escrow Account Disbursements. It is agreed as between Lessee and Lessor that disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of disbursement request attached hereto and incorporated herein as Schedule 1 (the "Disbursement Request"), stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due and the manner of disbursement (check or wire). The Escrow Agent is authorized to obtain and rely on confirmation of such Disbursement Request and payment instructions by telephone call-back to the person or persons designated for verifying such requests on Exhibit A-2 (such person verifying the request shall be different than the person initiating the request). The Lessor and Lessee hereby confirm that any call-back performed by Escrow Agent to verify a disbursement instruction before release, shall be made to Lessor only and Escrow Agent shall have no obligation to call-back Lessee.

Each such requisition shall be signed by an authorized representative of Lessee (an "Authorized Representative") and by Lessor, and shall be subject to the following conditions, which Escrow Agent shall conclusively presume have been satisfied at such time as a requisition executed by Lessee and Lessor is delivered to Escrow Agent. Lessor shall only sign a requisition if:

1. Lessee delivers to Lessor an executed Disbursement Request in the form attached hereto as Schedule 1 and incorporated hereto by this reference, certifying that:

   (i) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof); (ii) the Authorized Representative has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made; (iii) such requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee); (iv) the Equipment is insured in accordance with the Lease; (v) no Event of Default (nor any event which, with notice or lapse of time or both, would become an Event of Default) has occurred and is continuing and no event of non-appropriation under Section 3.03 of the Lease has occurred or is threatened; (vi) such disbursement shall occur during the Acquisition Period; (vii) the representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof; and (viii) no Material Adverse Change has occurred since the date of the execution and delivery of the Lease.

2. Lessee delivers to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to such Equipment has passed to Lessee) therefor as required by Section 3.04 of the Lease and any additional documentation reasonably requested by Lessor; and

3. The disbursement occurs during the Acquisition Period.

Lessee and Lessor agree that their execution of the form attached hereto as Schedule 1 and delivery of that executed form to Escrow Agent confirms that all of the requirements and conditions with respect to disbursements set forth in this Section 2 have been satisfied.

3. <u>Deposit to Escrow Account</u>. Upon satisfaction of the conditions specified in Section 3.04 of the Lease, Lessor will cause the Acquisition Amount to be deposited in the Escrow Account. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Account.

4. Excessive Escrow Account. Upon receipt of written instructions from Lessor—including a representation (upon which representation Escrow Agent shall conclusively rely) that any funds remaining in the Escrow Account on or after the earlier of (a) the expiration of the Acquisition Period, (b) the date on which Lessee executes an Acceptance Certificate, or (c) the termination of the Escrow Account as otherwise provided herein—the Escrow Agent shall distribute these funds to the Lessor in order for the Lessor to apply such funds to amounts owed by Lessee under the Lease in accordance with Section 4.07 of the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account, and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account, or any part thereof, is converted to investments as set forth in this Agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 6 which are defined in the Commercial Code of the State of California ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Provided that account investments shall be held in the name of the Escrow Agent, Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Lessee may effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 8 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. <u>Information Required Under USA PATRIOT ACT.</u> The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below.

Notices and other communications hereunder may be delivered or furnished by electronic mail provided that any formal notice be attached to an email message in PDF format and provided further that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt.

| | |
|---|---|
| If to Lessor: | Banc of America Public Capital Corp<br>11333 McCormick Road<br>Mail Code: MD5-032-07-05<br>Hunt Valley, MD 21031<br>Attn: Contract Administration<br>Fax: (443) 541-3057 |
| If to Lessee: | City of Oxnard<br>300 W. Third Street—Third Floor<br>Oxnard, CA 93030<br>Attn: Jim Throop, CFO<br>Email: jim.throop@oxnard.org |
| If to Escrow Agent | <br>Bank of America, National Association<br>Global Custody and Agency Services<br>135 S. LaSalle Street<br>Mail Code: IL4-135-18-51<br>Chicago, Illinois 60603<br>Attention: Rise L. Gray<br>Telephone: (312) 992-9527<br>Fax: (312) 453-3478<br>Email:<br>gcas_amrs_escrow_client_service@baml.com |

9. Lessee and Lessor understand and agree that they are required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with

such Tax Certification. As used herein "Tax Certification" shall mean an IRS form W-9 or W-8. The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a foreign person, the Escrow Agent will withhold U.S. tax as required by law and report such earnings and taxes withheld, if any, for the benefit of such foreign person on IRS Form 1042-S (or any other required form), unless such earnings and withheld taxes are exempt from reporting under Treasury Regulation Section 1.1461-1(c)(2)(ii) or under other applicable law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and Lessee as payee. Escrow Agent shall recognize Lessee as the designated party for regulatory reporting purposes.

Lessee and Lessor agree that they are not relieved of their respective obligations, if any, to prepare and file information reports under 26 U.S. Code Section 6041, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to 26 U.S. Code Sections 483 or 1272. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the parties hereto consent to jurisdiction in the State of California and venue in any state or Federal court located in the County of Ventura.

11. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding. Any bank or corporation into which the Lessor may be merged or with which it may be consolidated, or any bank or corporation to whom the Lessor may transfer a substantial amount of its business, shall be the successor to the Lessor without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

12. This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

13. No party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed.

14. Escrow Agent will treat information related to this Agreement as confidential but, unless prohibited by law, Lessee and Lessor authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates and other representatives and advisors of Escrow Agent and third parties selected by any of them, wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Escrow Agent and any such subsidiary, officer, affiliate or third party may

transfer or disclose any such information as required by any law, court, regulator or legal process.

Lessor will treat information related to this Agreement as confidential but, unless prohibited by law, Escrow Agent and Lessee authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates, other representatives and advisors of Lessor and debt and equity sources and third parties selected by any of them, and to their prospective assignees wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Lessor and any such subsidiary, officer, affiliate, debt and equity source or third party or prospective assignee may transfer or disclose any such information as required by any law, court, regulator or legal process.

Lessee will treat the terms of this Agreement as confidential except on a "need to know" basis to persons within or outside Lessee's organization (including affiliates of such party), such as attorneys, accountants, bankers, financial advisors, auditors and other consultants of such party and its affiliates, except as required by any law, court, regulator or legal process or except pursuant to the express prior written notice to the other parties.

In Witness Whereof, the parties have executed this Escrow and Account Control Agreement as of the date first above written.

Banc of America Public Capital Corp
as Lessor

By: ______________________________

Name: ______________________________

Title: ______________________________

Bank of America, National Association
As Escrow Agent

By: ______________________________

Name: ______________________________

Title: ______________________________

The City of Oxnard
as Lessee

By: ______________________________

Name: Tim Flynn

Title: Mayor

By: ______________________________

Name: Michelle Ascencion

Title: City Clerk

By: ______________________________

Name: Stephen Fischer

Title: City Attorney

# SCHEDULE 1
## to the Escrow and Account Control Agreement

## FORM OF DISBURSEMENT REQUEST

Re: Schedule of Property No. 1, dated as of March 28, 2018, to Master Equipment Lease/Purchase Agreement dated as of June 17, 2014, by and between Banc of America Public Capital Corp, as Lessor and the City of Oxnard, as Lessee (the "Lease") (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow and Account Control Agreement, dated as of March 28, 2018 (the "Escrow Account and Account Control Agreement") by and among Banc of America Public Capital Corp ("Lessor"), the City of Oxnard ("Lessee") and Bank of America, National Association, (the "Escrow Agent"), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Account and Account Control Agreement for the following purposes:

Disbursement Amounts:

| Payee's Name and Address (if disbursement via wire, must include wire transfer instructions) | Invoice Number | Dollar Amount | Purpose |
|---|---|---|---|
| | | | |
| | | | |

(i) (a) Each obligation specified in the table herein titled as "Disbursement Amounts" has been incurred by Lessee in the stated amount, (b) the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and (c) has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof).

(ii) Each item of Equipment relating to an obligation specified in the table herein titled as “Disbursement Amounts” has been delivered, installed and accepted by Lessee. Attached hereto is the original invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor’s, mechanic’s or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Equipment is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof. No event of non-appropriation under Section 3.03 of the Lease has occurred or is threatened with respect to the Lease.

(vii) The disbursement shall occur during the Acquisition Period.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

(ix) No Material Adverse Change has occurred since the date of the execution and delivery of the Lease.

