

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 City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
November 10, 2020
Regular Meeting - 9:30 to 10:45 AM

This meeting is held pursuant to the State Emergency Services Act, the Governor's Emergency Declaration, and Governor's Executive Order N-29-20 to allow members of the City Council or staff to participate via teleconference.

Pursuant to the Ventura County Public Health Official's order and Governor's Executive Order N-33-20, all city buildings are temporarily closed to the public. The public is encouraged to view the meeting from home on the City's website at Oxnard.org/city-meetings, Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings are typically available online immediately following the meeting.

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 8:00 a.m. on the day of the meeting. Please identify the committee name, meeting date, and agenda item in the email Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 8:00 a.m. on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen 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 requests shall be submitted as set forth on the first page of this agenda. Based on the number of speaker requests submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. 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 for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the October 27, 2020 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

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.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

D. REPORTS

1. Finance Department

SUBJECT: 2020 Water Revenue Bonds. (15/10/10)

RECOMMENDATION: That the Finance and Governance Committee recommend:

1. That the City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and

2. That the Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto.

Contact: Kevin Riper, (805) 385-7475

2. Fire Department

SUBJECT: Ventura County COVID-19 City Assistance Program. (5/5/5)

RECOMMENDATION: That the Finance and Governance Committee recommend the City Council adopt a resolution ratifying the Subrecipient Agreement between Ventura County and the City of Oxnard for Coronavirus Relief Funds (CRF), and authorizing and approving the execution and submittal by the City Manager or designee of any additional agreements, forms and documentation that may be required regarding the City's allocation of such funds.

Contact: Alexander Hamilton, (805) 385-7708

3. City Manager Department

SUBJECT: Contract for On-Call Internal Auditing Services (10/10/5)

RECOMMENDATION: That the Finance and Governance Committee recommend the Council approve a \$25,000 contract for on-call internal auditing services with Vasquez & Company LLP.

Contact: Shiri Klima, (805) 385-7487

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
October 27, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 9:34 a.m., Chair Flynn called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Vianey Lopez, Bert E. Perello, and Chair Tim Flynn were present via videoconference.

Staff members present were Shiri Klima, Deputy City Manager; Stephen M. Fischer, City Attorney; Alexander Nguyen, City Manager; Christine Williams, Senior Manager - Internal Controls; Kevin Ripper, Chief Financial Officer; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Lawrence Stein (status of Park Master Plan).

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the October 13, 2020 regular meeting as presented.

It was moved by Member Perello, seconded by Member Lopez, to approve the minutes as presented.
VOTE: Flynn, Lopez, and Perello voted in favor; the motion carried 3-0.

D. REPORTS

Finance Department

1. SUBJECT: Presentation on the Corrective Action Plan.

RECOMMENDATION: That the Finance and Governance Committee receives an update on the Corrective Action Plan (CAP) and gives authorization for staff to present the item to City Council.

The Senior Manager - Internal Controls gave a report. Discussion ensued among the Committee and staff.

It was moved by Member Perello, seconded by Chair Flynn, to approve the recommended action as presented. VOTE: Flynn, Lopez, and Perello voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS

Member Perello requested that the vacancies on the Citizen Advisory Groups be filled. The City Clerk provided information on the upcoming Citizen Advisory Group recruitments.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Flynn adjourned the meeting at 10:04 a.m.

MICHELLE ASCENCION, CMC
City Clerk

TIM FLYNN
Chair



**FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.1**

DATE: November 10, 2020

TO: Finance & Governance Committee

FROM: Kevin Riper, Chief Financial Officer, (805) 385-7475, kevin.riper@oxnard.org

SUBJECT: 2020 Water Revenue Bonds. (15/10/10)

RECOMMENDATION

That the Finance and Governance Committee recommend:

1. That the City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and
2. That the Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto.

BACKGROUND

The City has anticipated water demand increasing due to growth and groundwater becoming less available. To ensure future reliable and affordable supply of high-quality water, the City developed the Groundwater Recovery, Enhancement, and Treatment (GREAT) Program. The GREAT Program, initiated in the late 1990's and early 2000's, was intended as a water resources plan that combines wastewater recycling, groundwater injection, and groundwater desalination to provide regional water supply solutions to western Ventura County (also known as the Oxnard Plain). Project elements involve the expansion and upgrade of existing facilities and the construction of several new facilities within the Oxnard Plain.

Furthermore, the City initiated the Groundwater Replenishment Reuse Project (GRRP) for recycled water as part of the GREAT Program. The GRRP consists of using Aquifer Storage and Recovery (ASR) wells to inject recycled water into the groundwater and includes ASR Well #1 at Campus Park.

DISCUSSION

The FY 2020-25 Adopted Capital Improvement Program (CIP) for the Water Fund contains two long-lived capital projects slated to begin construction this year. Indeed, the construction contracts for both projects are scheduled to appear on the City Council agenda of November 17, 2020. The two CIP projects are the ASR Completion project (\$6.25 million project cost) and the Hueneme Road Recycled Water Pipeline Phase II project (\$18.65 million project cost).

Under the ASR Project, recycled water will be injected into a local groundwater aquifer for groundwater recharge and blending with City groundwater for delivery as potable water. Use of the recovered groundwater from the ASR wells could be used to offset future groundwater pumping cutbacks from the Fox Canyon Groundwater Management Agency (FCGMA) and future population growth.

The purpose of the Hueneme Road Recycled Water Pipeline Phase II project is to bring recycled water to the large agricultural customers on the east side of the Oxnard Plain. In 2016, the United Water Conservation District (UWCD), Pleasant Valley County Water District (PVCWD), and the Hueneme Road agricultural group entered into an agreement (A-7651) with the City to purchase recycled water. In accordance with A-7651, each customer receiving reduced cost water is required to turn over a portion of its groundwater allocation to the City.

Both projects have exceptionally long expected useful lives, which makes them good candidates to be financed with bonds, so that ratepayers -- present and future -- who will benefit from the projects pay for those benefits over time through the annual debt service on the bonds. In fact, the expected useful lives of the projects are so long that the City's bond financing team (NHA Advisors as municipal advisor and Stifel Nicolaus as underwriter, complemented by Best Best & Krieger as bond counsel and Nixon Peabody as disclosure counsel) recommends that Oxnard issue its first 35-year bond to pay for them. Staff concurs in that recommendation.

In addition to this "new money" component of the 2020 Water Revenue Bonds, the bond financing team and City staff recommend taking advantage of low interest rates by simultaneously refunding two previous water bond issues: Series 2010A, \$3.6 million outstanding, and Series 2012, \$5.9 million outstanding. Detailed savings projections for refunding both bond issues appear on slide 6 of the accompanying PowerPoint presentation. Furthermore, there are economies of scale in costs of issuance by combining the two refundings with the "new money" component of the 2020 Water Revenue Bonds.

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

The construction contracts for the two projects recommended to be financed by the 2020 Water Revenue Bonds are scheduled to appear on the agenda of the November 17, 2020, City Council meeting. So is this Water Revenue Bond item, if the Finance and Governance Committee agrees with the staff recommendation. Both the 2020 Water Revenue Bonds and the construction contracts should be considered by City Council in tandem on November 17. This is because it makes sense to authorize the bond issuance only if City Council awards the construction contracts. Similarly, it makes sense to award the construction contracts only if City Council agrees with the staff recommendation on how to pay for them.

As described above, the two projects being financed by the Series 2020 Water Revenue Bonds serve both

growth and the existing ratepayer base. Together, 56 percent of the cost of the two projects is attributable to growth, and 44 percent is for the benefit of the existing water system.

Therefore, 56 percent of the debt service for the Series 2020A bonds will be paid over time by Fund 603 Resource Development Fee, and the remaining 44 percent of debt service will be paid by Fund 601 Water Operating, because the latter is the percentage of the project that benefits existing ratepayers. Both of these funds, 601 and 603, are part of the overall Water Fund as reported in the City's Comprehensive Annual Financial Report each year.

Both funds have the financial capacity to pay their share of the debt service on the proposed 2020 Water Revenue Bonds for at least several years, at current water rates and customer consumption levels, which drive Water Fund revenue. Fund 603 Resource Development has \$18.2 million of cash as of October 31, 2020. As of the same date, Fund 601 Water Operating has \$30.3 million of cash, which is expected to be spent down at the rate of \$5.725 million per year from the current fiscal year through FY 2023-24 on a third Water Fund CIP project -- the Automated Meter Infrastructure Replacement project (page 206 of the FY 2020-25 Adopted CIP document). The Water Fund as a whole is projected to generate sufficient annual revenue to cover existing and proposed debt service by a factor of around two times for at least the next several years.

The exact formula for the debt service coverage ratio is "(Operating Revenue excluding connection fees minus Operating Expenses excluding non-cash expenditures and capital outlay) divided by Annual Debt Service (both principal and interest) on all bonds."

While the internal allocation of debt service between "growth" and "existing ratepayers" is important for City policy purposes, the capital markets care about the overall health of the Water Fund, not its individual components. Thus, the City's revenue pledge supporting the 2020 Water Revenue Bonds is all ratepayer charges, not just "existing system" or "growth"-related. Municipal bond investors would never consider buying bonds backed solely by growth-related connection fees, resource development fees, AB 1600 development impact fees, or any similar revenue source subject to fluctuations and the vagaries of the economy.

Due to the "wrapping" of debt service for the recommended 2020 Revenue Bonds shown on slide 8 of the accompanying PowerPoint presentation, the actual debt service that Fund 603 Resource Development Fee and Fund 601 Water Operating will combine to pay on the \$25 million tax-exempt Series A bonds will be "interest only" (meaning, of course, no principal) from FY 2022-23 through FY 2039-40, at an estimated \$907,800 per year. Beginning in FY 2040-41 and continuing to final maturity of the Series A bonds in FY 2054-55, Fund 603 Resource Development Fee and Fund 601 Water Operating will combine to pay an estimated \$2.04 million annually in debt service, both principal and interest.

For the current fiscal year and next fiscal year only, the two funds will combine to pay \$1.34 million and \$1.89 million, respectively, for debt service on the Series A bonds. The debt service totals this fiscal year and next are much higher than for FY 2022-23 through FY 2039-40 because they include the last two years of principal and interest on the Series 2010A bonds being refunded.

Finally, \$5 million of Series 2020B (taxable) bonds will be sold to advance-refund outstanding 2012 bonds. The Series 2020B bonds need to be issued on a taxable basis, because the federal Tax Cut and Jobs Act of 2017 eliminated the ability of state and local governments to do advance refundings on a tax-exempt basis. Even so, interest rates are so low now that it still makes economic sense to refund the tax-exempt 2012 bonds on a taxable basis.

The FY 2020-21 Adopted Budget has sufficient appropriations in the aggregate in the Water Fund to pay the debt service scheduled for the Series 2020A and the Series 2020B bonds, but all of the appropriation is in Fund 601 Water Operating. As explained above, growth needs to pay a significant share of the debt service on the 2020 Water Revenue Bonds. This will be done with Fund 603 Water Resource Development Fee. Therefore, once the bonds are actually sold and precise debt service amounts are known, staff will return to City Council with a Budget Appropriation Request for Fund 603 Resource Development Fee as part of the FY 2020-21 Mid-Year Budget Review. The Budget Appropriation Request at that time will involve reducing the appropriation for debt service in Fund 601 Water Operating, and increasing the appropriation for debt service in Fund 603 Resource Development Fee.

Attached in draft form are current drafts of all the documents -- except the bond purchase agreement, which is not yet finished -- that will be presented to City Council on November 17, if the Committee endorses the staff recommendation to move the item on to City Council. Exhibit A is required by State law and is incorporated by reference into this staff report. Also notable among the attachments is the Preliminary Official Statement, which is akin to an offering prospectus for the bonds. Investors and their advisors review and rely on the Preliminary Official Statement for information about the City, the Water Fund, and the 2020 bonds being offered for sale.

As always, the most important bond covenant to which the City is pledged is the rate covenant. As with prior Water Revenue Bond issues, the City pledges to set rates and charges each year sufficient to generate net Water System Revenue equal to the sum of (i) that fiscal year's debt service on all bonds; and (ii) enough cash to ensure a cash reserve of at least 25 percent of maximum annual debt service over the life of all bonds.

Prepared by: Kevin Riper, Chief Financial Officer

ATTACHMENTS

1. Exhibit A - Good Faith Estimates 10.29.20
2. Oxnard 2020 RBs - Resolution of the City
3. Oxnard 2020 RBs - Resolution of the Authority
4. Official Statement Installment Purchase Agreement, Indenture of Trust, Escrow Deposit and Trust Agreements, and Continuing Disclosure Certificate
5. 11.10.20 FGC Water Bonds and Refunding Presentation

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2020 Bonds to be sold is \$30,050,000, (the "Estimated Principal Amount").

True Interest Cost of the 2020 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Bonds, is 2.20%.

Finance Charge of the 2020 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is \$564,600.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is \$32,071,808.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is \$56,458,282, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of October 29, 2020, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020

Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the 2020 Bonds and the actual principal amount of the 2020 Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the 2020 Bonds and other factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the Authority, or the Municipal Advisor.