Dated: ________________________________

THE CITY OF OXNARD

By: ________________________________
Name: ________________________________
Title: ________________________________

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

BANC OF AMERICA PUBLIC CAPITAL CORP
as Lessor under the Lease

By: ________________________________
Name:
Title:

[AN "EXHIBIT A-1" MUST BE COMPLETED AND EXECUTED AT TIME OF EXECUTION OF THE AGREEMENT]

# EXHIBIT A-1

## FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting ___________________ City Clerk of the City of Oxnard (*"Lessee"*) certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the *"Officials"*) in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Schedule of Property No. 1 dated as of March 28, 2018, to Master Equipment Lease/Purchase Agreement executed on June 17, 2014, by and between Lessee and Banc of America Public Capital Corp ("*Lessor*"), the Escrow and Account Control Agreement dated as of March 28, 2018, among Lessor, Lessee and Bank of America, National Association, as Escrow Agent, and all documents related thereto and delivered in connection therewith (collectively, the *"Agreements"*), and the Agreements each are the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

| Name of Official | Title | Signature |
|---|---|---|
| Lisa Boerner | Purchasing Agent (up to $100,000) | ______________________ |
| Scott Whitney | Interim City Manager (up to $175,000) | ______________________ |
| Tim Flynn | Mayor (any amount) | ______________________ |

Dated: ________________________________

By: ________________________________

Name: Michelle Ascencion

Title: City Clerk

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

[AN "EXHIBIT A-2" MUST BE COMPLETED AND EXECUTED AT TIME OF EXECUTION OF THE AGREEMENT]

# EXHIBIT A-2

## Escrow and Account Control Agreement dated as of March 28, 2018, by and among Banc of America Public Capital Corp ("Lessor"), the City of Oxnard ("Lessee"), and Bank of America, National Association ("Escrow Agent")

**Certificate of Authorized Representatives – Banc of America Public Capital Corp [Lessor]**

**Name:** Eileen Harwell

**Title:** Authorized Agent

**Phone:** 415-765-1897

**Facsimile**: 415-343-0531

**E-mail**: Eileen.harwell@baml.com

**Signature**: ________________

Fund Transfer / Disbursement Authority Level:

☐ Initiate
☐ Verify transactions initiated by others

**Name**: Augustine Reichenbach

**Title**: Authorized Agent

**Phone**: 415-765-1873

**Facsimile**: 904-312-6101

**E-mail**: Augustine.reichenbach@baml.com

**Signature**: ________________

Fund Transfer / Disbursement Authority Level:

☐ Initiate
☐ Verify transactions initiated by others

**Name:** Bridgett Arnold

**Title:** Authorized Agent

**Phone:** 415-765-1867

**Facsimile**: 415-343-0533

**E-mail**: Bridgett.arnold@baml.com

**Signature**: ________________

Fund Transfer / Disbursement Authority Level:

☐ Initiate
☐ Verify transactions initiated by others

**Name**: Elizabeth Castillo

**Title**: Authorized Agent

**Phone**: 415-765-7351

**Facsimile**: 415-343-0533

**E-mail**: elizabeth.castillo@baml.com

**Signature**: ________________

Fund Transfer / Disbursement Authority Level:

☐ Initiate
☐ Verify transactions initiated by others

| | | | |
|---|---|---|---|
| **Name:** | Yvette Montalvo Baron | **Name**: | |
| **Title:** | Authorized Agent | **Title**: | |
| **Phone:** | 415-765-7371 | **Phone**: | |
| **Facsimile**: | 415-343-0533 | **Facsimile**: | |
| **E-mail**: | Yvette.m.montalvo_baron@baml.com | **E-mail**: | |
| **Signature**: | | **Signature**: | |

Fund Transfer / Disbursement Authority Level:

- ☐ Initiate
- ☐ Verify transactions initiated by others

Fund Transfer / Disbursement Authority Level:

- ☐ Initiate
- ☐ Verify transactions initiated by others

The Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the person or persons identified above including without limitation, to initiate and verify funds transfers as indicated.

Banc of America Public Capital Corp

By: ______________________________
Name:
Title:

Date: _______________

| | | |
|---|---|---|
| CITY OF OXNARD CALIFORNIA | **CITY COUNCIL**<br><br>**AGENDA REPORT** | **TYPE OF ITEM: Report**<br><br>**AGENDA ITEM NO.:** 3 |

**DATE:** March 27, 2018

**TO:** City Council

**FROM:** Stephen Fischer
City Attorney

**SUBJECT:** Fireworks Social Host Liability Ordinance Introduction. (10/5/5)

**CONTACT:** Stephen Fischer, City Attorney
Stephen.Fischer@oxnard.org, 385-7483

**RECOMMENDATION:**

That City Council approve the first reading by title only and subsequent adoption of an ordinance amending section 7-147.1 of the Oxnard City Code concerning fireworks.

**BACKGROUND**

On May 13, 2008, the City Council adopted Ordinance 2773, adding Section 7-147.1 to the Oxnard City Code ("OCC") prohibiting the sale, offer to sell, use, or possession of fireworks. The proposed social host ordinance related to fireworks enforcement imposes liability on homeowners and tenants for fireworks violations that occur on their property.

Illegal fireworks are a concern for several reasons. Apart from fire hazards, the noise from fireworks has negative impacts upon the quality of life of infants and small children, the infirm, and persons with post-traumatic stress disorder. Animals, such as house pets and wildlife, are easily terrified by fireworks. Pets are prone to panic, and commonly escape from their owners because of this. Complaints about fireworks places strain on public safety resources, especially on the Independence Day holiday. During 2017, the Police Department received 2,368 disturbance calls that involved fireworks (2,033 of these calls were received during the months of June and July). On July 4 alone, the Police Department received 428 fireworks disturbance calls.

Fireworks can cause serious injuries and property damage, and may end up in the hands of children. The U.S. Fire Administration recently determined that children under the age of fifteen

(15) years suffered 45% of all injuries from fireworks. According to national statistics issued by the United States Consumer Product Safety Commission in their 2016 Fireworks Annual Report, which was released in June 2017, there were four (4) fireworks-related deaths and an estimated 11,100 fireworks-related injuries. These injuries frequently resulted from users playing with lit fireworks or igniting fireworks while holding them.

When fireworks are being used illegally, it is often difficult for an enforcement officer to cite for violations, because offenders flee the scene before the enforcement officer can respond. The proposed amendment allows for the citing of homeowners and tenants of properties where fireworks violations occur. Enforcement of the amended ordinance would typically be triggered by an officer's observation, a neighborhood disturbance complaint, or a complaint filed on Oxnard's *311* application. Information provided in a *311* complaint could potentially include photographs and/or video, would be reviewed by designated City staff. Dependent upon the usefulness of the provided information, a civil citation could be issued to the homeowner or tenant.

Other jurisdictions, including the cities of San Jose, Pacifica, San Fernando, and Rosemead, as well as Santa Clara and Kern County, have enacted social host ordinances similar to that proposed here.

Violators of the proposed ordinance would be fined in accordance with the City Council adopted fee schedule established by Resolution 13,459, which is as follows:

- $250 for the first violation, if the involved fireworks are classified as "safe and sane." Safe and sane fireworks are defined by California Health and Safety Code section 12,529 as any fireworks that have not been classified as "dangerous" or "exempt." These fireworks typically comply with California's fireworks laws, unless prohibited by local ordinances.
- $500 for the second violation within twelve (12) months of the first violation.
- $1,000 for each subsequent violation within twelve (12) months of the first violation.
- $1,000 per offense related to "dangerous fireworks," as defined by Health & Safety Code Section 12,505. In general, dangerous fireworks are those that "explode, skip, fly, travel, or dart."

The recommended amendment to Oxnard City Code Section 7-147.1 is necessary for the protection of the public peace, health, and safety within the City.

**STRATEGIC PRIORITIES**

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals:

Goal 1. Improve community safety and quality of life through a combination of prevention, intervention, and suppression efforts that address crime and underlying issues.

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

**FINANCIAL IMPACT**

None at this time

**ATTACHMENTS:**

Attachment A -Fireworks Ordinance Amendment- Redline

Attachment B- Fireworks Ordinance Amendment- Clean

`ORDINANCE OF THE CITY OF OXNARD

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD AMENDING SECTION 7-147.1 OF THE CITY CODE CONCERNING FIREWORKS

WHEREAS, Article XI, Section 7 of the California Constitution provides that the City may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and

WHEREAS, Health and Safety Code Section 12541 authorizes the City Council to establish local firework regulations; and

WHEREAS, the City Council wishes to amend its regulations to make homeowners and tenants responsible for fireworks violations that occur on their property.