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING AN INSTALLMENT PURCHASE AGREEMENT, INDENTURE OF TRUST, A CONTINUING DISCLOSURE AGREEMENT, AN ESCROW AGREEMENT, AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE ISSUANCE BY THE CITY OF OXNARD FINANCING AUTHORITY OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 IN ONE OR MORE SERIES AS FEDERALLY TAX-EXEMPT AND TAXABLE, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PREPARATION OF A FINAL OFFICIAL STATEMENT AND OTHER MATTERS PERTAINING THERETO

WHEREAS, the City of Oxnard (the “City”) previously incurred obligations to finance the construction, improvement, betterment, renovation and expansion of certain facilities within the City (the “Prior Projects”); and

WHEREAS, City of Oxnard Financing Authority (the “Authority”) issued the following series of bonds to finance the construction of the Prior Projects:

(1) \$3,635,000 outstanding principal amount of City of Oxnard Financing Authority Water Revenue Project Bonds, Series 2010A (the “2010 Bonds”); and

(2) \$5,925,000 outstanding principal amount of City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”); Together the 2010 Bonds and the 2012 Bonds shall be referred to as the “Prior Bonds”; and

WHEREAS, the City Council has considered financing additional Projects of benefit to the Water System in an amount of \$24,900,000 (the “2020 Project”);

WHEREAS, the City has determined to finance the 2020 Project and refinance the Prior Bonds through the issuance by the Authority of an aggregate principal amount of bonds in an amount not to exceed \$35,000,000, in one or more series, as either tax-exempt or taxable bonds, as may be determined (the “2020 Bonds”), pursuant to an Indenture of Trust to be entered into among the City, the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, under the terms of an Installment Purchase Agreement between the City and the Authority (the “Installment Purchase Agreement”) the Authority will sell the Prior Projects and the 2020 Project to the City and the City will agree to make installment payments to the Authority; and

WHEREAS, there has been presented to the City Council a form of Bond Purchase Agreement (the “Bond Purchase Agreement”) whereby Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) will purchase the 2020 Bonds; and

WHEREAS, there has also been presented to the City Council a Preliminary Official statement with respect to the 2020 Bonds and the City Council has determined that said Preliminary Official Statement should be approved, that the Underwriter should be authorized to distribute said Preliminary Official Statement in connection with the marketing of the 2020 Bonds, and that the preparation of a final Official Statement, based on said Preliminary Official Statement, should be authorized; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the 2020 Bonds, good faith estimates of (a) the true interest cost of the 2020 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2020 Bonds, (c) the amount of proceeds of the 2020 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, and (d) the sum total of all debt service payments on the 2020 Bonds calculated to the final maturity of the 2020 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the 2020 Bonds;

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Council has obtained from NHA Advisors, Inc., the City's municipal advisor (the "Municipal Advisor") the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the issuance of the 2020 Bonds hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such issuance for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

Section 1. Recitals True and Correct. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Refunding of Prior Bonds and Funding 2020 Project. The City Council hereby approves the issuance of the 2020 Bonds by the Authority for the refinancing and refunding of all or any portion of the Prior Bonds, and for the purposes of raising new money for the 2020 Project with the proceeds of the 2020 Bonds on the terms and conditions detailed in the documents presented at this meeting. Additionally, the 2020 Bonds shall pay costs incurred in connection with the issuance of the 2020 Bonds, all in accordance with the provisions of this Resolution and the Indenture of Trust as finally executed and delivered. The 2020 Bonds may be issued as tax-exempt bonds or as taxable bonds and any Authorized Representative, defined below, may determine the principal amount of 2020 Bonds to be issued as tax-exempt bonds and the principal amount of the 2020 Bonds which may be issued as taxable bonds.

Section 3. Approval of Installment Purchase Agreement. The agreement entitled "Installment Purchase Agreement (Series 2020)" to be entered into by and between the City and

the Authority, which provides generally for (i) the sale of the Prior Projects by the City to the Authority, (ii) the acquisition of the 2020 Project by the Authority, (iii) the purchase by the City from the Authority of the Prior Projects and the 2020 Project, and (iv) the payment by the City to the Authority of Installment Payments in amounts which will be sufficient to pay the principal of and interest owing on the 2020 Bonds until the 2020 Bonds are fully paid, is hereby approved and the Mayor, Mayor Pro Tem, the City Manager, Chief Finance Officer and City Clerk (each an "Authorized Representative") are, and each such officer is, authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Indenture of Trust. The agreement entitled "Indenture of Trust" to be entered into by and among the City, the Authority and the Trustee named therein, are hereby approved and any Authorized Representative is authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Approval of Escrow Agreements. The agreements each entitled "Escrow Agreement," for the refunding and defeasance of the 2010 Bonds and the 2012 Bonds to be entered into by and among the Authority, the City and Wells Fargo Bank, National Association (in such capacity the "Escrow Bank") are hereby approved and any Authorized Representative is authorized and directed to execute, acknowledge and deliver said Agreements on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Approval of Bond Purchase Agreement and Conditions of Approval. The form of Bond Purchase Agreement presented at this meeting is hereby approved and is hereby authorized to accept, for and in the name of the City, such Bond Purchase Agreement in substantially the form hereby approved with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the principal amount of 2020 Bonds of the Authority to be sold pursuant to the Bond Purchase Agreement shall not exceed \$35,000,000 and the Underwriter's discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.45% of the principal amount of 2020 Bonds sold.

Section 7. Approval of Preliminary Official Statement. The Preliminary Official Statement presented at this meeting is approved, and the City Manager and the Chief Finance Officer are, and each such officer is, authorized to consent to and assist in the preparation of the Preliminary Official Statement and to deem the information therein final and accurate in all material respects, and the Underwriter is authorized to distribute said Preliminary Official Statement as approved hereby, or as modified with the consent of the City Manager or the Chief Finance Officer, to prospective purchasers of the 2020 Bonds. The City Manager and the Chief Finance Officer are, and each such officer is, authorized to participate in the preparation of the Final Official Statement, based on the Preliminary Official Statement, and to make such modifications thereto as may be necessary in order to make the discussion therein full and

accurate in all material respects and agreed to by Bond Counsel and the Underwriter. The City Manager and the Chief Finance Officer are, and each such officer is, also hereby authorized and directed to deem the Preliminary Official Statement final within the meaning of Rule 15c2 12 of the Securities Exchange Act of 1934 (the “Rule”), omitting only such information as permitted by the Rule and to execute a certificate stating the City’s determination that the Preliminary Official Statement has been deemed final within the meaning of the Rule.

Section 8. Continuing Disclosure Agreement. The agreement entitled “Continuing Disclosure Agreement” relating to the 2020 Bonds to be executed by City and the Authority in connection with the issuance of the 2020 Bonds, is hereby approved and any Authorized Representatives authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Other Acts. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance of the 2020 Bonds, the refunding of the Prior Bonds and the financing of the 2020 Project or otherwise to effectuate the purpose of this Resolution, including obtaining bond insurance or other guarantee of the 2020 Bonds, and such actions previously taken by such officers are hereby ratified and confirmed.

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Section 10. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

Stephen Fischer, City Attorney

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF OXNARD)

I, Michelle Ascencion, City Clerk of the City of Oxnard, do hereby certify the attached to be a true and correct copy of City of Oxnard, City Council Resolution No. _____, adopted at the Oxnard City Council Meeting held on _____, 2020. The original resolution is on file in the City Clerk's Office at 300 W. Third Street, Oxnard, California 93030.

DATED this ____ day of _____, 2020.

Michelle Ascencion, CMC
City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2020 Bonds to be sold is \$30,050,000, (the "Estimated Principal Amount").

True Interest Cost of the 2020 Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Bonds, is 2.20%.

Finance Charge of the 2020 Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is \$564,600.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is \$32,071,808.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is \$56,458,282, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of October 29, 2020, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Bonds being different than the date assumed for purposes of such estimates, (b) the

actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2020 Bonds and the actual principal amount of the 2020 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2020 Bonds and other factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the City, or the Municipal Advisor.

BOARD OF DIRECTORS OF
THE CITY OF OXNARD FINANCING AUTHORITY

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF CITY OF OXNARD FINANCING AUTHORITY APPROVING AN INSTALLMENT PURCHASE AGREEMENT, INDENTURE OF TRUST, A CONTINUING DISCLOSURE AGREEMENT, AN ESCROW AGREEMENT, AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE ISSUANCE OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 IN ONE OR MORE SERIES AS FEDERALLY TAX-EXEMPT AND FEDERALLY TAXABLE, APPOINTING A TRUSTEE, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PREPARATION OF A FINAL OFFICIAL STATEMENT AND OTHER MATTERS PERTAINING THERETO

WHEREAS, the City of Oxnard (the “City”) previously incurred obligations to finance the construction, improvement, betterment, renovation and expansion of certain facilities within the City (the “Prior Projects”); and

WHEREAS, City of Oxnard Financing Authority (the “Authority”) issued the following series of bonds to finance the construction of the Prior Projects:

(1) \$3,635,000 outstanding principal amount of City of Oxnard Financing Authority Water Revenue Project Bonds, Series 2010A (the “2010 Bonds”); and

(2) \$5,925,000 outstanding principal amount of City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”); Together the 2010 Bonds and the 2012 Bonds shall be referred to as the “Prior Bonds”; and

WHEREAS, the City Council has considered financing additional Projects of benefit to the Water System in an amount of \$24,900,000 (the “2020 Project”);

WHEREAS, the City has determined to finance the 2020 Project and refinance the Prior Bonds through the issuance by the Authority of an aggregate principal amount of bonds in an amount not to exceed \$35,000,000, in one or more series, as either tax-exempt or taxable bonds, as may be determined (the “2020 Bonds”), pursuant to an Indenture of Trust to be entered into among the City, the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, under the terms of an Installment Purchase Agreement between the City and the Authority (the “Installment Purchase Agreement”) the Authority will sell the Prior Projects and the 2020 Project to the City and the City will agree to make installment payments to the Authority; and

WHEREAS, there has been presented to the City Council a form of Bond Purchase Agreement (the “Bond Purchase Agreement”) whereby Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) will purchase the 2020 Bonds; and

WHEREAS, there has also been presented to the Board of Directors a Preliminary Official Statement with respect to the 2020 Bonds and the Board of Directors has determined that said Preliminary Official Statement should be approved, that the Underwriter should be authorized to distribute said Preliminary Official Statement in connection with the marketing of the 2020 Bonds, and that the preparation of a final Official Statement, based on said Preliminary Official Statement, should be authorized; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the 2020 Bonds, good faith estimates of (a) the true interest cost of the 2020 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2020 Bonds, (c) the amount of proceeds of the 2020 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, and (d) the sum total of all debt service payments on the 2020 Bonds calculated to the final maturity of the 2020 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the 2020 Bonds;

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Board has obtained from NHA Advisors, Inc., the Authority's municipal advisor (the "Municipal Advisor") the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the issuance of the 2020 Bonds hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such issuance for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY the Board of Directors of the City of Oxnard Financing Authority as follows:

Section 1. Recitals True and Correct. The foregoing recitals are true and correct and the Board of Directors so finds and determines.

Section 2. Refunding of Prior Bonds and Funding 2020 Project. The Board of Directors hereby approves the issuance of the 2020 Bonds for the refinancing and refunding of all or any portion of the Prior Bonds, and for the purposes of raising new money for the 2020 Project with the proceeds of the 2020 Bonds on the terms and conditions detailed in the documents presented at this meeting. Additionally, the 2020 Bonds shall pay costs incurred in connection with the issuance of the 2020 Bonds, all in accordance with the provisions of this Resolution and the Indenture of Trust as finally executed and delivered. The 2020 Bonds may be issued as tax-exempt bonds or as taxable bonds and any Authorized Representative, defined below, may determine the principal amount of 2020 Bonds to be issued as tax-exempt bonds and the principal amount of the 2020 Bonds which may be issued as taxable bonds.

Section 3. Approval of Installment Purchase Agreement. The agreement entitled “Installment Purchase Agreement (Series 2020)” to be entered into by and between the City and the Authority, which provides generally for (i) the sale of the Prior Projects by the City to the Authority, (ii) the acquisition of the 2020 Project by the Authority, (iii) the purchase by the City from the Authority of the Prior Projects and the 2020 Project, and (iv) the payment by the City to the Authority of Installment Payments in amounts which will be sufficient to pay the principal of and interest owing on the 2020 Bonds until the 2020 Bonds are fully paid, is hereby approved and the Chair, Vice-Chair, the Executive Director, Chief Financial Officer and Secretary of the Board of Directors (each an “Authorized Representative”) are, and each such officer is, authorized and directed to execute, acknowledge and deliver said agreement on behalf of the Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of Indenture of Trust. The agreement entitled “Indenture of Trust” to be entered into by and among the City, the Authority and the Trustee named therein, are hereby approved and any Authorized Representative is authorized and directed to execute, acknowledge and deliver said agreement on behalf of the Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Approval of Escrow Agreements. The agreements each entitled “Escrow Agreement,” for the refunding and defeasance of the 2010 Bonds and 2012 Bonds, to be entered into by and among the Authority, the City and Wells Fargo Bank, National Association (in such capacity the “Escrow Bank”) is hereby approved and any Authorized Representative is authorized and directed to execute, acknowledge and deliver said Agreements on behalf of the Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Approval of Bond Purchase Agreement and Conditions of Approval. The form of Bond Purchase Agreement presented at this meeting is hereby approved and is hereby authorized to accept, for and in the name of the Authority, such Bond Purchase Agreement in substantially the form hereby approved with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the principal amount of 2020 Bonds to be sold pursuant to the Bond Purchase Agreement shall not exceed \$35,000,000 and the Underwriter’s discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.45% of the principal amount of 2020 Bonds sold.

Section 7. Appointment of Trustee. Wells Fargo Bank, National Association is appointed as Trustee pursuant to the Indenture of Trust to take any and all action provided therein to be taken by the Trustee.