NOW, THEREFORE, the City Council of the City of Oxnard does ordain as follows:

**Part 1.** Section 7-147.1 of Article XIII of Chapter 7 of the Oxnard City Code is hereby amended to read as follows:

**"SEC. 7-147.1. FIREWORKS.**

(A) Definitions. For the purposes of this section, the following words and phrases shall have the following meanings:

(1) DANGEROUS FIREWORKS shall be defined as set forth in Cal. Health and Safety Code section 12505, as such definition may be amended from time to time by the California Legislature.

(2) FIREWORKS shall be defined as set forth in Cal. Health and Safety Code section 12511, as such definition may be amended from time to time by the California Legislature.

(B) Prohibition.

<u>(1)</u> Except as authorized by the fire chief in accordance with the ~~2007~~ <u>currently adopted</u> California Fire Code~~ section 3308~~, no person shall sell, offer to sell, use or have in his or her possession within the city any fireworks or dangerous fireworks.

<u>(2) Except as authorized by the fire chief in accordance with the currently adopted California Fire Code, no property owner or tenant shall allow or permit the sale, offer to sell, use or possession of fireworks on their property when the property owner or tenant knows or should know of the sale, offer to sell, use or possession of fireworks at the property.</u>

(C) Violation. Any person violating a provision of division (B) of this section shall be subject to a fine in accordance with article III of chapter 7 of this code or is guilty of a misdemeanor.

**Part 2**. The foregoing recitals are true and correct.

**Part 3**. If any section, sentence, clause or phrase of this Ordinance is determined to be invalid, illegal or unconstitutional by a decision or order of any court or agency of competent jurisdiction, then such decision or order will not affect the validity and enforceability of the remaining portions of this Ordinance. The City Council declares that it would have passed and adopted the Ordinance, and each section, sentence, clause or phrase thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

**Part 4**. The City Clerk shall certify as to the adoption of this ordinance and shall cause this ordinance to be published with fifteen (15) calendar days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk in accordance with Government Code Section 36933(a). Ordinance No. _____ was first read on ____________, 2018, and finally adopted on _____________, 2018, to become effective thirty days thereafter.

AYES:

NOES:

ABSENT:

ABSTAIN:

___________________________________
Tim Flynn, Mayor

ATTEST:

___________________________________
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

___________________________________
Stephen M. Fischer, City Attorney

`ORDINANCE OF THE CITY OF OXNARD

ORDINANCE NO. _____

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(A) Definitions. For the purposes of this section, the following words and phrases shall have the following meanings:

(1) DANGEROUS FIREWORKS shall be defined as set forth in Cal. Health and Safety Code section 12505, as such definition may be amended from time to time by the California Legislature.

(2) FIREWORKS shall be defined as set forth in Cal. Health and Safety Code section 12511, as such definition may be amended from time to time by the California Legislature.

(B) Prohibition.

(1) Except as authorized by the fire chief in accordance with the currently adopted California Fire Code, no person shall sell, offer to sell, use or have in his or her possession within the city any fireworks or dangerous fireworks.

(2) Except as authorized by the fire chief in accordance with the currently adopted California Fire Code, no property owner or tenant shall allow or permit the sale, offer to sell, use or possession of fireworks on their property when the property owner or tenant knows or should know of the sale, offer to sell, use or possession of fireworks at the property.

(C) Violation. Any person violating a provision of division (B) of this section shall be subject to a fine in accordance with article III of chapter 7 of this code or is guilty of a misdemeanor.

**Part 2**. The foregoing recitals are true and correct.

**Part 3**. If any section, sentence, clause or phrase of this Ordinance is determined to be invalid, illegal or unconstitutional by a decision or order of any court or agency of competent jurisdiction, then such decision or order will not affect the validity and enforceability of the remaining portions of this Ordinance. The City Council declares that it would have passed and adopted the Ordinance, and each section, sentence, clause or phrase thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

**Part 4**. The City Clerk shall certify as to the adoption of this ordinance and shall cause this ordinance to be published with fifteen (15) calendar days of the adoption and shall post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk in accordance with Government Code Section 36933(a). Ordinance No. _____ was first read on ____________, 2018, and finally adopted on _____________, 2018, to become effective thirty days thereafter.

AYES:

NOES:

ABSENT:

ABSTAIN:

_________________________________
Tim Flynn, Mayor

ATTEST:

_________________________________
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

_________________________________
Stephen M. Fischer, City Attorney

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| | | |
|---|---|---|
| CITY OF OXNARD CALIFORNIA | **CITY COUNCIL**<br>**AGENDA REPORT** | **TYPE OF ITEM: Report**<br>**AGENDA ITEM NO.: 4** |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Ashley Golden
Development Services Director

**SUBJECT:** Payment of Future Utility Bills from the Channel Islands Beach Community Services District for Services Within the Channel Islands Harbor Relating to Parks and Street Medians (5/10/10)

**CONTACT:** Ashley Golden, Development Services Director
Ashley.Golden@oxnard.org, 385-7882

**RECOMMENDATION:**

That the City Council:

1. Authorize payment of utility services provided by the Channel Islands Beach Community Services District within the Channel Islands Harbor for park and median landscaping and bathrooms through June 8, 2018; and

2. Authorize continued landscape maintenance of parks and medians within the Channel Islands Harbor, and maintenance of bathrooms within the Harbor through June 8, 2018.

**BACKGROUND**

In 1963, the City of Oxnard (City) and the County of Ventura (County) entered into an Annexation Agreement (Agreement) relating to the development of Channel Islands Harbor (Harbor). The Agreement arose from the County's need for infrastructure to develop the Harbor, including water and sewer services, streets and park areas. In exchange for the City providing specific services (including, but not limited to, maintenance of parks and street medians and paying the associated costs for utilities), the County agreed to annex the land portion of the

Harbor into the City instead of the City of Port Hueneme, which also sought to have the Harbor annexed within its corporate boundaries. Because of the annexation, the City receives its share of sales tax, possessory interest taxes and transient occupancy taxes as the Harbor has developed over the years.

In the 52 years that followed, there were seven amendments and two time extensions to the Agreement, as well as a separate lease agreement in 1976 for City Fire Station 6 located on Peninsula Road at the intersection of Channel Islands Boulevard. In 2013, the parties extended the Agreement for one year to November 2014 in order to negotiate terms of a new agreement. In December 2014, both parties extended the Agreement for an additional four months to allow City and County staff to work on the terms of a new or amended agreement relating to the Harbor.

During the months that followed, a tentative agreement was reached at the staff level in the form of a Memorandum of Agreement and License Agreement, with the Board of Supervisors subsequently approving the documents. The City Council, however, elected not to approve the Memorandum of Agreement and License Agreement because of the desire to address additional issues that went beyond the scope of the documents and the Agreement expired.

Although the Agreement had expired and the City and County had not entered into the Memorandum of Agreement and License Agreement, the City continued maintenance of the landscaped portion of specific parks within the Harbor (including certain restrooms), and the street medians within the Harbor, as well as continuing to pay the associated utilities costs. These associated costs were included as part of the City's adopted budgets, and the continued maintenance helped ensure that these amenities were properly maintained and available to benefit the residents of the City of Oxnard and visitors to the City of Oxnard while there were continued discussions between the City and County regarding Harbor-related issues.

On September 12, 2017, the City Council approved the following:

1. Authorized payment of past utility bills from the Channel Islands Beach Community Services District for services provided within the Channel Islands Harbor for park and median landscaping and maintenance of bathrooms; and
2. Authorized payment of utility services provided by the Channel Islands Beach Community Services District within the Channel Islands Harbor for park and median landscaping and maintenance of bathrooms through December 31, 2017; and
3. Made a specific finding that a public purpose exists for the payment of such utility bills because the utility services are necessary for park and median landscaping and maintenance of bathrooms within the Channel Islands Harbor that benefit the residents of the City of Oxnard and visitors to the City of Oxnard.

The intent of September 12th action authorizing payment of these utility costs through December 31, 2017 was to allow City staff to enter into negotiations with the County regarding possible maintenance by the City of specific public parks and street medians within the Harbor. A draft

MOA was transmitted to the County on November 14, 2017. Due to the Thomas Fire and scheduling conflicts, the negotiations did not progress. Therefore, at City Council's December 19th meeting, staff requested authorization of continued maintenance and payment of the utility costs through February 28, 2018. The additional time would also allow staff to present the draft MOA to the Channel Islands Harbor Task Force (CIHTF).

On January 17, 2018, the County sent a letter to the City indicating they would like the Council to reconsider the 2015 draft MOA, not the subject MOA transmitted to the County on November 14th. On January 27th, city staff responded that the 2015 draft MOA would not be presented to Council for consideration. On January 3rd, staff had already indicated that the City intended to reduce service to areas that more closely served residents in the Harbor area.