Section 8. Forms of Bonds. The forms of the 2020 Bonds set forth in Indenture of Trust are approved, and the Trustee is authorized to authenticate the 2020 Bonds and to apply, deposit, invest, administer and utilize the proceeds Authorized Representative is authorized to determine

the final aggregate principal amount of the 2020 Bonds to be purchased by the Underwriter and the final maturity date of the 2020 Bonds based on the determination of the Executive Director or Chief Financial Officer of the amount needed to refinance the Prior Projects, finance the 2020 Project, achieve the City's financing objectives, and to pay Costs of Issuance, as defined and specified in the Indenture of Trust.

Section 9. Approval of Preliminary Official Statement. The Preliminary Official Statement presented at this meeting is approved, and the Executive Director and the Chief Financial Officer are, and each such officer is, authorized to consent to and assist in the preparation of the Preliminary Official Statement and to deem the information therein final and accurate in all material respects, and the Underwriter is authorized to distribute said Preliminary Official Statement as approved hereby, or as modified with the consent of the Executive Director or the Chief Financial Officer, to prospective purchasers of the 2020 Bonds. The Executive Director and the Chief Financial Officer are, and each such officer is, authorized to participate in the preparation of the Final Official Statement, based on the Preliminary Official Statement, and to make such modifications thereto as may be necessary in order to make the discussion therein full and accurate in all material respects and agreed to by Bond Counsel to the Authority and the Underwriter. The Executive Director and the Chief Financial Officer are, and each such officer is, also hereby authorized and directed to deem the Preliminary Official Statement final within the meaning of Rule 15c2 12 of the Securities Exchange Act of 1934 (the "Rule"), omitting only such information as permitted by the Rule and to execute a certificate stating the Authority's determination that the Preliminary Official Statement has been deemed final within the meaning of the Rule.

Section 10. Continuing Disclosure Agreement. The agreement entitled "Continuing Disclosure Agreement" relating to the 2020 Bonds to be executed by City and the Authority in connection with the issuance of the 2020 Bonds, is hereby approved and any Authorized Representatives authorized and directed to execute, acknowledge and deliver said agreement on behalf of Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. Other Acts. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance of the 2020 Bonds, the refunding of the Prior Bonds and the financing of the 2020 Project or otherwise to effectuate the purpose of this Resolution, including obtaining bond insurance or other guarantee of the 2020 Bonds, and such actions previously taken by such officers are hereby ratified and confirmed.

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

Section 12. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Chairman

ATTEST:

Michelle Ascencion, Secretary

APPROVED AS TO FORM:

Stephen Fischer, Authority Counsel

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF OXNARD)

I, Michelle Ascencion, Secretary of the City of Oxnard Financing Authority, do hereby certify the attached to be a true and correct copy of City of Oxnard Financing Authority Resolution No. _____, adopted at the Oxnard City Council Meeting held on _____, 2020. The original resolution is on file in the City Clerk's Office at 300 W. Third Street, Oxnard, California 93030.

DATED this ____ day of _____, 2020.

Michelle Ascencion, CMC
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2020 Bonds to be sold is \$30,050,000, (the "Estimated Principal Amount").

True Interest Cost of the 2020 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the 2020 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2020 Bonds, is 2.20%.

Finance Charge of the 2020 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is \$564,600.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is \$32,071,808.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is \$56,458,282, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of October 29, 2020, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of

the 2020 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the 2020 Bonds and the actual principal amount of the 2020 Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the 2020 Bonds and other factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the Authority, or the Municipal Advisor.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

NEW ISSUE – FULL BOOK-ENTRY

UNDERLYING RATING S&P: “___”
INSURED RATING S&P: “___”

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject to certain qualifications described herein, under existing statutes, regulations, rules and court decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum taxes. Interest on the Series B Bonds is not excluded from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the 2020 Bonds is exempt from California personal income taxes. See “TAX MATTERS” herein.

\$_____* CITY OF OXNARD FINANCING AUTHORITY Water Revenue Bonds, Series 2020A	\$_____* CITY OF OXNARD FINANCING AUTHORITY Water Revenue Refunding Bonds, Series 2020B (Federally Taxable)
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Dated: Date of Delivery

Due: June 1, as shown on inside cover

Authority for Issuance. The City of Oxnard Financing Authority (the “Authority”) Water Revenue Bonds, Series 2020A (the “Series A Bonds”) and Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the “Series B Bonds,” and, together with the Series A Bonds, the “2020 Bonds”) are being issued pursuant to the Constitution and the laws of the State of California (the “State”), including the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the “Bond Law”), and an Indenture of Trust, dated as of _____ 1, 2020 (the “Indenture”) by and among the Authority, the City and Wells Fargo Bank, National Association, as trustee for the 2020 Bonds (the “Trustee”).

Use of Proceeds. The Series A Bonds are being issued to provide funds to (i) finance certain capital improvements to the City’s water system (the “Water System”), (ii) refund all or a portion of the City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the “2010 Bonds”), (iii) purchase a municipal bond insurance policy and a debt service reserve surety for the Series A Bonds, and (iv) pay the costs of issuing the Series A Bonds. The Series B Bonds are being issued to provide funds to (i) refund all or a portion of the City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the “2012 Bonds,” and, together with the 2010 Bonds the “Refunded Bonds”), (ii) purchase a municipal bond insurance policy and a debt service reserve surety for the Series B Bonds, and (iii) pay the costs of issuing the Series B Bonds. See “FINANCING PLAN.”

Security for the 2020 Bonds. The 2020 Bonds are payable from Revenues consisting primarily of installment payments (the “Installment Payments”) payable by the City to the Authority under an Installment Purchase Agreement dated as of _____ 1, 2020 (the “Installment Purchase Agreement”) and amounts on deposit in certain funds and accounts established by the Installment Purchase Agreement and the Indenture. The obligation of the City to make Installment Payments under the Installment Purchase Agreement is a special obligation of the City payable solely from and secured by a pledge of Net Water System Revenues on parity with \$[_____] the Existing Additional Obligations (as defined in this Official Statement) that will be outstanding upon the issuance of the 2020 Bonds. Net Water System Revenues are defined generally as gross revenues received from the Water System, less maintenance and operation costs of the Water System. See “SECURITY FOR THE 2020 BONDS.”

Bond Terms; Book-Entry Only. The 2020 Bonds will bear interest at the rates shown below, payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2021, and will be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple of \$5,000. The 2020 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchasers of the 2020 Bonds will not receive certificates representing their interests in the 2020 Bonds. Payments of the principal of, premium, if any, and interest on the 2020 Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2020 Bonds. See “THE 2020 BONDS – General Provisions.”

Redemption. The 2020 Bonds are subject to special mandatory, optional and mandatory sinking fund redemption prior to maturity. See “THE 2020 BONDS – Redemption.”

Bond Insurance. The scheduled payment of principal of and interest on a portion, or all, of the 2020 Bonds (such maturities insured to be specified in the final Official Statement) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2020 Bonds by _____. See “BOND INSURANCE” herein.

Reserve Policy. The Reserve Fund will be funded by the purchase of a municipal bond debt service reserve insurance policy relating to the 2020 Bonds issued by the Insurer (the “Reserve Policy”) to be issued concurrently with the delivery of the 2020 Bonds by _____.

[INSERT INSURER LOGO]

THE 2020 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM INSTALLMENT PAYMENTS MADE BY THE CITY AND CERTAIN MONEYS HELD UNDER THE INDENTURE. THE 2020 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT 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. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF 2020 BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2020 BONDS.

The 2020 Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Best Best & Krieger LLP, Riverside, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney, and for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, as Underwriter's counsel. It is anticipated that the 2020 Bonds will be delivered in definitive form through DTC on or about December __, 2020.

STIFEL

The date of this Official Statement is: _____, 2020.

* Preliminary; subject to change.

\$ _____ *

CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2020A

MATURITY SCHEDULE

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
--	------------------------------------	---------------------------------	---------------------	-----------------------------------

\$ _____ % Term Bond maturing June 1, ____; Yield ____%; CUSIP _____

\$ _____ % Term Bond maturing June 1, ____; Yield ____%; CUSIP _____

* Preliminary, subject to change.

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\$ _____ *

CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Refunding Bonds,
Series 2020B (Federally Taxable)

MATURITY SCHEDULE

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
--	------------------------------------	---------------------------------	---------------------	-----------------------------------

\$ _____ % Term Bond maturing June 1, ____; Yield ____%; CUSIP _____

\$ _____ % Term Bond maturing June 1, ____; Yield ____%; CUSIP _____

* Preliminary, subject to change.

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**CITY OF OXNARD
CITY OF OXNARD FINANCING AUTHORITY**

MAYOR AND CITY COUNCIL

Tim Flynn, *Mayor*
Carmen Ramirez, Esq., *Mayor Pro Tem, District 2*
Bert E. Perello, *Councilmember, District 1*
Oscar Madrigal, *Councilmember, District 3*
Bryan A. MacDonald, *Councilman, District 4*
Gabriela Basua, *Councilwoman, District 5*
Vianey Lopez, *Councilmember, District 6*

CITY OFFICIALS

Alexander Nguyen, *City Manager*
Ashley Golden, *Assistant City Manager*
Shiri Klima, *Deputy City Manager*
Rosemarie Gaglione, *Director of Public Works*
Michelle Ascension, *City Clerk (elected)*
Stephen Fischer, *City Attorney*
Phillip S. Molina, *City Treasurer (elected)*
Kevin Riper, *Chief Financial Officer*
Donna Ventura, *Assistant Chief Financial Officer*

MUNICIPAL ADVISOR

NHA Advisors, LLC
San Rafael, California

BOND COUNSEL

Best Best & Krieger LLP
Riverside, California

DISCLOSURE COUNSEL

Nixon Peabody LLP
Los Angeles, California

TRUSTEE

Wells Fargo Bank, National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority or the City to give any information or to make any representations in connection with the offer or sale of the 2020 Bonds other than as 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 shall there be any sale of the 2020 Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. This Official Statement has been deemed final, as of its date, by the Authority and the City for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

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

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 words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the City with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All summaries of the Indenture and the Installment Purchase Agreement, and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with one or more depositories. This Official Statement does not constitute a contract between any Owner of a Bond and the Authority or the City.

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

_____ (“____”) makes no representation regarding the 2020 Bonds or the advisability of investing in the 2020 Bonds. In addition, _____ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding _____, supplied by _____ and presented under the heading “BOND INSURANCE” and “APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The issuance and sale of the 2020 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

While the City maintains an internet website for various purposes, the information provided on that website is not incorporated by reference as part of this Official Statement and none of the information on that website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the 2020 Bonds or any other bonds or obligations of the City.

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OFFICIAL STATEMENT

\$ _____ * CITY OF OXNARD FINANCING AUTHORITY Water Revenue Bonds, Series 2020A	\$ _____ * CITY OF OXNARD FINANCING AUTHORITY Water Revenue Refunding Bonds, Series 2020B (Federally Taxable)
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INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2020 Bonds to potential investors is made only by means of the entire Official Statement.

City of Oxnard. The City of Oxnard (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 206,352 in 2020, accounting for over 24% of the County’s population. The City has a diversified economic base composed of agriculture and related business, retail, manufacturing, tourism, 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 term of office for all of the City’s elected officials is four years. Municipal elections are held every two years for three City Council positions, and for Mayor every four years. All six Councilmembers are elected by district, but the Mayor is elected at large. The City Treasurer, who is also elected Citywide, invests idle cash and manages the City’s investment portfolio. The City Clerk, also elected Citywide, manages the City Council and Committee meeting agenda process, official records, and elections.

Authority for Issuance. The 2020 Bonds are authorized pursuant to the Constitution and the laws of the State of California (the “State”), including the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the “Bond Law”), and an Indenture of Trust, dated as of _____ 1, 2020 (the “Indenture”), by and among the City of Oxnard Financing Authority (the “Authority”), the City and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

Form of 2020 Bonds. The 2020 Bonds will be dated their date of delivery and will be issued in fully registered form, without coupons, in the minimum denominations of \$5,000 or any integral multiple thereof. See “THE 2020 BONDS – General Provisions.” When delivered, the 2020 Bonds will be registered in the name of The Depository Trust Company, New York, New York (“DTC”), or its nominee. DTC will act as securities depository for the 2020 Bonds. Individual purchases of 2020 Bonds will be made in book-entry form only in the principal amount of \$5,000 each or any integral multiple thereof. Purchasers

* Preliminary, subject to change.

of the 2020 Bonds will not receive certificates representing the 2020 Bonds purchased. See “THE 2020 BONDS - Book-Entry Only System” and “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Purpose of the 2020 Bonds. The Series A Bonds are being issued to provide funds to (i) finance certain capital improvements to the City’s water system (the “Water System”), (ii) refund all or a portion of the City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the “2010 Bonds”), (iii) purchase a municipal bond insurance policy and a debt service reserve surety for the Series A Bonds, and (iv) pay the costs of issuing the Series A Bonds. The Series B Bonds are being issued to provide funds to (i) refund all or a portion of the City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the “2012 Bonds,” and, together with the 2010 Bonds the “Refunded Bonds”), (ii) purchase a municipal bond insurance policy and a debt service reserve surety for the Series B Bonds, and (iii) pay the costs of issuing the Series B Bonds. See “FINANCING PLAN.”

Pledge of Revenues/Net Water System Revenues. The 2020 Bonds are payable from revenues (as further described in this Official Statement, the “Revenues”) consisting of Installment Payments (the “Installment Payments”) to be made by the City to the Authority under an Installment Purchase Agreement, dated as of _____ 1, 2020 (the “Installment Purchase Agreement”), between the City and the Authority and amounts on deposit in certain funds and accounts established under the Indenture.