On February 8th, staff presented the draft MOA to the CIHTF. On February 26th, the Interim City Manager and City Council received a request for postponement of action on the draft 2018 MOA from the County CEO (letter attached). However, because City Council's December 19th action only extended payment of utility bills and maintenance until February 28th, staff could not simply postpone the item. On February 27th, the City Council approved the draft 2018 MOA. That action gave the Board of Supervisors until March 31st to approve the MOA; otherwise the City would cease maintenance and payment of the associated utility bills in the County owned areas of the Harbor.

On March 19th, the County asked for an additional extension of city services and payment of utility bills for specific County owned areas. In the interest of collaboration and good faith, staff is requesting an extension of approximately two months (until June 8th) for the payment of utility bills for park and median landscaping within the Harbor, landscape maintenance of parks and medians within the Harbor, and maintenance of bathrooms in the Harbor.

## STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

## FINANCIAL IMPACT

No additional impact to the General Fund. The FY 17/18 budget included the associated appropriation for these expenses.

## ATTACHMENTS:

Attachment A: Letter from County of Ventura to City of Oxnard county of ventura

**COUNTY EXECUTIVE OFFICE**
**MICHAEL POWERS**
County Executive Officer

**J. Matthew Carroll**
Assistant County Executive Officer

**Catherine Rodriguez**
County Chief Financial Officer

**Shawn Atin**
Assistant County Executive Officer/
Human Resources Director
Labor Relations

February 26, 2018

Scott Whitney, Interim City Manager
City of Oxnard
300 West Third Street
Oxnard, CA 93030

**Subject: Memorandum of Agreement (MOA) Between the City of Oxnard and County of Ventura Regarding Maintenance of Designated Areas in Channel Islands Harbor**

Dear Scott,

I am writing regarding the hearing before the Oxnard City Council on February 27th regarding the referenced MOA between the City and the County. For the reasons outlined below, we respectfully request that you postpone the action and allow more time for us to continue the discussions regarding the terms of the MOA.

I know you are familiar with the diligent work our respective staffs have done over many years on this agreement. We understand that the relationship between the City and County related to Channel Islands Harbor has historically been an ongoing and productive one, since as far back as 1963, when the County agreed to support the City in the annexation of the Harbor's land area into the City for purposes of gaining local services for the benefit of residents and guests alike. We believe the original agreement anticipated an ongoing relationship in the Harbor, with local share of taxes flowing to the City to provide this public service, along with land and capital provided by the County. As evidence of that ongoing relationship, our respective staffs reached a tentative agreement in 2015 which called for the continuation of City services, some joint reinvestment by the County and City, and the ability to offer parks, restrooms, and related parking to the public. I do not believe this agreement was presented to the Council.

As you may be aware, the latest MOA offered by the City proposes to discontinue City services at some heavily utilized parks throughout the Harbor, which causes us great concern for local residents and visitors of these Harbor amenities. While local governments must always be concerned about the adequacy of tax revenues, our analysis indicates that there should be sufficient Harbor related tax revenue flowing to the City to funds these services at over roughly $1 Million per year. This amount will more than likely double with the addition of the new hotel. We would be happy to share our analysis with you.

Hall of Administration L#1940
800 South Victoria Avenue, Ventura, CA 93009 • (805) 654-2681 • FAX (805) 658-4500

We also believe it would benefit both the City and County as well as the lessees and business owners in the Harbor for us to reach agreement on the permitting process.

In the spirit of collaboration to collectively identify solutions to these important issues, we respectfully request that the City delay a decision on this matter until we can meet and discuss these issues.

Thank you for your consideration.

MICHAEL POWERS
County Executive Officer

c: Ventura County Board of Supervisors
Oxnard City Council
Leroy Smith, County Counsel
Steve Fischer, City Attorney
Lyn Krieger, Harbor Department Director

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| | | |
|---|---|---|
| CITY OF OXNARD CALIFORNIA | **CITY COUNCIL**<br><br>**AGENDA REPORT** | **TYPE OF ITEM: Report**<br><br>**AGENDA ITEM NO.: 5** |

**DATE:** March 27, 2018

**TO:** City Council

**THROUGH:** Scott Whitney
Interim City Manager

**FROM:** Jim Throop
Chief Financial Officer

Jim Throop

**SUBJECT:** Remodel of Third Floor - City Hall (5/5/5)

**CONTACT:** Jim Throop, Chief Financial Officer
Jim.Throop@oxnard.org, 385-7475

**RECOMMENDATION:**

That City Council:

1. Award and authorize the Mayor to execute an agreement in the amount of $719,000 for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid) PW 17-24R with Y.Ko.Construction Co, Inc.;

2. Approve $144,000 for Project contingency for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid);

3. Approve $144,000 for consultant and staff engineering, inspection, surveying, and Project management for the 300 W. Third Street, 3rd Floor Renovation Project (Rebid); and

4. Approve a project cost of $1,210,000, for the 300 W. Third Street, 3rd Floor Renovation Project No. 171601, (Rebid) No. PW17-24. Of this amount, $650,000 has already been appropriated, with the remaining $560,000 to be appropriated in the FY2018-19 budget. Of this amount, $1,007,000 will be for construction related costs, and $203,000 is related to furniture and IT cabling costs.

**BACKGROUND**

The Project

A year ago, on March 28, 2017, the City Council approved the plans and specifications for this project and authorized staff to solicit bids for the 300 West Third Street, 3rd Floor Renovation Project PW 17-24.

The Finance Department currently uses a portion of the second floor and the entire third floor of the 300 West Third Street building of City Hall. This situation makes operations within the department extremely difficult. The current floor plan is a remnant from multiple prior offices occupying the space and does not allow the department to function in an efficient and effective manner, nor does it provide for a secured office space.

The Finance Department proposes to relocate Purchasing, Payroll, and the Mailroom from the second floor to the third floor in order to create more efficient working groups which can better apply resources, utilize staff, and coordinate financial functions. The plan will establish an open-floor concept with the center space housing work cubicles. The goal is to maximize the number of staff that can be housed on the third floor.

The improvements will also address security concerns; ceiling system issues; as well as lighting, heating, ventilation and air-conditioning (HVAC). New modular desk systems, an additional conference/training room, and file storage will also be a part of this project. The existing restrooms will be updated to meet current plumbing standards and Americans with Disabilities Act (ADA) compliance requirements. The selected contractor will be responsible for furnishing all materials, tools, equipment, and labor required to complete the project per the cost of services schedule established in the bid and contract documents. Contract agreement will state a 90-day construction period for this project.

Security for staff and documentation of visitors is critical and the current floor plan does not allow for any security measures. The Finance staff has had to remove, at numerous times, unauthorized individuals who have easily gained entry to all areas of the department. This lack of security also allows individuals to potentially gain access to files, documents, and other secured information, as well as personal items of the city staff. The new layout will provide for a secured lobby for visitors to enter and to request access to staff.

This Project was originally put out to bid on August 31, 2017. After receiving the bids staff decided to reject all bids in order to revise the scope of work for the project and then rebid it at a later date.

During the construction process, the Finance employees on the third floor will be temporarily housed in the former Social Security Building for approximately 4 months. Payroll and Purchasing will remain on the second floor during construction.

Historical footnote is that other than some very minor work on the third floor, there are no records of any updates to the floor since the City took possession of the building.

Lowest Responsive Bid

The notice inviting formal bids (NIFB) on the Rebid Project was published on January 11, 2018, and all bids were due on February 13, 2018. The City received the bid listed below:

| | |
|---|---|
| Y.Ko., Construction Co, Inc..: | $719,000.00 |

There was a higher bid submitted by Sapien Construction however this bidder was unable to provide the required bid bond and so the bid was rejected. The lowest bidder was Y.Ko., Construction Co., Inc. and its bid is responsive to the City's NIFB. Following this determination, procurement staff reviewed all documentation received from Y.Ko. and its subcontractors. Staff verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, and verified registration with the California Department of Industrial Relations (DIR). Staff has no reason at this time to believe that either the contractor or its subcontractor is not legally responsible, which means trustworthy and fit and capable to satisfactorily complete the Project. Thus, staff recommends that the City Council award the contract for this Project to Y.Ko., Construction, Inc.

In addition, during the rebid process, the City requested an engineering cost estimate on the proposed project. The construction cost estimate from the engineer was $885,000, including contingency. This bid of $863,000, including contingency, is a savings of approximately $22,000 from the engineering cost estimate.

Additionally, funds estimated in the amount of $144,000 are needed for Project contingency, and $144,000 for the cost of consultant engineering services and City staff to perform the following activities during construction: engineering, inspection, surveying, and project management. The indirect cost and expense for project procurement are also included in this estimate. The total estimated project cost is $1,210,000, as detailed below.

| | |
|---|---|
| Agreement with Y.Ko, Construction, Inc. | $719,000 |
| Furniture and Cabling | 203,000 |
| Project Management | 144,000 |
| Project Contingency (20% of construction cost) | 144,000 |
| Total | $1,210,000 |

The sources of funds for the project are:

| | |
|---|---|
| Original Appropriation Budgeted for 300 W. | $340,000 |

| | |
|---|---|
| Third Street, 3rd Floor Renovation Project (Rebid) No. PW17-24 | |
| Additional Appropriation Feb. 2018 | $310,000 |
| Additional Required Appropriation FY2018-19 | $560,000 |
| Total Budget Appropriation | $1,210,000 |

It is important to note that the entire cost of the remodel will not be borne completely by the General Fund, rather, during the next cost allocation model update, the costs allocated to all other funds within the City will be given a proportional share of the remodel cost. The amount that will be due back to the General Fund is not yet known, but it will be in the next model update.

**STRATEGIC PRIORITIES**

**Organizational Effectiveness**

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

> Goal 1. To help foster a healthy and accountable corporate foundation by strengthening the support functions of the organization, which include Finance, Information Technology and Human Resources.
>
> Objective 1d. Ensure adequate systems are established, reviewed, and updated within the Human Resources Department related to personnel policies and procedures, employee compensation, benefits, recruitments, testing and other human resources related systems.

**FINANCIAL IMPACT**

Funding in amount of $340,000 has been previously approved in FY16/17 Budget and an additional appropriation in the amount of $310,000 was recently approved in the Mid-year FY17/18 Budget. The total project funding to date is $650,000. Approval of this action will not require any additional appropriation for this current fiscal year (FY2017-18), but will require an additional appropriation in the upcoming FY2018-19 budget of $560,000 from the General Fund to fully fund the Finance 3rd Floor Remodel Project 171601 in the amount of $1,210,000.

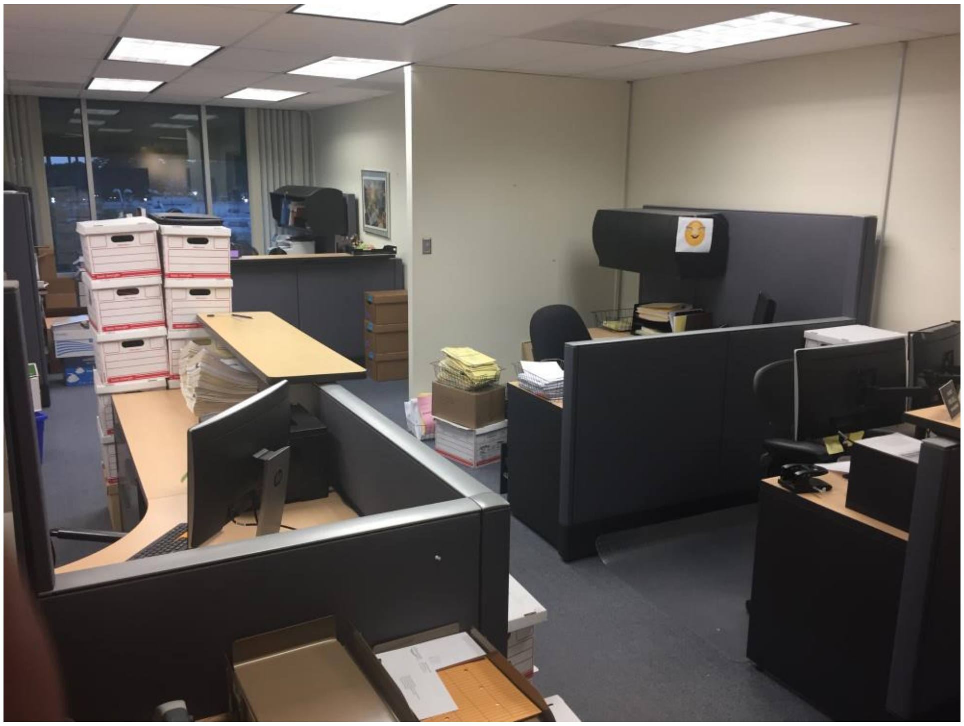
**ATTACHMENTS:**

Attachment A: Pictures of Third Floor

Attachment B: PW 17-24R BID TABULATION

Attachment C: Y.Ko. Bid packet PW 17-24R


EXIT



This is a tabulation of bid results not an offer of award or contract. The City reserves the right to reject all bids.

# PW 17-24R 300 W. Third Street, 3rd Floor Renovation Project (Rebid)

**Owner:** City of Oxnard

**Bid Opening:** 2/20/18

| | | | **Y.Ko. Construction Co, Inc.**<br>20144 Wells Drive<br>Woodland Hills, CA 91364<br>**#1** |
|---|---|---|---|
| ***Item #*** | ***Description*** | ***Unit of Measure*** | ***Total Cost*** |
| 1 | Mobilization and Demobilization | LS | $34,000.00 |
| 2 | Site Protection, Staging and Clean-Up | LS | $7,000.00 |
| 3 | Demolition and Disposal | LS | $47,000.00 |
| 4 | Construction, Wall Framing, Drywall, Taping, Texture, Painting | LS | $107,000.00 |
| 5 | Acoustical Ceiling | LS | $28,000.00 |
| 6 | Electrical, Lighting, Data | LS | $180,000.00 |
| 7 | Plumbing | LS | $30,000.00 |
| 8 | Mechanical and HVAC | LS | $174,000.00 |
| 9 | Flooring and Carpeting | LS | $29,000.00 |
| 10 | Doors, Frames, Hardware | LS | $53,000.00 |

| | | | |
|---|---|---|---|
| 11 | Security Counter and Window | LS | $10,000.00 |
| 12 | Restroom, Finishes and Fixtures | LS | $20,000.00 |
| **Bid List Total -SUBMITTED** | | | **$719,000.00** |
| **Total Bid Amount -VERIFIED** | | | **$719,000.00** |
| | | | **Y.Ko. Construction Co, Inc.** |

| | | |
|---|---|---|
| **Listed Subs** | **Ebrahim Khanzadch**<br>Studio City, CA | **Penner Partition**<br>Anaheim, Ca |
| | **Bon Air, Inc.**<br>Los Angeles, CA | **Arm Glen, Inc.**<br>Glendale, CA |
| | **Prime Acoustics**<br>Westlake Village, CA | |
| | **Moore Flooring**<br>Chino, CA | |

# BID PACKET

CITY OF
OXNARD
CALIFORNIA

FOR

## 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID)

## SPECIFICATION NO. PW 17-24R

Submitted by:

Contractor's Name: Y.Ko. Construction Co., Inc.

Address: 20144 Wells Dr.

City: Woodland Hills State: CA Zip Code: 91364

Contact Person: Yahya John Kokabi Phone: 818-884-8490

Email: ykoinc@gmail.com Date: Feb. 13, 2018

# CHECKLIST FOR BIDDERS OF 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID) SPECIFICATION NO. PW 17-24R

The following information is required of all Bidders at the time of Bid submission:

- ✓ Completed and Signed Bid Cover Form
- ✓ Completed and Signed Bid Sheets
- ✓ Completed, Signed and Notarized Questionnaire
- ✓ Completed References Form
- ✓ Completed Subcontractor Designation Form
- ✓ Completed and Signed Industrial Safety Record Form
- ✓ Completed, Signed and Notarized Bid Bond or Cashier's Check
- ✓ Signed and Notarized Non-Collusion Declaration Form
- ✓ Completed and signed Escrow Document Cover Page and Escrow Bid Documents (required for projects with Bids over $500,000 and due within three (3) Business Days of bid opening from three (3) lowest Bidders)

Failure of the Bidder to provide all required information in a complete and accurate manner may be considered non-responsive.

Other evaluation elements:

- Bid documents are typed or completed in blue or black ink
- All blanks are filled where information is requested
- Documents are signed and notarized, as required. City requires the following:
  - For a corporation or s-corporation, two signatures: (1) the Board President, CEO or Vice President, and (2) the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer
  - For an LLC, two signatures, both of whom must be managers of the LLC
  - For a partnership or limited partnership, the signatures of all partners.

  If your entity has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind Contractor.
- All changes are crossed out and initialed
- Bidder possesses license(s) required
- If a pre-bid meeting and/or site visit was mandatory, a representative attended

**BID FOR 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID) – SPECIFICATION NO. PW 17-24R**

The undersigned, as Bidder, declares that:

1. The Bidder has carefully examined the Contract Documents, all Addenda, and the 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID) ("Project") site and is satisfied as to the conditions, character, quality and quantities of Work to be performed, and the materials to be furnished.