The City’s obligation to make Installment Payments under the Installment Purchase Agreement is a special obligation of the City payable solely from and secured by a pledge of Net Water System Revenues of the City’s water system (the “Water System”). “Net Water System Revenues” are generally defined as “Water System Revenues” received from the Water System, less the amount of Maintenance and Operation Costs becoming payable in such period. See “SECURITY FOR THE 2020 BONDS – Pledge of Net Water System Revenues” and “WATER SYSTEM.”

Existing Additional Obligations. The Installment Payments are payable from and secured by a first pledge of and lien on Net Water System Revenues on a parity with certain obligations of the City of Oxnard Financing Authority Water Revenue Project Bonds, Series 2010B (Federally Taxable Build America Bonds), and the City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2014, and the City of Oxnard Water Revenue Refunding Bonds, Series 2018. See “SECURITY FOR THE 2020 BONDS – Existing Additional Obligations.”

Rate Covenants. The City covenants that it will fix, prescribe, and collect fees, rates, and charges for the Water System which will be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to the sum of (a) one hundred percent (100%) of the Debt Service for such Fiscal Year and the amounts, if any, then due and owing to the Insurer under the Reserve Policy, if applicable, plus (b) the amount by which the amount on deposit in the Revenue Fund on the last day of the immediately preceding Fiscal Year was less than twenty-five percent (25%) of Maximum Annual Debt Service as of such day. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Water System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of the Installment Purchase Agreement.

See “SECURITY FOR THE 2020 BONDS – Rate Covenants.” See APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS” for definitions of defined terms used herein.

Bond Insurance. The scheduled payment of principal of and interest on a portion, or all, of the 2020 Bonds (such maturities insured to be specified in the final Official Statement) when due will be

guaranteed under a municipal bond insurance policy (the “Policy”) to be issued concurrently with the delivery of the 2020 Bonds by _____ (the “Insurer”). See “BOND INSURANCE” herein.

Reserve Fund. A Reserve Fund (the “Reserve Fund”) will be established under the Indenture for the 2020 Bonds in an amount equal to the Reserve Requirement. The “Reserve Requirement” means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the 2020 Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the 2020 Bonds); (ii) 125% of average Annual Debt Service on the 2020 Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the 2020 Bonds.

The Authority will satisfy the Reserve Requirement with respect to the 2020 Bonds by depositing the Reserve Policy in the Reserve Fund. “Reserve Policy” means the municipal bond debt service reserve insurance policy relating to the 2020 Bonds issued by the Insurer.

Issuance of Additional Obligations. The Authority covenants in the Indenture that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues, in whole or in part. The City may issue or incur additional obligations and bonds on a parity with or subordinate to the Installment Payments, provided that the conditions set forth in the Installment Purchase Agreement are met. See “SECURITY FOR THE 2020 BONDS - Additional Obligations.”

Payment. Principal of the 2020 Bonds will be payable in each of the years and in the amounts set forth on the cover page hereof at the office of the Trustee. Interest on the 2020 Bonds will be paid by check or draft of the Trustee mailed by first class mail to the person entitled thereto. See “THE 2020 BONDS – General Provisions.” Initially, interest on and principal and premium, if any, of the 2020 Bonds will be payable when due by wire of the Trustee to the Depository DTC which will in turn remit such interest, principal and premium, if any, to DTC Participants (as defined herein), which will in turn remit such interest, principal and premium, if any, to Beneficial Owners (as defined herein) of the 2020 Bonds. See “THE 2020 BONDS - Book-Entry Only System” and “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Redemption. The 2020 Bonds are subject to special mandatory, optional and mandatory sinking fund redemption prior to their stated maturity dates. See “THE 2020 BONDS – Redemption.”

Risks of Investment. The 2020 Bonds are repayable only from certain money available to the City from its Water System. For a discussion of some of the risks associated with the purchase of the 2020 Bonds, see “BOND OWNERS’ RISKS.”

THE 2020 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM INSTALLMENT PAYMENTS MADE BY THE CITY AND CERTAIN MONEYS HELD UNDER THE INDENTURE. THE 2020 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT 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. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

FINANCING PLAN

Proceeds of the Series A Bonds are expected to be used to finance the Hueneme Road Project and the Aquifer Storage and Recovery (“ASR”) Project. The Hueneme Road Project will allow delivery of recycled water for agricultural uses. The ASR Project will allow recycled water to be injected into a local groundwater aquifer for groundwater recharge. The water recovered from the ASR wells will then be blended with City drinking water sources and delivered as potable water. See “THE WATER SYSTEM—Capital Improvement Plan,” for additional information related to the Hueneme Road Project and the ASR Project.

The Authority previously issued its Water Revenue Project Bonds Series 2010A (the “2010 Bonds”), of which \$[] are currently outstanding, and its Water Revenue Refunding Bonds Series 2012 (the “2012 Bonds,” and, together with the 2010 Bonds, the “Refunded Bonds”), of which \$[] are currently outstanding.

The Authority, the City and Wells Fargo Bank, National Association (the “Escrow Agent”) have entered into separate Escrow Deposit and Trust Agreements (the “Escrow Agreements”) with respect to the Refunded Bonds. Pursuant to the Escrow Agreements, the Escrow Agent will establish escrow funds (each, an “Escrow Fund”), in connection the defeasance, payment and redemption for the Refunded Bonds to be redeemed or paid after the 2020 Bonds issuance date. A portion of the proceeds from the sale of 2020 Bonds, together with certain moneys to be released from certain funds and accounts maintained under respective indentures for each such Refunded Bonds, will be deposited into the applicable Escrow Fund.

The deposits into the Escrow Funds will provide the Escrow Agent sufficient funds to pay the principal, interest and/or redemption price plus unpaid accrued interest, on the respective redemption dates of the Refunded Bonds.

Pending disbursement, the moneys deposited in the Escrow Funds will be held in federal securities and in cash. Moneys held in each Escrow Fund will be held solely for the benefit of the holders of the related Refunded Bonds and will not serve as security nor be available for payment on the 2020 Bonds.

[] (the “Verification Agent”), will verify the mathematical accuracy of certain computations included in the schedules provided on behalf of the Authority and the City relating to the computation of forecasted receipts of principal and interest earnings (if any) on the moneys and federal securities deposited in the Escrow Funds and the forecasted payments of principal and interest in connection with the defeasance of the Refunded Bonds. The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of computations contained in the schedules provided to the Verification Agent and the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to the Verification Agent’s attention, subsequent to the date of its report.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2020 Bonds are as follows:

<u>Sources:</u>	<u>Series A Bonds</u>	<u>Series B Bonds</u>
Principal Amount of 2020 Bonds	\$	\$
Original Issue Premium/Discount		
<i>TOTAL SOURCES</i>	<u>\$</u>	<u>\$</u>
 <u>Uses:</u>		
Deposit to Acquisition and Construction Fund	\$	\$
Deposit to 2010 Escrow Fund		
Deposit to 2012 Escrow Fund		
Deposit to Costs of Issuance Fund ⁽¹⁾		
<i>TOTAL USES</i>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Costs of Issuance include legal fees, fees of the Municipal Advisor, underwriter's discount, bond insurance and reserve surety premiums, printing costs, rating agency fees and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE

Annualized debt service on the 2020 Bonds assuming no optional redemption is presented below.

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Annualized debt service on the 2020 Bonds and Existing Additional Obligations is presented below.

Bond Year Ending June 1	2010B Bonds⁽¹⁾	2014 Bonds	2018 Bonds	2020 Bonds	Total
2021	\$	\$2,532,799.88	\$3,053,412.50	\$	\$
2022		2,531,300.24	3,055,162.50		
2023		2,531,049.94	3,048,912.50		
2024		2,531,800.18	3,054,912.50		
2025		2,528,300.74	3,057,412.50		
2026		2,530,550.28	3,056,412.50		
2027		2,533,050.18	3,051,912.50		
2028		2,530,550.20	3,053,912.50		
2029		2,533,050.46	3,051,912.50		
2030		2,530,050.38	3,055,912.50		
2031		2,531,550.46	3,860,412.50		
2032		2,532,049.86	3,860,162.50		
2033		2,531,300.24	3,858,162.50		
2034		2,529,050.68	3,864,162.50		
2035		—	6,882,412.50		
2036		—	6,886,912.50		
2037		—	—		
2038		—	—		
2039		—	—		
2040		—	—		
2041		—	—		
2042		—	—		
2043		—	—		
2044		—	—		
2045		—	—		
2046		—	—		
2047		—	—		
2048		—	—		
2049		—	—		
2050		—	—		
Total:	\$	\$35,436,453.72	\$59,752,100.00	\$	\$

THE 2020 BONDS

General Provisions

Bond Terms. The 2020 Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple of \$5,000, so long as no Bond has more than one maturity date. The 2020 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

Payments of Principal and Interest. Interest on the 2020 Bonds will be payable on June 1 and December 1 in each year, beginning June 1, 2021 (each an “Interest Payment Date”) to the person whose name appears on the Bond Registration Books as the Owner thereof as of the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date (the “Record Date”). While the 2020 Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to a Bond will be paid by the Trustee to DTC for subsequent disbursement to beneficial owners of the 2020 Bonds.

If there exists a default in payment of interest due on any Interest Payment Date, interest will be payable on a payment date established by the Trustee to the persons in whose names the 2020 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2020 Bonds not less than 15 days preceding such special record date.

Principal of and premium (if any) on any 2020 Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2020 Bonds will be payable in lawful money of the United States of America.

Calculation of Interest. The 2020 Bonds will be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to May 15, 2021, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such 2020 Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Redemption

[Special Mandatory Redemption. The 2020 Bonds shall be subject to special mandatory redemption as a whole or in part, on any date, from proceeds of an eminent domain award or proceeds of casualty insurance not used to repair or rebuild the Water System, which proceeds may be used for such purpose pursuant to the Installment Purchase Agreement, at a redemption price equal to the principal amount of the 2020 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.] **[DISCUSS]**

Optional Redemption. The Series A Bonds maturing on or before June 1, 20__ will not be subject to optional redemption prior to maturity. The Series A Bonds maturing on June 1, 20__ will be subject to optional redemption prior to their maturity date, at the option of the Authority, by lot within a maturity on any date on or after June 1, 20__, from prepayment of Installment Payments made at the option of the City

at the redemption price equal to the principal amount of the Series A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series B Bonds maturing on or before June 1, 20___ will not be subject to optional redemption prior to maturity. The Series B Bonds maturing on June 1, 20___ will be subject to optional redemption prior to their maturity date, at the option of the Authority, by lot within a maturity on any date on or after June 1, 20___, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the Series B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Account Redemption. The Series A Bonds maturing on June 1, 20___ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20___, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series A Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such Series A Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
Series A Term Bonds Maturing June 1, 20___

<u>Redemption Date</u> (June 1)	<u>Principal Amount</u>
------------------------------------	-------------------------

The Series A Bonds maturing on June 1, 20___ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20___, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series A Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such Series A Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
Series A Term Bonds Maturing June 1, 20__

<u>Redemption Date</u> (June 1)	<u>Principal Amount</u>
------------------------------------	-------------------------

The Series B Bonds maturing on June 1, 20__ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20__, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series B Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such Series B Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
Series B Term Bonds Maturing June 1, 20__

<u>Redemption Date</u> (June 1)	<u>Principal Amount</u>
------------------------------------	-------------------------

The Series B Bonds maturing on June 1, 20__ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20__, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series B Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such Series B Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
Series B Term Bonds Maturing June 1, 20____

Redemption Date
(June 1)

Principal Amount

Selection of 2020 Bonds for Redemption. Whenever provision is made for the special mandatory redemption or optional redemption of 2020 Bonds of more than one maturity, the 2020 Bonds to be redeemed will be selected among series of 2020 Bonds in a manner determined in writing by the Authority and in inverse order of maturity or, at the election of the Authority evidenced by a Written Request of the Authority filed with the Trustee at least sixty (60) days prior to the date of redemption, on a pro rata basis among maturities (provided that, in any event, the principal and interest due on the 2020 Bonds Outstanding following such redemption will be equal in time and amount to the unpaid payments due under the respective Installment Purchase Agreement); and in each case, the Trustee will select the 2020 Bonds to be redeemed within any maturity by lot in any manner which the Trustee in its sole discretion will deem appropriate. For purposes of such selection, all 2020 Bonds will be deemed to be comprised of separate \$5,000 portions and such portions will be treated as separate 2020 Bonds which may be separately redeemed.

Notice of Redemption. The Trustee on behalf and at the expense of the Authority will send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to: (i) the respective Owners of any 2020 Bonds designated for redemption, at least twenty (20) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services, at least twenty (20) but not more than sixty (60) days prior to the redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2020 Bonds or the cessation of the accrual of interest thereon. In addition to mailed notice, the notice to the Securities Depositories and Information Service will be given by telephonically confirmed facsimile transmission or overnight delivery service or by such other means approved by such institutions. Such notice will state the series of 2020 Bonds to be redeemed, the date of the notice, the redemption date, the redemption place and the redemption price and will designate the CUSIP numbers, the bond numbers and the maturity or maturities (in the event of redemption of all of the 2020 Bonds of such maturity or maturities in whole) of the 2020 Bonds to be redeemed, and will require that such 2020 Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee will be liable for any inaccuracy in such numbers.

Any notice given pursuant to this paragraph may be conditional and/or rescinded by written notice given to the Trustee by the Authority and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given pursuant to the Indenture.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the 2020 Bonds so called for redemption will have been duly provided, such 2020 Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in such notice. All 2020 Bonds redeemed pursuant to the Indenture will be canceled and will be destroyed by the Trustee.

Book-Entry Only System

The 2020 Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple of \$5,000, under the book-entry system maintained by DTC. While the 2020 Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the 2020 Bonds. Purchasers of the 2020 Bonds will not receive certificates representing their interests therein, which will be held at DTC.

See “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM” for further information regarding DTC and the book-entry system.

BOND INSURANCE

[TO COME]

SECURITY FOR THE 2020 BONDS

General

The 2020 Bonds are special obligations of the Authority and will be payable from and secured by Revenues, consisting primarily of Installment Payments to be made by the City under the Installment Purchase Agreement. Neither the faith and credit of the Authority, the City, the State of California or any political subdivision thereof nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Installment Payments or the principal or redemption price of or interest on the 2020 Bonds. The Authority has no taxing power. Neither the payment of the principal of or interest on the 2020 Bonds nor the obligation of the City to make Installment Payments under the Installment Purchase Agreement constitutes a debt of the City, the Authority, the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Security Under the Indenture

Installment Payments. Under the Indenture, the Authority irrevocably transfers and assigns over to the Trustee all of the Installment Payments received by the Authority under the Installment Purchase Agreement and any and all rights it has to enforce the obligations of the City under the Installment Purchase Agreement. The Installment Payments received by the Trustee and all money in the other funds or accounts

established under the Indenture are irrevocably pledged by the Authority to the punctual payment of the respective 2020 Bonds. The Revenues and such other funds and accounts are not permitted to be used for any other purpose while any of the 2020 Bonds remain Outstanding, subject to the provisions of the Indenture permitting the application of those moneys for other specified purposes. The Indenture provide that this pledge constitutes a first lien on the Revenues and such other money for the payment of the 2020 Bonds.

Revenue Fund. The Indenture establishes a special fund known as the “Revenue Fund” held by the Trustee into which all Installment Payments will be deposited. The money in the Revenue Fund is required to be transferred by the Trustee for deposit in the following respective funds (each of which is established under the Indenture and maintained with the Trustee) at the following times and in the following order of priority:

- (a) Bond Payment Fund. The Trustee will withdraw from the Revenue Fund and deposit in the Bond Payment Fund on or before each Interest Payment Date, so long as any 2020 Bonds remain outstanding under the Indenture, an amount, which, together with other available amounts in the Bond Payment Fund is at least equal to the sum of (i) the aggregate amount of principal of and interest coming due and payable on the 2020 Bonds on such Interest Payment Date, and (ii) the redemption price of the Term Bonds coming due and payable on such Interest Payment Date by operation of mandatory sinking fund redemption.
- (b) Reserve Fund. If the amount on deposit in the Reserve Fund at any time falls below the Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the Revenue Fund, and (ii) transfer such amount to the Reserve Fund. No deposit needs to be made in the Reserve Fund so long as the balance therein at least equals the Reserve Requirement.
- (c) Redemption Fund. The Trustee will deposit into the Redemption Fund all amounts required to redeem any 2020 Bonds which are subject to special mandatory and optional redemption when and as such amounts become available. Amounts in the Redemption Fund will be applied by the Trustee solely for the purpose of paying the redemption price of Bonds to be redeemed pursuant to special mandatory and optional redemption.

Pledge of Net Water System Revenues

The Installment Purchase Agreement provides that all Net Water System Revenues are pledged to the payment of the Installment Payments and Net Water System Revenues will not be used for any purpose other than as permitted in the Installment Purchase Agreement while any of the Installment Payments remain unpaid. The pledge constitutes a lien on Net Water System Revenues, including Net Water System Revenues in the Water Revenue Fund for the payment of the Installment Payments and all other Contracts and Bonds in accordance with the terms of the Installment Purchase Agreement and the Indenture.

Net Water System Revenues. The Installment Purchase Agreement defines Net Water System Revenues as the amount of the Water System Revenues received from the Water System during such period, less the amount of Maintenance and Operation Costs of the Water System becoming payable during such period.

“Water System Revenues” means all income, rents, rates, fees, charges, and other moneys derived from the ownership of or operation of the Water System, including, without limiting the generality of the

foregoing, (1) all in lieu charges and groundwater augmentation charges (including investment earnings thereon) collected by or on behalf of the City, (2) all income, rents, rates, fees, charges, business interruption insurance proceeds, or other moneys derived by the City from the sale, furnishing, and supplying of the water, drainage or other services, facilities, and commodities sold, furnished, or supplied through the facilities of or in the conduct or operation of the business of the Water System, and (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds, or other moneys, including City reserves; but excluding in all cases (a) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the City, (b) proceeds of taxes or benefit assessments restricted by law to be used by the City to pay amounts due on bonds or other obligations hereafter incurred, and (c) connection fees and charges.

“Maintenance and Operation Costs” means (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including, but not limited, to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than debt service payments) required to be paid by it to comply with the terms of the City Bonds, or any other Contract, other than Debt Service, or of any resolution or indenture authorizing the issuance of any City Bonds or Contract, and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

To carry out and effectuate the pledge and lien contained in the Installment Purchase Agreement, the City agrees and covenants that all Water System Revenues will be received by the City in trust hereunder and deposited when and as received in a special fund designated as the “Water Revenue Fund,” which fund is created and established under the Installment Purchase Agreement and which fund the City agrees and covenants to maintain and to hold in trust separate and apart from other funds so long as any Installment Payments remain unpaid.

The City will, first from the moneys in the Water Revenue Fund, pay all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs, the payment of which is not then immediately required) as they become due and payable. Thereafter, all Net Water System Revenues in the Water Revenue Fund will be set aside by the City at the following times for the transfer to the following respective special funds in the following order of priority:

Bond Payment Fund. On or before each Installment Payment Date until the 2020 Bonds have been paid or provision for their payment has been made as provided in the Indenture, the City will, from the moneys in the Water Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund the Installment Payment due and payable on that Installment Payment Date. Such deposit to the Bond Payment Fund will be reduced to the extent amounts on deposit therein are available for application to the Installment Payment due and payable on such Installment Payment Date.

The City will also, from the moneys in the Revenue Fund, transfer to the trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, to pay any other debt service in accordance with the provisions of any Bond or Contract.

Reserve Fund. On or before each Installment Payment Date until the 2020 Bonds have been paid, or provision for their payment has been made as provided in the Indenture, the City will, from the remaining moneys in the Revenue Fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee or other fiduciary for deposit in any reserve fund and/or account as may have been established in connection with Bonds or Contracts, other than the Installment Purchase Agreement, that sum, if any, necessary to restore such reserve funds or accounts to an amount equal to the amount required to be maintained therein.

Surplus. Moneys on deposit in the Revenue Fund not necessary to make any of the payments required above, may be expended by the City at any time for any purpose permitted by law.

Existing Additional Obligations

The Authority previously issued its Water Revenue Project Bonds, Series 2010B (Federally Taxable Build America Bonds) (the “2010B Bonds”) and Water Revenue Refunding Bonds, Series 2014 (the “Prior Authority Bonds”), and the City previously issued its Water Revenue Refunding Bonds, Series 2018 (the 2018 Bonds”), currently outstanding in the aggregate principal amount of \$[_____]. The Prior Authority Bonds are secured by installment payments payable by the City under their respective installment purchase agreements (along with the 2018 Bonds, the “Existing Additional Obligations”). Such installment payments as well as the debt service on the 2018 Bonds are secured by Net Water System Revenues on a parity with the Installment Payments.

Under the indenture relating to the 2010B Bonds, the Authority receives an interest payment subsidy and deposits the amounts received in the bond fund for the payment of interest on the 2010B Bonds. As a result, the installment payments due under the installment purchase agreement relating to the 2010B Bonds are reduced by the amount representing the interest payment subsidy so deposited.

Reserve Fund

A Reserve Fund will be established under the Indenture in an amount equal to the Reserve Requirement. “Reserve Requirement” means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the 2020 Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the 2020 Bonds); (ii) 125% of average Annual Debt Service on the 2020 Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the 2020 Bonds.

The Authority will satisfy the Reserve Requirement with respect to the 2020 Bonds by depositing the municipal bond debt service reserve insurance policy relating to the 2020 Bonds issued by _____ (the “Reserve Policy”) in the Reserve Fund in accordance with the Indenture.

The Authority is not obligated to replace the Reserve Policy or to fund the Reserve Fund with cash if, at any time that the 2020 Bonds are Outstanding, amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy.

Rate Covenants

The City will fix, prescribe, and collect fees, rates, and charges for the Water System which will be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to the sum of:

(a) one hundred percent (100%) of the Debt Service for such Fiscal Year and the amounts, if any, then due and owing to the Insurer under the Reserve Policy, if applicable, plus

(b) the amount by which the amount on deposit in the Revenue Fund on the last day of the immediately preceding Fiscal Year was less than twenty-five percent (25%) of Maximum Annual Debt Service as of such day. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Water System Revenues from such reduced rates and charges will at all times be sufficient to meet these requirements.

Additional Obligations

Under the Installment Purchase Agreement, the City may execute any Contract or issue any City Bonds, as the case may be, in accordance with the Installment Purchase Agreement, provided:

(a) no Event of Default shall have occurred and be continuing, and the City shall deliver a certificate to that effect to the Trustee; and

(b) the City obtains or provides a certificate or certificates prepared by an Independent Financial Consultant showing that

(i) the Net Water System Revenues as shown by the books of the City for the twelve (12) calendar months ending 90 days prior to the end of the month in which such Additional Obligations are incurred (the "Look Back Period"), will have amounted to at least the sum of (x) one hundred percent (100%) of Debt Service for such Look Back Period, plus (y) the amount by which the amount on deposit in the Revenue Fund on the first day of such Look Back Period was less than twenty-five percent (25%) of Maximum Annual Debt Service on all Outstanding City Bonds and Contracts calculated on the first day of such Look Back Period; for purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the City for all or any part of the Look Back Period, which have not been subject to audit by an Independent Certified Public Accountant if audited financial statements for the Fiscal Year or period are not available;

(ii) the estimated Net Water System Revenues for the twelve (12) calendar months following the date of incurring such Additional Obligations will be at least equal to one hundred percent (100%) of Maximum Annual Debt Service on all City Bonds and Contracts to be outstanding immediately after the incurring of such Additional Obligations; and

(iii) the amount on deposit in the Revenue Fund on the date of incurring such Additional Obligations is at least equal to twenty-five percent (25%) of Maximum Annual Debt Service on all Outstanding City Bonds and Contracts as of the date of incurring of such Additional Obligations.

(c) For purposes of the computations to be made as described above, the determination of the Net Water System Revenues:

(i) may take into account any increases in rates and charges that relate to the Water System and will take into account any reduction in such rates and charges that will be effective prior to or at the time of incurring such proposed Additional Obligations;

(ii) may take into account an allowance for any estimated increase in such Net Water System Revenues from any revenue producing additions to or improvements or extensions of the Water System to be made with the proceeds of such Additional Obligations or with the

proceeds of Obligations previously issued, as shown by a certificate of an Independent Financial Consultant; and

(iii) for the period contemplated by clause (ii) above, Maintenance and Operation Costs of the Water System will be deemed to be the same as for the period for which a calculation is done pursuant to clause (i) above, but adjusted, if deemed necessary by the Consultant, for any increased Maintenance and Operation Costs of the Water System which are, in the judgment of the Consultant, essential to maintaining and operating the Water System, including any additions or betterments thereto to be made with the proceeds of such Additional Obligations.

The certificate or certificates described above will not be required if the Additional Obligations being incurred are for the purpose of refunding then outstanding Obligations and at the time of the incurring of such Additional Obligations a certificate of an Authorized Official will be delivered showing that Maximum Annual Debt Service on all Outstanding City Bonds and Contracts after the incurring of such Additional Obligations will not exceed Maximum Annual Debt Service on all Obligations outstanding prior to the incurring of such Additional Obligations.

THE AUTHORITY

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

THE WATER SYSTEM

General

The Water System provides water service to approximately 42,800 accounts within the City, of which 36,645 are residential.

The City's water supply assets include 10 City-owned wells for pumping groundwater. The City also owns six blending stations, located throughout the City service area, used to mix groundwater (high in total dissolved solids or salts) with imported water (low salts) and/or desalted groundwater to enhance potable water quality. Additionally, the City owns a brackish water desalter used to improve groundwater quality by removing salts. The City's Advanced Water Purification Facility ("AWPF") is designed to produce advanced treated recycled water by using secondary effluent from the Oxnard Wastewater Treatment Plant ("OWTP").

The City's water supply assets also include a water supply distribution network including piping and appurtenances as well as two recycled water distribution pipelines, the recycled water backbone pipeline, along Ventura Road (which runs North-South) and the Hueneme Road pipeline (which runs East-West).

The City has also contracted with the United Water Conservation District to pump the City's groundwater allocation and delivery through the Oxnard-Hueneme pipeline.

Management

The Water System is operated by the Water Section of the City's Water Resources Division (the "Water Section"), a unit of the Utility Services Branch of the City's Public Works Department. The Water Section employs a staff of 51 full time equivalent employees. The Utility Services Branch's management team consists of an Assistant Public Works Director, a Water Division Manager, a Water Resources Manager, a Water Operations Manager, and two Chief Operators. The Assistant Public Works Director is responsible for the overall management of the Water Division, as well as Environmental Resources and the Wastewater Division, and focuses primarily on long-range water resource planning issues. The Water Division Manager reports directly to the Assistant Public Works Director. The Water Division Manager is responsible for the day-to-day management and administration of the Water Division. The Water Operations Manager is responsible for operations and management services relating to the Water System. The Water Division, like the Public Works Department, operates under the direction of the City Manager with financial oversight provided by the City's Chief Financial Officer.