2. The Bid includes all taxes, fees and costs, and as such is the total amount required for the Bidder to complete this Project in accordance with the Contract Documents.

3. The Bidder is properly licensed by the State as a contractor to perform this type of Work.

The undersigned, as Bidder, agrees to the following:

1. The submission of this Bid shall be conclusive evidence that the Bidder has examined and investigated the surface, subsurface and other conditions affecting the Work, including also the groundwater conditions, transportation, the disposal, handling and storage of materials, and the availability of labor, water, electric power, roads and the equipment and facilities needed for the Work. No information derived from an inspection of records or investigation will relieve the Bidder from its obligations under the Contract Documents nor entitle the Bidder to any additional compensation. The Bidder shall not make any claim, including for additional compensation, against the City based upon ignorance or misunderstanding of any condition of the Project site or of the Contract Documents' or any Addendum's requirements.

2. Accompanying this Bid is a permissible form of Bid security in an amount equal to at least ten percent (10%) of the total Bid price submitted. The Bid security is given as a guarantee that, if selected, the Bidder will execute the Contract in conformity with the Contract Documents, provide evidence of all required insurance, provide a copy of its City business license and furnish the Performance and Payment Bonds (as well as a photocopy of each Bond)—each in the amount of one hundred percent (100%) of the Contract Price—within fourteen (14) Calendar Days of the date of delivery of the Contract to the Bidder. If the Bidder refuses or fails to do so, the City may award the Contract to the next lowest responsible Bidder, and this Bid security may be forfeited to the City as permitted by law.

3. In the event the Contract is awarded to the Bidder, the Bidder shall execute the Contract to perform the Project in accordance with the Contract Documents and all Addenda. Should the undersigned be awarded the Contract and thereafter fail or refuse to execute the Contract and provide the required evidence of the business license, insurance and Bonds (plus photocopies) within fourteen (14) Calendar Days after the Contract award, then the cashier's check or Bid Bond shall be forfeited to the City to the extent permitted by law.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on Feb. 13, 2018 [date], at Woodland Hills [city], California [state].

Bidder's Name (Company): Y.Ko. Construction Co., Inc.

Signature: Yahya John Kokabi    Title: President    Date: 02/13/2018

Print: Yahya John Kokabi

CITY OF OXNARD

**BID SHEETS FOR 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID) – SPECIFICATION NO. PW 17-24R**

Bidder's Name: Y.Ko. Construction Co., Inc.

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Project Manager at the following prices:

| ITEM NO. | DESCRIPTION | UNIT OF MEASURE | ESTIMATED QUANITY | AMOUNT |
|---|---|---|---|---|
| 1 | Mobilization and Demobilization (3% maximum of Total Bid Price) | LS | 1 | $ 34,000.00 |
| 2 | Site Protection, Staging and Clean-Up | LS | 1 | $ 7,000.00 |
| 3 | Demolition and Disposal | LS | 1 | $ 47,000.00 |
| 4 | Construction, Wall Framing, Drywall, Taping, Texture, Painting | LS | 1 | $ 107,000.00 |
| 5 | Acoustical Ceiling | LS | 1 | $ 28,000.00 |
| 6 | Electrical, Lighting, Data Conduit | LS | 1 | $ 1~~4~~80,000.00 |
| 7 | Plumbing | LS | 1 | $ 30,000.00 |
| 8 | Mechanical and HVAC | LS | 1 | $ 174,000.00 |
| 9 | Flooring and Carpeting | LS | 1 | $ 29,000.00 |
| 10 | Doors, Frames, Hardware | LS | 1 | $ 53,000.00 |
| 11 | Security Counter and Window | LS | 1 | $ 10,000.00 |
| 12 | Restroom, Finishes and Fixtures | LS | 1 | $ 20,000.00 |
| TOTAL AMOUNT: ~~679,000.00~~ 719,000.00 | | | | |

Note: Several items may be adjusted or deleted. Any changes to the quantities for these items shall not classify as a substantial change as stipulated in Greenbook Section 3-2.2.1. Regardless of total actual volume compared to estimated quantities, the unit prices provided above shall be applied to the final quantity when payment is calculated for these items. No adjustment in the unit prices will be allowed. The City reserves the right to not use any of the estimated quantities, and if this right is exercised, the Contractor will not be entitled to any additional compensation. Cost of all export of material shall be included in the above unit costs; no additional compensation will be granted for such expenses.

**TOTAL BID PRICE IN DIGITS:** $ ~~679,000.00~~ 719,000.00

**TOTAL BID PRICE IN WORDS:** ~~Six hundred seventy nine thousand and no/100~~
seven hundred nineteen thousand and no/100

Contractor must complete all Work within ninety (90) Working Days of the City's Notice to Proceed.

Signature: [signature] Title: President Date: 02/13/2018

Bidder acknowledges receipt of all addenda

| Addendum | Date Received: | Addendum: | Date Received: |
|---|---|---|---|
| #01 Noted | Jan. 30, 2018 | #05 | |
| #02 Noted | Feb. 12, 2018 | #06 | |
| #03 Noted | Feb. 13, 2018 | #07 | |
| #04 | | #08 | |

## QUESTIONNAIRE FORM

Fill out all of the following information. Attach additional sheets if necessary. Do not leave any question blank. If the question does not apply, write "N/A."

(1) Bidder's Name: Y.Ko. Construction Co., Inc.

(2) If the Bidder's name is a fictitious name, what is the full name of the registered owner?

Yahya John Kokabi

* If you are doing business under a fictitious name, provide a copy of the filed valid Fictitious Business Name Statement with your submitted Bid.

(3) Business Address: 20144 Wells Dr.

Woodland Hills, CA 91364

Phone 1: 818-884-8490 Office Phone 2: 818-438-4812 Cell.

Email: ykoinc@gmail.com

(4) Type of Firm (Partnership, LLC, Corporation, S-Corp, etc.): Corporation

Corporation or S-Corp organized under the laws of the State of: California

(5) California State Contractor's License Number and Class: 659721, A & B

Original Date Issued: Dec. 01, 1992 Expiration Date: Oct. 31, 2018

(6) DIR Contractor Registration Number: 1000031072

(7) List the person who attended the mandatory pre-Bid meeting or site visit for your firm:

Name: Yahya John Kokabi Title: President

(8) Does the Bidder have a minimum of three (3) consecutive years of current experience in the type of Work related to the Project, and is this experience in actual operation of the Bidder with permanent employees performing a part of the Work as distinct from a firm operating entirely by subcontracting all phases of the Work? Circle one: YES NO

(9) List the names, titles, addresses and phone numbers of all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid:

Yahya John Kokabi

(10) List all current and prior D.B.A.'s, aliases, and fictitious business names for any principal having interest in this Bid:

Y.Ko. Consruction Co.

(11) List the dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this Bid:

None

(12) For all arbitrations, lawsuits, settlements and the like (in/out of court) that the Bidder or any principal with an interest in this Bid has been involved with in the past five (5) years:

a. List the names, addresses and phone numbers of contact persons for the parties.

None

b. Briefly summarize the parties' claims and defenses:

None

c. State the tribunal (e.g., Superior Court, American Arbitration Association, etc.), the matter number, and the outcome:

None

(13) If the Bidder or any principal having an interest in this Bid has ever had a contract terminated by the owner or agency, explain below:

None

(14) If the Bidder or any principal having an interest in this Bid ever failed to complete a project, explain below:

None

(15) If the Bidder or any principal having an interest in this Bid has ever been terminated for cause, even if it was converted to a "termination of convenience," explain below:

None

(16) List the dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this Bid:

None

For the final questions, the word "you" and "your" shall refer to the Bidder and all individuals, members, partners, joint venturers and company officers having a principal interest in this Bid.

(17) For projects that the company or any principal having an interest in this Bid has been involved with in the last five (5) years, did you have any claims or actions:

| | | | |
|---|---|---|---|
| a. By you against the owner? | Circle one: | Yes | No X |
| b. By the owner against you? | Circle one: | Yes | No X |
| c. By any agency or individual for labor compliance? | Circle one: | Yes | No X |
| d. By Subcontractors? | Circle one: | Yes | No X |
| e. Are any such claims/actions unresolved/outstanding? | Circle one: | Yes | No X |

If your answer is "yes" to any part or parts of this question, explain.

N/A

Upon request of the City, the Bidder shall furnish evidence showing a notarized financial statement, financial data, construction experience or other additional information.