City Manager. Mr. Alexander Nguyen was appointed City Manager in July 2018. Mr. Nguyen came to the City with 20 years of municipal experience from the cities of Oakland, Alameda and Riverside. In Oakland, he served two years as Chief of Staff for a City Council office and 11 years as Chief of Staff for the elected City Attorney, where he was also co-creator and Executive Director of the Neighborhood Law Corps. In Alameda, Mr. Nguyen served as Assistant City Manager. He also led the effort to build the city's first dedicated emergency operations center, along with a new fire station. In Riverside, Mr. Nguyen also served as Assistant City Manager and led the effort to design a new Main Library and City Archive in the downtown area. He also led the city's Office of Homeless Solutions, which developed Riverside's homeless policy and Housing First Plan. His portfolio in Riverside also included police, fire, parks, museum and citizens police review commission.

Assistant City Manager. Ms. Ashley Golden, Director of Oxnard's Development Services, was appointed as Assistant City Manager in December 2018. Ms. Golden has more than 14 years of experience with the City's development services department where she provided oversight and administrative resources for planning, code compliance, and building & engineering services. She was appointed Director of Development Services in 2015 and has previously served as interim Assistant City Manager when there was a vacancy in 2016 and 2018. She also has more than three years of experience with the Sacramento Housing and Redevelopment Agency as Redevelopment Planner and Community Development Program technician.

Deputy City Manager. Ms. Shiri Klima was appointed Deputy City Manager in January 2019, to oversee the Finance, Information Technology and Human Resources Departments, and as of Spring 2020, the Billing and Licensing Department. Ms. Klima served as an Assistant City Attorney in Oxnard for over two years and has a decade of experience with municipal government, having advised many cities including Indio, Highland, Yucaipa, Rancho Palos Verdes, Beverly Hills, Agoura Hills and Wasco as well as a workforce development joint powers authority in southeast L.A. County.

Chief Financial Officer. Kevin Riper was appointed Chief Financial Officer in January 2019. Mr. Riper came to Oxnard with over 31 years of experience, including four years with the City of Bend, Oregon as Assistant City Manager; six years with the City of Morgan Hill as Finance Director; four years as International Advisor for South African National Treasury and the City of Johannesburg; eleven years as Finance Director for the Cities of Kansas City, Missouri, Des Moines, Iowa, Modesto, California and three years as Assistant Finance Director for the City of Palo Alto, California.

Assistant Chief Financial Officer. Donna Ventura was appointed Assistant Chief Financial Officer in January 2019. Ms. Ventura came to the City with over 30 years of private sector experience,

including nineteen years with Amgen, Inc. in various leadership roles within Finance and Strategy, Tax Reporting, Financial Planning and Analysis, Project Management and Strategic Operations. Ms. Ventura also worked at KPMG, LLP, one of the nation's "Big Four" auditing firms and is a licensed certified public accountant in California.

Public Works Director. Rosemarie Gaglione was appointed Public Works Director in January 2018. Ms. Gaglione came to the City with over 30 years of experience in managing public works departments, including streets, engineering, parks, fleet, building maintenance, water, wastewater, recycled water, storm water and environmental resources. She oversees a \$340 million annual budget, including capital expenditures, and 475 FTE's. Ms. Gaglione is a registered Professional Civil Engineer in the State of California.

Assistant Public Works Director. Thien Ng serves as the Assistant Public Works Director and has over 30 years of experience in managing public works utilities, including water, wastewater, recycled water, storm water, and environmental resources. Mr. Ng has extensive experience in planning, design, and construction of public utility facilities. Mr. Ng is a registered Professional Civil and Chemical Engineer in the State of California. Mr. Ng has worked with the City for 15 years.

Water Division Manager. Omar Castro serves as the Water Division Manager and has 30 years of experience in managing water and recycled water utilities. Mr. Castro oversees the Water Division's \$88 million annual budget, including capital expenditures, and 51 staff members. Mr. Castro has a water treatment T5 certification and water distribution D5 certification. In addition, Mr. Castro is a certified water treatment and water distribution instructor and subject matter expert with the State Water Resources Control Board. Mr. Castro has worked for the City for 5 years.

Employees and Employee Benefits

The production, water distribution, metering, security and contamination prevention staff members are represented by the International Union of Operating Engineers ("IUOE"). The current memorandum of understanding between the City and IUOE expires on June 30, 2022.

The water conservation and administrative staff members are represented by Service Employees International Union ("SEIU"). The current memorandum of understanding between the City and SEIU expires on June 30, 2022.

The manager, supervisor, and management analyst staff members are represented by Oxnard Mid Manager's Association ("OMMA"). The current memorandum of understanding between the City and OMMA expires on June 30, 2022.

See Appendix B for information with respect to the City's pension plans and other post-employment benefits. For Fiscal Year 2020-21, the Water System is responsible for approximately \$1,117,292 in California Public Employees' Retirement System pension costs (unfunded actuarial liability ("UAL") and Normal Cost) and \$399,224 in Public Agency Retirement Services ("PARS") pension costs (Single Employer Plan and ERIP – Early Retirement Incentive Plan).

Service Area and Customers

As of June 30, 2020 there were 42,800 water accounts serving a population of approximately 36,645 residents. The following table summarizes the water accounts for the previous five years.

Table 1
WATER SYSTEM
ACTIVE SERVICE ACCOUNTS

Date	Single-Family Residential Accounts	Mutli-family Residential Accounts	Commercial, Industrial, Institutional Accounts	Irrigation	Recycled Water	Unmetered Construction	Fire Service	Total Accounts	Percentage Increase
6/30/16	33,536	2,032	2,767	1,595	0	154	1,551	41,635	--
6/30/17	33,707	2,036	2,785	1,606	0	113	1,569	41,816	0.4%
6/30/18	33,973	2,037	2,596	1,799	7	34	1,595	42,041	0.5
6/30/19	33,997	2,035	2,516	1,766	7	178	1,630	42,129	0.2
6/30/20	34,637	2,008	2,512	1,779	7	195	1,666	42,804	1.6

Source: City of Oxnard

Water Supply

To supply water to its residents, the City blends water from following sources: imported surface water from Calleguas Municipal Water District (“CMWD”), groundwater from United Water Conservation District (“UWCD”), and groundwater from its own wells, each of which is described below:

Calleguas Municipal Water District. CMWD receives from the Metropolitan Water District of Southern California (“MWD”) water brought south by the State Water Project. CMWD wholesales water directly to various cities throughout Ventura County including the City. CMWD supplies 40 to 50 percent of the City’s total demand. The City expects acquisition costs for CMWD water to be \$16,500,000 in Fiscal Year 2020-21.

United Water Conservation District. UWCD diverts water from the Santa Clara River into the El Rio Spreading Grounds, recharging the groundwater aquifers. This and other groundwater is then pumped from several of UWCD’s own active wells. The El Rio Pumping Station provides pressurized groundwater directly to the City via the Oxnard-Hueneme Pipeline. UWCD supplies 25 to 30 percent of the City’s total demand. The City expects acquisition costs for UWCD water to be \$5,000,000 in Fiscal Year 2020-21.

Local Wells. The City owns ten groundwater wells. Local water is disinfected with chloramine before the water enters the distribution system. The local wells supply 25 to 30 percent of the City’s total demand.

Each of the water sources varies in price and quality, with groundwater from the City wells and UWCD generally being lower in cost and quality than the imported surface water from CMWD. The City blends groundwater (from either its own wells or from UWCD) with imported surface water on a one-to-one basis. This blended water meets all federal and state drinking water requirements.

CMWD surface potable water supply is purchased from MWD. CMWD has access to MWD water as a member agency of MWD. MWD water is delivered via a network of reservoirs, aqueducts and pumping facilities. CMWD’s supply typically comes from the State Water Project (because there is limited infrastructure in place to deliver Colorado River Water to Ventura County), but due to shortages of State

Water Project water in 2014 and 2015 about 15% to 30% of the supply came from the Colorado River Aqueduct System.

MWD faces various challenges in the continued supply of imported water. A description of these challenges as well as a variety of other operating information with respect to MWD is included in certain disclosure documents prepared by MWD. MWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. MWD has also entered into certain continuing disclosure agreements pursuant to which MWD is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). Such official statements, other disclosure documents, annual reports and notices (collectively, the “MWD Information”) are filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) at <https://emma.msrb.org/>. The MWD Information is not incorporated herein by reference thereto, and the City makes no representation as to the accuracy or completeness of such information.

MWD HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE CITY, THE TRUSTEE OR THE OWNERS OF THE 2020 BONDS TO PROVIDE MWD INFORMATION TO THE CITY OR THE OWNERS OF THE 2020 BONDS. MWD HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO MWD. MWD IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE CITY OR THE OWNERS OF THE 2020 BONDS UNDER RULE 15c2-12.

The Fox Canyon Groundwater Management Agency (“FCGMA”) manages groundwater extractions in the Oxnard Plain. The FCGMA was created in 1982 at the direction of the State Water Resources Control Board to address ongoing overdraft and seawater intrusion into the Oxnard Subbasin (the “Oxnard Subbasin”). The purpose of the FCGMA is to manage the region’s groundwater supply by protecting the quantity and quality of local groundwater resources and by balancing the supply and demand for groundwater resources.

In an effort to manage the Oxnard Subbasin to a “safe yield,” groundwater pumping allocations, assigned by the FCGMA, have been consistently decreasing for certain entities, including the City. The FCGMA established temporary extraction allocations (“TEAs”) for certain entities (including the City) in the Basin in 2014 using historical pumping from 2003 to 2012 as the base period. By 2016, the TEAs were reduced by 20 percent and a penalty was established for pumping over the TEA allocation. Consequently, the FCGMA rescinded the 20 percent reduction in October 2019. The City’s groundwater supply source (both pumping by the City and by UWCD) has been capped at approximately 17,410 acre feet per year (“AFY”) without penalty.

Extractions beyond the current pumping allocation (with reductions) are subject to a penalty fee up to approximately \$2,211 per acre foot, which is based on the cost to import water and the current groundwater conditions within the FCGMA.

The City’s Groundwater Recovery Enhancement and Treatment Program, (the “GREAT Program”), was initiated in the late 1990s and early 2000s in response to increasing demand for potable water due to rapid growth within and around the City, as well as the need to manage water resources in the Oxnard Plain. The City needed water supply to keep up with the forecasted growth and could not rely on imported water to make up the pending deficit.

The GREAT Program was intended as a regional water resources plan that combined wastewater recycling and reuse, groundwater injection, storage and recovery, and groundwater desalination. The City owns a brackish water desalter used to improve groundwater quality by removing salts. The City built the desalter to offset the supply deficit with groundwater. Since the groundwater quality was not palatable and the imported water for blending was limited, groundwater desalting was used to improve the potable water quality.

Because the City and UWCD allocations are limited by FCGMA, in order to pump more groundwater, the City needs more pumping allocations from FCGMA. The City built the AWPf in order to produce a water supply which could be sold to agricultural users on the Oxnard Plain in exchange for needed groundwater pumping allocations. The recycled water is also used for landscape irrigation and industrial process water to reduce the in-City water demand. Since late 2016, the City's AWPf has been producing advanced treated recycled water for irrigation and industrial use within the City and for local agricultural irrigation. To date, the City has delivered approximately 7,080 acre-feet of advanced treated recycled water for in-City uses and agricultural irrigation.

The AWPf provides a new water source to the City's portfolio as well as the local groundwater basin. The uses of this water as indirect potable water reuse ("IPR"). The City can utilize the new water source to offset the future local groundwater cutback by the FCGMA, provided that water is stored underground for no less than 3.1 months.

On September 16, 2014, the California Governor signed Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or "SGMA") into law. The SGMA constitutes a legislative effort to regulate groundwater on a Statewide basis. Pursuant to the SGMA, the California Department of Water Resources ("DWR") has designated the Oxnard Subbasin as a high priority basin for purposes of groundwater management. By January 31, 2017, local groundwater producers must establish or designate an entity (referred to as a groundwater sustainability agency, or "GSA"), subject to DWR's approval, to manage each high and medium priority groundwater basin. Each GSA is tasked with submitting a groundwater sustainability plan for DWR's approval by January 31, 2020.

On January 9, 2015, by Resolution No. 2015-01, the FCGMA accepted the authority of a groundwater sustainability agency and is developing a groundwater sustainability plan.

GSAs must consider the interests of all groundwater users in the basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions. In addition, GSAs are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSAs are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA's regulations. A local agency that manages groundwater pursuant to its principal act (such as FCGMA) may not exercise such authority in a manner that is inconsistent with any prohibitions or limitations in its principal act unless the governing board of such local agency makes a finding that such local agency is unable to sustainably manage the groundwater basin without the prohibited authority. Groundwater sustainability plans must include sustainability goals and a plan to implement such goals within 20 years.

On October 23, 2019, the FCGMA passed an initial allocation ordinance, which determined the starting point water allocations for all water pumpers in the Oxnard Subbasin in proportion to their pumping from 2005 to 2014, adjusted for some pumpers based on historical supplemental and surface water deliveries; on December 2, 2019, the City filed a lawsuit against the FCGMA claiming that it did not follow the California Environmental Quality Act in passing the allocation ordinance and that the FCGMA did not adhere to its own enabling legislation by arbitrarily restricting the City's water allocation despite its

historical use of supplemental water (imported through CMWD) while increasing allocations to other pumpers. On December 13, 2019, the FCGMA adopted a resolution adopting a Groundwater Sustainability Plan (the “GSP”) for the Oxnard Subbasin that “ramps down,” or reduces the pumping allocations per entity, by up to 43 percent over the next 20 years. This was submitted to the Department of Water Resources in January 2020. The City does not expect the enactment of the SGMA, the initial allocation ordinance, or the adoption of the GSP to have a material adverse effect on the City's ability to pay the debt service on the Bonds from Net Water System Revenues.

The City’s Water Division anticipates that water demand will increase by 11,990 acre-feet for the next 20 years. Water demand increases due to growth and groundwater cutbacks are 6,678 acre-feet and 5,312 acre-feet, respectively.

Capital Improvement Plan

Over the coming years, the City plans to make significant investments in water utility capital improvements, including the renewal, replacement, improvement, and expansion of capital facilities and infrastructure to meet current and future system needs.

The City’s Fiscal Year 2020-25 capital improvement program, prepared in May 2020, recommends \$25 million in capital improvements in Fiscal Year 2020-21 and \$130 million in Fiscal Years 2020-21 through 2024-25 for water and recycled water. The Fiscal Year 2020-21 capital improvement projects include a cast iron replacement program, water process control upgrade, the Hueneme Road Project and the ASR Project, covering three ASR wells. Proceeds of the 2020 Bonds will be used to finance the Hueneme Road Project and the ASR Project. The City expects to finance the remainder of the capital projects through any combination of additional debt, funds on hand and grants.

The Hueneme Road Project will allow for extended delivery of recycled water for agricultural uses. The Hueneme Road Project adds pipeline approximately 3 miles long running along Hueneme Road from Olds Road to Wood Road. The City will be able to deliver up to 6.25 million gallons of recycled water per day. The estimated construction cost is \$21.6 million and the estimated time of construction is 12 months.

Under the ASR Project, recycled water will be injected into a local groundwater aquifer for groundwater recharge. The water recovered from the ASR wells will then be blended with City drinking water sources and delivered as potable water. Use of the recovered groundwater from the ASR wells could be used to offset future groundwater cutbacks from the FCGMA and future population growth. The estimated construction cost is \$5.5 million and the estimated time of construction is 12 months. The State has approved the ASR Project and the City has received the required permits.

Insurance

The City provides general liability and workers' compensation insurance under self-insurance programs with an annual limit per occurrence of \$1 million for each program. The City purchases \$200 million insurance coverage for workers' compensation each year. In addition, the City purchases commercial excess liability insurance with limits of \$30 million per occurrence with an aggregate limit of \$32 million annually. The City contracts with outside service agencies to assist in the administration of the self-insurance programs.

All funds of the City participate in general liability and workers' compensation insurance programs and make payments to internal service funds on the basis of loss experience and exposure.

Self-insured general liability claims are administered through a third-party administrator, with the City Attorney's approval required for settlements over \$15,000. Litigated claims are settled directly through the City Attorney's Office.

Historic Water Usage

The City records the volume of water delivered by its distribution system to users in the City. The following table summarizes water deliveries to users in the City for the previous ten Fiscal Years.

Table 2
WATER SYSTEM
HISTORIC WATER USAGE (ACRE-FEET)

Fiscal Year	City Groundwater	UWCD Groundwater	Imported Water	Total Water Usage
2010-11	8,964.78	7,707.12	11,653.19	28,325.09
2011-12	6,675.82	8,822.92	12,759.95	28,258.69
2012-13	5,688.45	8,117.66	12,736.26	26,542.38
2013-14	6,829.56	6,680.13	13,406.74	26,916.43
2014-15	7,272.41	7,815.17	11,780.83	26,868.41
2015-16	6,578.26	5,936.39	10,920.55	23,435.20
2016-17	7,456.02	5,817.55	10,964.53	24,238.10
2017-18	7,223.58	6,290.56	11,055.42	24,569.56
2018-19	7,409.40	6,973.47	10,298.02	24,680.89
2019-20	7,050.34	7,553.30	8,963.15	23,566.79

Source: City of Oxnard

Ten Largest Users

The following table lists the City's ten largest users of the Water System. Together, these ten entities accounted for approximately 12% of Water System revenues in Fiscal Year ended June 30, 2020.

Table 3
WATER SYSTEM
TEN LARGEST CUSTOMERS BY ORDER OF BILLING
FOR TWELVE-MONTH PERIOD ENDING JUNE 30, 2020

Customer Name	Twelve-Month Billing	Percent of Total Revenue
Procter & Gamble	\$3,471,311	5.9%
New Indy Oxnard	1,188,866	2.0
E F Oxnard	440,307	0.7
Gills Onions	418,109	0.7
Boskovich Farms	408,781	0.7
Puretec	339,013	0.6
RRI Energy Omond Beach	215,983	0.4
St. John's Regional Medical Center	208,612	0.4
Harris Water Conditioning	208,448	0.4
Dandy Cooling	157,975	0.3
Total:	\$7,057,405	11.9%

Source: City of Oxnard

Rates and Charges

The City has the power to establish rates and charges as needed to operate the Water System. Charges are established by the City Council and are not subject to review or approval by any other agency. As revenue sources to operate the Water System, the City principally relies on (i) water user charges and (ii) connection charges.

User Charges. On July 18, 2017, the Oxnard City Council adopted Ordinance 2921 which set a new rate structure pursuant to a Water Cost of Service Study prepared by Carollo Engineers in July 2017. The new rates went into effect on September 1, 2017. Ordinance 2921 provides that the rates are to be automatically adjusted as follows: (1) annually on July 1 to reflect changes in the Capital Improvement Plan, (2) from time to time to reflect higher than expected increases from third-party water suppliers, and (3) when the city council declares a water shortage condition that mandates water conservation. On November 30, 2017, one such increase to water rates occurred due to higher costs of purchased water from outside water agencies as a result of rate increases by UWCD. The City's new rates went into effect beginning January 1, 2018. Furthermore, after notice is provided as required by law, the adopted rates are automatically adjusted over a six-year period for inflation in the cost of operating the Water System that exceed the forecasted inflation contained in the Water Cost of Service Study. The City expects a new cost of service study to be initiated in the Spring of 2021.

The current fixed user charges, classified by meter size and customer type, are described in following table:

Table 4
CITY OF OXNARD WATER SYSTEM
MONTHLY WATER SERVICE CHARGES
RATES AS OF JANUARY 1, 2018

Meter Size	Single Family Residential/ Oceanview Commercial*	Multifamily Residential	Commercial, Industrial, Irrigation, Oceanview Agricultural**	Fireline	Metered Construction	Non-Metered Construction
¾"	\$21.26	\$19.47	\$15.90	\$3.73	\$24.27	\$39.12
1"	33.21	30.23	24.27	5.06	--	70.62
1 ½"	62.84	56.90	45.01	8.36	--	160.69
2"	98.54	89.02	70.00	12.32	--	301.11
3"	211.70	190.87	149.21	24.89	149.21	--
4"	360.37	324.67	253.28	41.42	--	--
6"	747.14	672.77	524.02	84.40	--	--
8"	1,074.30	967.21	753.03	120.76	--	--
10"	1,728.78	1,556.25	1,211.18	193.50	--	--

* For Oceanview Commercial, only the ¾" through 2" Meter Sizes are applicable.

** For Oceanview Agricultural, only the 3" through 10" Meter Sizes are applicable.

Source: City of Oxnard

The following table summarizes the variable water rates charged by the Water System for the different categories of water users using the inclining block rate structure.

Table 5
CITY OF OXNARD WATER SYSTEM
CUSTOMER USAGE AND VARIABLE RATES
AS OF JANUARY 1, 2018

<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Single Family Residential and Oceanview Commercial</u>	<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Multi-Family Residential</u>
0-9	\$3.43	0-8	\$3.65
9-15	5.26	Over 8	5.87
Over 15	6.26		
<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Commercial and Industrial Meter Size 2" or Smaller</u>	<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Commercial and Industrial Meter Size 3" or Larger and Metered Construction</u>
0-62	\$3.33	All Usage	\$4.63
Over 62	5.88		
<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Irrigation-Meter Size 2" or Smaller</u>	<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Irrigation-Meter Size 3" or Larger</u>
0-24	\$3.44	All Usage	\$5.26
Over 24	6.12		
<u>Rate Per Hundred Cubic Feet (HCF)/Month</u>	<u>Oceanview Agriculture Irrigation</u>		
All Usage	\$1.20		

Source: City of Oxnard

The majority of the City's Water System accounts are primarily residential. A summary of accounts and Water System revenues as of June 30, 2020 by customer category is shown in the following table.

TABLE 6
CITY OF OXNARD WATER SYSTEM
WATER SERVICE ACCOUNTS AND REVENUES
(as of June 30, 2020)

<u>Category</u>	<u>Accounts</u>	<u>Percent</u>	<u>Revenues</u>	<u>Percent</u>
Single Family	34,637	80.90%	\$24,504,792	42.66%
Multi-Family	2,008	4.70	7,312,877	12.73
Commercial, Industrial, Irrigation, & Institutional	4,298	10.00	23,946,153	41.68
Fireline	1,666	4.00	1,138,698	2.00
Other Water Services*	195	0.04	544,443	0.93
Total	42,804	100.00%	\$57,446,963	100.00%

Source: City of Oxnard

* Includes construction meters.

Connection Charges. The City charges a connection fee to all projects requiring new, expanded or additional service connections to the City's Water System. The Water System Revenues do not include these connection fees. The current connection fee structure has been in place since January 1, 2003 pursuant to Ordinance No. 2624. Effective January 1, 2003, the City implemented a "Capital Facility Charge" and a "Water Resource Development Fee" to fund new water supply projects to accommodate future growth. The Capital Facility Charge is \$341 per meter equivalent and the Water Resource Development Fee is \$2,792 per meter equivalent. These fees are paid as set forth in the following table.

Table 7
CITY OF OXNARD WATER SYSTEM
CONNECTION FEE EQUIVALENCY FACTOR, CHARGES, AND FEES
AS OF JUNE 30, 2020

Meter Size	Equivalency Factor	Capital Facility Charge	Water Resource Development Fee	Total
¾"	1	\$341	\$2,792	\$3,133
1"	2	682	5,583	6,265
1 ½"	3	1,023	8,375	9,398
2"	5	1,706	13,958	15,664
3"	11	3,752	30,708	34,460
4"	17	5,799	47,458	53,257
6"	33	11,257	92,125	103,382
8"	53	18,080	147,958	166,038
10"	113	38,548	315,457	354,005
12"	180	61,404	502,498	563,902
Over 12"	To be determined by Water Superintendent			

Source: City of Oxnard

Comparative Water Rates

Set forth below is a schedule of comparative monthly water rates as of June 20, 2020 for typical residential customers in the City and surrounding areas using 9 hundred cubic feet per month with a 5/8" or 3/4" water meter.

Table 8
WATER SYSTEM
COMPARABLE MONTHLY WATER USAGE CHARGE FOR
AVERAGE SINGLE FAMILY DETACHED-UNIT RESIDENTIAL CUSTOMER

Water Provider	Rate
City of Camarillo	\$49.74
Fillmore	51.56
Ojai	51.84
City of Ventura	55.97
Ventura County (Waterworks District No. 1)	60.87
Oxnard	67.91
Santa Paula	72.56
Simi Valley	76.70
Port Hueneme	83.22
Thousand Oaks	86.19
Channel Islands	95.69

Source: City of Oxnard

Average Consumption = 12 Hundred Cubic Feet (HCF)

Billing and Collection Procedures and Delinquencies

Customers are billed on a monthly basis for approximately 30 day periods. Bills are due upon presentation and are considered delinquent after 21 days. If the amount due is unpaid after 30 days, a late charge of 10% of the current charges is assessed. When late charges are assessed, a late notice is mailed to the customer stating the date their service will be terminated if the account is not brought current. The customer is allowed 22 days after the notice is mailed to pay, or service will be terminated. Ten working days prior to termination of service, a notice of closure is delivered to the service address and a notice fee of \$13.00 is charged to the account. If the customer still does not pay, service is terminated and a turn-off fee of \$80.00 is charged to the account. The customer must pay delinquent fees and charges before water service is restored. Delinquencies during Fiscal Year 2019-20 were less than 1.5% of the amount billed to customers. Balances that are over two years old are written off at the end of each year. The balance written off for Fiscal Year 2019-20 totaled less than 0.3% of total revenues. Notice of Closure, notice fees, and service termination is temporarily suspended due to the COVID-19 pandemic. See "BOND OWNERS' RISKS —COVID-19 Pandemic."

The City has updated its policies and procedures for Water System shutoff pursuant to the recently signed Senate Bill No. 998 ("SB 998"). Among other things, SB 998 prohibits discontinuing residential water services due to delinquent payments for at least 60 days, and provides protections from discontinuing residential water services for certain customers who are unable to pay their bill. Notwithstanding SB 998's requirements, the Authority does not believe that there will be a material negative impact on the City's ability to collect Water System revenues as they become due and payable.

Financial Information

Financial Statements. A copy of the most recent audited financial statements (the “Financial Statements”) of the City, including information on the Water System, prepared by the City’s Finance Department and audited by Eadie & Payne LLP (the “Auditor”) is included as Appendix B hereto. The Auditor’s letter concludes that the Financial Statements present fairly, in all material respects, the financial position of the City as of June 30, 2019, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. The Financial Statements should be read in their entirety with particular emphasis on those pages dealing with the City’s enterprise funds.

The summary historical operating results contained under “Historical and Projected Operating Results and Debt Service Coverage” are derived from the Financial Statements (excluding certain non-cash items and after certain other adjustments) and are qualified in their entirety by reference to such statements, including the notes thereto. The Auditor has not reviewed or audited the summary operating results or any other portion of this Official Statement.