The Bidder certifies under penalty of perjury under the laws of the State of California that the information provided in this Questionnaire Form is true and correct.

Signature: [signature] Title: President Date: 02/13/2018

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

**This Questionnaire Form must be notarized below.**

State of California )

County of Los Angeles ) ss

City of Woodland Hills )

On February 13, 2018 before me, Carina Avina, Notary Public

(insert name and title of the officer) personally appeared Yahya Kokabi,

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 Carina Avina

(Seal)

CARINA AVINA
Commission # 2103438
Notary Public - California
Los Angeles County
My Comm. Expires Mar 16, 2019

## REFERENCES FORM

For all like work that you are currently working on or have worked on for public agencies in the past two (2) years, provide the information requested below. If all such work does not fit on this page, attach another page listing all information for all other such work. You may, but are not obligated to, attach a separate page to explain why a final contract amount differed from the original contract amount (e.g., change orders, extra work, or other circumstances), or if you or the Agency filed any claims against each other, the substance and outcome of those claims

Project 1 Description: Valencia HS, Renovation of 2 Classrooms and 2 Labs

Construction Dates From: Dec. 2015 To: Jan. 2016

Agency Name: William S. Hart Union High School District

Project Manager: Mons Mendoza Telephone: 661-513-7404

Original Contract Amount: $ 107,000.00 Final Contract Amount $ 128,135.00

Did you file any claims against the Agency? Circle one: Yes No X

Did the Agency file any claims against you? Circle one: Yes No X

Project 2 Description: Estella and North ranch Parks Playground Improvement

Construction Dates From: April 2016 To: July 2016

Agency Name Conejo Recreation and Park District

Project Manager: Andrew Mooney Telephone: 805-495-6471

Original Contract Amount: $ 476,000.00 Final Contract Amount: $ 512,172.00

Did you file any claims against the Agency? Circle one Yes No X

Did the Agency file any claims against you? Circle one: Yes No X

Project 3 Description: Utility Relocation

Construction Dates From: Oct. 2106 To: April 2016

Agency Name: William S. Hart Union High School District

Project Manager: Daniel Wastaferro Telephone: 661-510-7429

Original Contract Amount: $ 212,000.00 Final Contract Amount: $ 245,608.00

Did you file any claims against the Agency? Circle one: Yes No X

Did the Agency file any claims against you? Circle one: Yes No X

I hereby give my permission to the City of Oxnard and its employees, representatives and agents to contact references of Contractor and/or its officers, managers, members, general partners, limited partners and other owners (collectively, the "Owners") and/or request information from other agencies in which Contractor and/or its Owners have worked. This permission includes the City reviewing any criminal records of the Owners and obtaining public records regarding the Owners, such as records of arrests, indictments, convictions, civil judicial actions, tax liens, or outstanding judgments. I have authority to waive, and I do waive, any and all rights and claims Contractor and its Owners, employees, representatives and agents may have against the City, its employees, representatives and agents, as well as any agency providing feedback or the mentioned records, and those agencies' employees, representatives and agents, regarding any actions taken pursuant to, related to or incidental to, the authorization given in this paragraph.

Bidder's Name: Y.Ko. Construction Co., Inc.

Signature: Title: Presient Date: 02/13/2018

## DESIGNATION OF SUBCONTRACTORS

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor's total Bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half percent (0.5%) of the Contractor's total Bid or $10,000, whichever is greater. If all Subcontractors do not fit on this page, photocopy it onto blue paper and attach that page or those pages listing all other Subcontractors. If there is any change in this list of Subcontractors, Contractor must provide a new list to Project Manager before any unlisted Subcontractor can perform any Work.

| Name under which Subcontractor is Licensed and Registered | CSLB License Number(s) and Class(es) | DIR Contractor Registration Number | Address and Phone Number | Type of Work (e.g., Electrical) | Percentage of Total Bid (e.g., 10%)* |
|---|---|---|---|---|---|
| Ebrahim Khanzadeh ~~MT Rostami~~ | 569564 ~~376008~~ | 1000014450 ~~1000026566~~ | Studio City ~~Woodland Hill, CA~~ | Electrical | 16% ~~14%~~ |
| Bon Air, Inc. | 499561 | 1000001141 | Los Angeles, CA | HVAC | 20% ~~15%~~ |
| Prime Acoustics | 739826 | 1000004361 | Westlake Village, CA | T-Bar | 3% |
| Moore Flooring | 472436 | 1000001027 | Chino, CA | Flooring | 4% |

Bidder's Name: Y.Ko. Construction Co., Inc. Signature: [signature] Title: President Date: 02/13/2018

* The percentage of the total Bid shall represent the "portion of the work" for the purposes of Public Contract Code Section 4104(b).

## DESIGNATION OF SUBCONTRACTORS

List all Subcontractors who will perform Work or labor or render service to the Contractor in or about the construction of the Work or improvement, or a Subcontractor licensed by the State of California who, under subcontract to the Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of one-half percent (0.5%) of the Contractor's total Bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half percent (0.5%) of the Contractor's total Bid or $10,000, whichever is greater. If all Subcontractors do not fit on this page, photocopy it onto blue paper and attach that page or those pages listing all other Subcontractors. If there is any change in this list of Subcontractors, Contractor must provide a new list to Project Manager before any unlisted Subcontractor can perform any Work.

| Name under which Subcontractor is Licensed and Registered | CSLB License Number(s) and Class(es) | DIR Contractor Registration Number | Address and Phone Number | Type of Work (e.g., Electrical) | Percentage of Total Bid (e.g., 10%)* |
|---|---|---|---|---|---|
| Penner Partition | 924223 | 1000004040 | Anaheim, CA | Partition | 0.8% |
| Arm Glen, Inc. | 850814 | 1000014508 | Glendale, CA | Plumbing | 4% |
| | | | | | |
| | | | | | |

Bidder's Name: Y.Ko. Construction Co., Inc. Signature: ______ Title: President Date: 02/13/2018

* The percentage of the total Bid shall represent the "portion of the work" for the purposes of Public Contract Code Section 4104(b).

## INDUSTRIAL SAFETY RECORD FORM

This Safety Record must include all construction work undertaken in California by the undersigned and any partnership, joint venture corporation or s-corporation that any principal of the undersigned participated in as a principal or owner for the listed years. Separate information must be submitted for each such partnership, joint venture, or corporate or individual Bidder. The undersigned may attach any additional information or explanation of data that it would like to be taken into consideration in evaluating the Safety Record. An explanation of the circumstances surrounding any and all fatalities must be attached.

| | 2017 (so far) | 2016 | 2015 | 2014 | 2013 | 2012 | Total |
|---|---|---|---|---|---|---|---|
| Number of contracts | 4 | 4 | 1 | 0 | 0 | 0 | 6 |
| Total dollar amount of contracts (in thousands) | 900 | 890 | 107 | 0 | 0 | 0 | 1,897 |
| Number of fatalities | None | None | None | None | None | None | None |
| Number of lost workday cases | None | None | None | None | None | None | None |
| Number of lost workday cases involving permanent transfer to another job or termination of employment | None | None | None | None | None | None | None |

The above information was compiled from the records that are available to me at this time, and I declare under penalty of perjury that the information is true and accurate within the limitations of those records.

Bidder's Name: Y.Ko. Construction Co., Inc.

Signature: [signature] Title: President Date: Feb. 13, 2018

# NONCOLLUSION DECLARATION
## TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

The undersigned declare(s):

I/we am/are the Yahya Kokabi of Y.Ko. Construction Co., Inc., the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, LLC. corporation or s-corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted its, his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, s-corporation, LLC, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person(s) executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on Feb. 12, 2018 [date], at Woodland Hills [city], California [state].

Bidder's Name: Y.Ko. Construction Co., Inc.

Signature: [signature] Title: President Date. 02/12/2018

**This Noncollusion Declaration must be notarized on the following page.**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

(Continuation of Noncollusion Declaration)

State of California )

County of Los Angeles ) ss

City of Woodland Hills )

On February 12, 2018 before me,

Danny A. Rosales Notary Public (insert name and title of the officer)

personally appeared Yahya Kokabi, 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)

DANNY A. ROSALES
Notary Public – California
Los Angeles County
Commission # 2206941
My Comm. Expires Jul 24, 2021

CITY OF OXNARD
300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID)
Specification Number PW 17-24R

ESCROW BID DOCUMENTS COVER PAGE

**ESCROW BID DOCUMENT CERTIFICATION**

The undersigned hereby certifies under penalty of perjury that the bid documentation contained herein constitutes the complete, only and all documentary information used in preparation of the bid for the 300 W. THIRD STREET, 3RD FLOOR RENOVATION PROJECT (REBID), and that I have personally examined these contents and have found that this bid documentation is complete.

By: [signature]
Title: President
Firm: Y.Ko. Construction Co., Inc.
Date: Feb. 13, 2018

*IF PROJECT BID IS IN EXCESS OF $500,000, IT REQUIRES SUBMITTAL OF ESCROW BID DOCUMENTS BY THE THREE LOWEST BIDDERS AND THIS DOCUMENT WILL BE INCLUDED WITH THOSE ESCROW BID DOCUMENTS. THIS DOCUMENT PACKAGE IS DUE WITHIN THREE (3) BUSINESS DAYS FOLLOWING BID OPENING

THIS DOCUMENT PACKAGE IS TO BE SUBMITTED TO:
Public Works
305 W. 3rd Street, East Wing, 3rd floor
Oxnard, CA 93030
Attn: Renee Hatcher

## SMALL LOCAL BUSINESS PURCHASING PREFERENCE REQUEST

The City offers a bidding preference for small local businesses. A small local business is defined as a business entity that meets all of the following criteria:

1. Has for at least 36 months immediately preceding submittal of its Bid held a current City business license;
2. Has maintained within the City of Oxnard's boundaries its principal business office, which is defined as the place where the principal officers or owners generally transact business, to which reports are made and from which orders and payments are made, and the place which the business represents to government authorities as its principal office or principal place of business;
3. Has average annual gross receipts of $20 million or less over the 36 months immediately preceding submittal of its bid; and
4. Employs fewer than 100 employees.

Additionally, a small local business must certify one of the following:

5. At least 50 percent of its employees are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid; or
6. For a Bidder who intends to hire employees and/or obtain Subcontractors for the Project, the Bidder submits with its Bid a certification confirming it has verified its own proposed employee base for performance of the Contract and confirmed with all Subcontractors providing bids used to formulate the Contractor's Bid that at least 50 percent of the labor hours devoted to performance of the Contract will be provided by residents of the City of Oxnard.

Please note that under City Code Section 4-2, you may be subject to audit and may be required to provide proof of compliance with the requirements of the Section. You will be subject to penalties for falsely claiming to be a Small Local Business under the Section. More information is available at City Code Section 4-2.

If you wish to certify as a small local business, please submit the certification on the next page with the rest of your Bid.

## SMALL LOCAL BUSINESS PURCHASING PREFERENCE: BIDDER'S CERTIFICATION

Please refer to Oxnard City Code Section 4-2 to verify that your company is eligible for this Small Local Business Purchasing Preference Program.

The undersigned hereby certifies under penalty of perjury that:

- ☐ At least 50 percent of the Bidder's employees are Oxnard residents and have been Oxnard residents for at least 90 days prior to submission of the bid; or

- ☐ For a Bidder who intends to hire employees and/or obtain Subcontractors for the Project, the Bidder has verified its own proposed employee base for performance of the Contract and confirmed with all Subcontractors providing bids used to formulate the Bid that at least 50 percent of the labor hours devoted to performance of the Contract will be provided by residents of the City of Oxnard.

Any person(s) executing this certification on behalf of the Bidder hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on Feb. 13, 2018 [date], at Woodland Hills [city], California [state].

| | |
|---|---|
| By: ______________ | By: ______________ |
| Title: President | Title: ______________ |
| Bidder: Y.Ko. Construction Co., Inc. | Bidder: ______________ |
| Date: Feb. 13, 2018 | Date: ______________ |

*If the Bidder is not requesting a Small Local Business Purchasing Preference, this form is not required to be completed and submitted with Bid.

Please note: The Small Local Business Purchasing Preference is not applicable for projects funded by grants or programs outside the City's General Fund, such as federal or State grants.

**Public Works Department**
305 West Third Street, East Wing, Third Floor
Oxnard, California 93030
Tel 805.385.8280

CITY OF OXNARD CALIFORNIA

**January 30, 2018**

**ADDENDUM NO. 1**
**300 W. Third Street, 3rd Floor Renovation Project (Rebid)**
**Specification No. PW 17-24R**

**SCHEDULED BID DUE DATE: 2:00 p.m. on February 13, 2018**

**TO ALL BIDDERS:**

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification. This addendum forms a part of the bid documents as follows:

1. **Plans**

   The architectural pages and electrical pages were not included with the initial publication of the plans for the Project. These additional pages are attached and will be posted to the public plan room with Cybercopy USA.

Addendum No. 1 Received: Date: Jan. 30, 2018

Y. Ko. Const. Co., INC
Contractor's Name

20144 Wells Dr.
Address

[signature]
Authorized Signature

Woodland Hills CA 91364
City State Zip Code

Yahya Kollabi, President
Name and Title

818-884-8490
Telephone Number, Including Area Code

**Public Works Department**
305 West Third Street, East Wing, Third Floor
Oxnard, California 93030
Tel 805.385.8280

CITY OF OXNARD CALIFORNIA

February 12, 2018

**ADDENDUM NO. 2**
**300 W. Third Street, 3rd Floor Renovation Project (Rebid)**
**Specification No. PW 17-24R**

**SCHEDULED BID DUE DATE: 2:00 p.m. on February 13, 2018**

**TO ALL BIDDERS:**

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification. This addendum consists of two (2) pages. The following items are clarifications or modifications to the Contract Documents :

1. There are two existing locations where doors are used to conceal existing electrical equipment and panels. One location is in the Open Office opposite Stairway #2. The other location is in the Hallway opposite the Men's Restroom. These doors will remain.

   The existing doors shall be painted to match the adjacent wall color, Valspar "Blizzard Fog" 7006-18, semi-gloss.

   The existing frames at these doors shall be painted black, semi-gloss to match the new door frames and top-set base.

2. The existing doors listed as #5 and #35 at Stairs #1 and #2 shall be removed and replaced with new solid core wood doors to match the other new doors in the suite. These doors shall have a 90 minute fire rating. The existing door frames will remain and shall be painted black, semi-gloss.
   Provide hardware as follows:

HARDWARE SET 7

| QTY | ITEM | CATALOG | FINISH | MFR |
|---|---|---|---|---|
| 1 | Rim Panic Device | 99L-NL-Fire | 613 | V |
| 1 | Cylinder | 3216 | 613 | SC |
| 3 | Hinges | BB 1279 4-1/2 x 4-1/2 NRP | 613 | HAG |
| 1 | Closer | P8501BF | STAT | N |
| 1 | Wall stop | WS402CCV | 613 | IV |
| 1 | Kick plate | 285 10" x 2" LWD | 613 | IV |

3. The City will receive such Bids at Oxnard City Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, until **2:00 p.m.** on February 13, 2018. This is a correction to the time that was stated in the Notice Inviting Bids of the Contract Documents.

Addendum No. 2 Received: Date: Feb 12, 2018

| | |
|---|---|
| YKO Const. Co., Inc. | 20144 Wells Dr. |
| Contractor's Name | Address |
| [signature] | Woodland Hills CA 91364 |
| Authorized Signature | City State Zip Code |
| Yahyee Kokabi, President | 818-884-8490 |
| Name and Title | Telephone Number, Including Area Code |

**Public Works Department**
305 West Third Street, East Wing, Third Floor
Oxnard, California 93030
Tel 805.385.8280

CITY OF OXNARD CALIFORNIA

February 13, 2018

**ADDENDUM NO. 3**
**300 W. Third Street, 3rd Floor Renovation Project (Rebid)**
**Specification No. PW 17-24R**

**SCHEDULED BID DUE DATE: 2:00 p.m. on February 20, 2018**

**TO ALL BIDDERS:**

Acknowledge receipt of this addendum by enclosing one signed copy with your bid documents. Failure to do so may subject bidder to disqualification. This addendum consists of one (1) page. The following items are clarifications or modifications to the Contract Documents :

1. The bid date has been extended for this project.

   The City will receive such Bids at Oxnard City Hall, 300 West Third Street, Fourth Floor, Oxnard, California 93030, attention: City Clerk, **until 2:00 p.m. on February 20, 2018**. There will be a public bid opening immediately afterwards at 305 W. Third Street, First Floor, Oxnard, California 93030 at the City Council Chambers.

Addendum No. 3 Received: Date: Feb. 13 2018

| | |
|---|---|
| Y.KO. Const. Co., Inc. | 20142 Wells Dr. |
| Contractor's Name | Address |
| (signature) | Woodland Hills CA 91364 |
| Authorized Signature | City State Zip Code |
| Yahya Kokabi, President | Yah Yakokabi 818-884-8490 |
| Name and Title | Telephone Number, Including Area Code |