Historical and Projected Operating Results and Debt Service Coverage

The following tables show a five-year historical summary of the Water System’s operating results for Fiscal Years 2014-15 through 2018-19, together with the estimated figures for Fiscal Year 2019-20 and projected figures for Fiscal Years 2020-21 through 2024-25. The financial forecast represents the City’s estimate of projected financial results based upon its judgment of the probable occurrence of future events. The Projected Operating Results and Debt Service Coverage table assumes a 2% annual increase in Charges for Services, Interest Income with the interest payment subsidy held constant at average receipts from Fiscal Years 2016 through 2020, Miscellaneous and Reimbursements held constant at average receipts from Fiscal Years 2016 through 2020, 3.6% annual increase in Operating Expenses, 5.7% annual sequestration rates on interest payment subsidies for the 2010B Bonds and a full refunding of the City’s Refunded Bonds. The assumptions set forth in part in the footnotes to the chart set forth below are material in the development of the City’s financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

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Table 9
WATER SYSTEM
HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE⁽¹⁾

	<i>(Actual)</i> 2014-15	<i>(Actual)</i> 2015-16	<i>(Actual)</i> 2016-17	<i>(Actual)</i> 2017-18	<i>(Actual)</i> 2018-19
OPERATING REVENUES					
Charges for Services	\$46,795,267	\$45,677,222	\$47,836,462	\$61,024,464	\$58,274,412
Interest Income	2,438,909	2,213,969	2,327,439	1,383,881	4,847,879
Miscellaneous and reimbursements	1,155,148	1,721,327	2,404,601	1,354,530	1,441,546
Less: BABs Subsidy ⁽²⁾⁽³⁾	(1,877,324)	(1,887,450)	(1,885,424)	(1,012,580)	(2,948,211)
Total Operating Revenues	48,512,000	47,725,068	50,683,078	62,750,295	61,615,626
OPERATING EXPENSES⁽⁴⁾	\$39,181,785	\$36,729,222	\$37,479,875	\$37,781,641	\$37,586,305
NET SYSTEM REVENUES	\$9,330,215	\$10,995,846	\$13,203,203	\$24,968,654	\$24,029,321
ANNUAL DEBT SERVICE					
2006 Bonds	\$3,428,385	\$3,430,248	\$3,427,548	\$3,425,585	\$1,721,598
2010 Series A Bonds	1,971,325	1,974,325	1,967,925	1,969,925	1,968,175
2010 Series B Bonds (Taxable) ⁽³⁾⁽⁵⁾	3,908,849	3,898,723	3,900,749	4,773,593	2,837,962
2012 Bonds	735,819	728,519	731,069	733,169	729,819
2014 Bonds	2,531,704	2,529,924	2,532,994	2,533,200	2,529,800
2018 Bonds	0	0	0	0	988,156
Total Annual Debt Service	\$12,576,081	\$12,561,738	\$12,560,284	\$13,435,472	\$10,775,509
DEBT SERVICE COVERAGE RATIO⁽⁶⁾	0.74x	0.88x	1.05x	1.86x	2.23x
Water Revenue Fund Cash	\$36,333,698	\$31,083,997	\$25,877,030	\$30,014,688	\$44,660,553
Cash Required at 25% of Maximum Annual Debt Service ("MADS")	3,472,713	3,472,713	3,472,713	3,472,713	3,472,713
Surplus Cash After 25% MADS Requirement	\$32,860,985	\$27,611,284	\$22,404,317	\$26,541,975	\$41,187,840

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Under the indenture relating to the 2010B Bonds, the Authority receives an interest payment subsidy and deposits the amounts received in the bond fund for the payment of interest on the 2010B Bonds. As a result, the installment payments relating to the 2010B Bonds are reduced by the amount representing the interest payment subsidy so deposited.

⁽³⁾ A portion of the Fiscal Year 2017-18 interest payment subsidy was actually received in Fiscal year 2018-19 and has been recorded in Fiscal year 2018-19.

⁽⁴⁾ Excludes non-cash items (e.g. depreciation, etc.) and capital expenses.

⁽⁵⁾ Net of interest payment subsidy and includes assumed 5.7% "sequestration rates."

⁽⁶⁾ The debt service coverage ratio is calculated by dividing net revenues by the total annual debt service. The debt service coverage ratio does not take into consideration the balance in the Water Revenue Fund for purposes of satisfaction of the City's rate covenant. See "SECURITY FOR THE 2020 BONDS – Rate Covenant."

Source: City of Oxnard

Table 10
WATER SYSTEM
PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE⁽¹⁾

	<i>(Estimated)</i> 2019-20	<i>(Budgeted)</i> 2020-21	<i>(Projected)</i> 2021-22	<i>(Projected)</i> 2022-23	<i>(Projected)</i> 2023-24	<i>(Projected)</i> 2024-25
OPERATING REVENUES						
Charges for Services	\$ 59,254,691	\$ 61,143,298	\$ 62,366,164	\$ 63,613,487	\$ 64,885,757	\$ 66,183,472
Interest Income	3,656,896	3,037,365	2,800,000	2,800,000	2,800,000	2,800,000
Miscellaneous and reimbursements	966,311	1,332,624	1,577,000	1,577,000	1,577,000	1,577,000
Less: BABs Subsidy ⁽²⁾	(1,905,676)	(1,948,623)	(2,025,160)	(2,025,160)	(1,978,143)	(1,928,978)
Total Operating Revenues	61,972,222	63,564,664	64,718,004	65,965,327	67,284,614	68,631,494
OPERATING EXPENSES⁽³⁾	40,555,693	38,286,124	39,784,297	41,250,165	42,760,010	44,315,149
NET SYSTEM REVENUES	21,416,530	25,278,540	24,933,706	24,715,161	24,524,604	24,316,344
ANNUAL DEBT SERVICE						
2010 Series A Bonds	1,972,675	-	-	-	-	-
2010 Series B Bonds (Taxable) ⁽⁴⁾	3,880,497	3,837,550	3,761,012	5,731,012	5,733,695	5,732,389
2012 Bonds	731,619	-	-	-	-	-
2014 Bonds	2,530,550	2,532,800	2,531,300	2,531,050	2,531,800	2,528,301
2018 Bonds	3,053,913	3,053,413	3,055,163	3,048,913	3,054,913	3,057,413
2020A Bonds	0	1,341,991	1,885,400	907,800	907,800	907,800
2020B Bonds	0	508,244	606,252	606,668	601,000	608,772
Total Annual Debt Service	\$12,169,253	\$11,273,997	\$11,839,126	\$12,825,443	\$12,829,208	\$12,834,674
DEBT SERVICE COVERAGE RATIO⁽⁵⁾	1.76x	2.24x	2.11x	1.93x	1.91x	1.89x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Under the indenture relating to the 2010B Bonds, the Authority receives an interest payment subsidy and deposits the amounts received in the bond fund for the payment of interest on the 2010B Bonds. As a result, the installment payments relating to the 2010B Bonds are reduced by the amount representing the interest payment subsidy so deposited.

⁽³⁾ Excludes non-cash items (e.g. depreciation, etc.) and capital expenses.

⁽⁴⁾ Net of interest payment subsidy and includes assumed 5.7% "sequestration rates."

⁽⁵⁾ The debt service coverage ratio is calculated by dividing net revenues by the total annual debt service. The debt service coverage ratio does not take into consideration the balance in the Water Revenue Fund for purposes of satisfaction of the City's rate covenant. See "SECURITY FOR THE 2020 BONDS – Rate Covenant."

Source: City of Oxnard

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2020 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2020 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the 2020 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2020 Bonds. There can be no assurance that other considerations will not materialize in the future.

COVID-19 Pandemic

The COVID-19 pandemic that has affected the United States and the world during 2020 has led to efforts to quarantine individuals in order to reduce the spread of the virus. As such, the United States, the State, the County, and the City had each declared a “state of emergency” or equivalent. Additionally, the State issued a “stay at home” order that severely restricts the movement of residents and generally mandates residents to remain in their home and, in effect, prohibits non-essential workers from working outside their home. This has caused the disruption of daily life in all jurisdictions, including the closure of, among others, bars, dine-in restaurants, retail stores, schools, gyms, movie theatres, certain government buildings and religious institutions, and general prohibitions on gatherings.

As a result of the emergency declaration, City staff are working from City facilities, with many office workers alternating between working from home and from their City offices. City buildings housing essential services remain open at this time, although some services may not be available on-site. The City has asked members of the public who have business to conduct with the City do so over the phone, via email or online if possible.

This declaration has not impacted essential services such as water services. Public health is of paramount concern for the City and the City has already implemented significant measures to limit the possible spread of COVID-19. The City’s current measures are compliant with those executed by Ventura County.

Those precautionary measures – including the cancellation or postponing of nonessential events and gatherings – will remain in effect until further notice. City staff continues working closely with the Ventura County, the Centers for Disease Control, and the Office of Governor Newsom, receiving daily updates.

The City is following the guidelines for reopening set forth by the County, which guidelines adhere to the guidance for reopening issued by State Public Health Officer and California Department of Public Health. Currently, the County is in Tier 2 of the State’s four-tier Blueprint for a Safer Economy reopening plan. Tier 2, or the second most restrictive tier of the reopening plan, indicates COVID-19 transmission risks are assessed as “substantial” and some non-essential indoor business operations are closed. In addition to curb-side retail, manufacturing, logistics, childcare, office-based businesses, select services and outdoor museums, gyms and fitness centers, worship services and personal care services may operate indoors in the County so long as they comply with State or, when more restrictive, County public health orders.

While the City has seen negative impacts on General Fund revenues, the City does not anticipate any material financial impact to the Water Fund as a result of the COVID-19 pandemic. City staff are monitoring cash positions for both the short and long-term, and Water Fund operations are mostly unaffected, and the impact on collections has been minimal to date. There are no known issues with the current top ten water customers listed in Table 3 because most are residential/apartments, and there are no known issues with major employers in the County.

The Fiscal Year 2021 City budget was approved by the City Council in June, 2020. The approved Water Fund Fiscal Year 2021 budget projects revenue for the water fund estimated to be \$83.7 million, including \$66.8 million of water revenues and \$16.8 million of new bond proceeds. Expenditures in the Water fund are estimated at \$88.3 million. As a result, the Water fund is expected to have an ending fund balance of \$43.8 million, including the \$16.8 million of new bond proceeds recognized as revenues.

The actual impact of the COVID-19 pandemic will depend on the duration of the pandemic. To provide relief for its customers, the City is currently suspending assessment of notice fees and terminations for unpaid/delinquent bills. The City also has a utility rate assistance program to assist low-income residential customers, where the City can provide up to a \$15 credit per month for monthly utility services to customers who meet certain eligibility requirements.

The City cannot predict (i) the duration or extent of the COVID-19 outbreak; (ii) to what extent the COVID-19 outbreak may affect the operations and revenues of the Water System; (iii) to what extent COVID-19 may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact system-related construction, the cost, sources of funds, schedule or implementation of the capital improvement program, or other system operations; (iv) to what extent the City may provide additional deferrals, forbearances, adjustments or other changes to its customers or its billing and collection procedures; or (v) whether any of the foregoing may have a material adverse effect on the finances and operations of the Water System. Prospective investors should assume that the restrictions and limitations instituted related to COVID-19 will increase, and the current upheaval to the national and global economies will continue and/or be exacerbated, at least over the near term, and the recovery may be prolonged, and therefore, COVID-19 may adversely impact Water System revenues.

Water System Demand and Growth

There can be no assurance that the local demand for the services provided by the Water System will be maintained at levels described in this Official Statement under the heading “THE WATER SYSTEM.” Reduction in the level of demand due to conservation efforts of the City, or other factors, could require an increase in rates or charges in order to produce Net Water System Revenues sufficient to comply with the City’s rate covenant in the Indenture. Such rate increases could increase the likelihood of nonpayment, and could also further decrease demand. There can be no assurance that any other entity with regulatory authority over the Water System will not adopt further restrictions on operation of the Water System.

Net Water System Revenues; Rate Covenants

Net Water System Revenues are dependent upon the demand for water, which can be affected by population factors, more stringent drinking water regulations, or problems with the City’s treatment facilities. There can be no assurance that water service demand will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenants contained in the Indenture. The City’s ability to meet its rate covenants is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the 2020 Bonds.

Operating Expenses

There can be no assurance that operating expenses of the Water System will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in quality standards, increases in the cost of operation or other expenses could require substantial increases in rates or charges in order to comply with the rate covenants in the Indenture. Additionally, decreased groundwater pumping

allocations from the FCGMA ramp down will likely lead to an increase in more expensive imported water, which may lead to water rate increases over time. Such rate increases could drive down demand for water or otherwise increase the possibility of nonpayment of the 2020 Bonds. The City hopes that the Hueneme Road Project and the ASR Projects will avoid the need to purchase substantial imported water in the future.

Drought Measures

State Orders. On January 17, 2014, the California Governor declared a drought state of emergency (the “Declaration”) with immediate effect. The Declaration includes the following orders, among others:

(a) local urban water suppliers, including the City, are encouraged to implement their local water shortage contingency plans; the City’s plan is discussed under the subcaption “–City Response to Drought;”

(b) local urban water suppliers, including the City, are encouraged to update their urban water management plans to prepare for extended drought conditions;

(c) the California Department of Water Resources (“DWR”) and the State Water Resources Control Board (the “SWRCB”) are directed to expedite the processing of water transfers;

(d) the SWRCB is directed to put water rights holders on notice that they may be required to cease or reduce water diversions in the future;

(e) the SWRCB is directed to consider modifying requirements for reservoir releases or diversion limitations; and (f) DWR is directed to take necessary actions to protect water quality and supply in the Sacramento-San Joaquin River Delta/San Francisco Bay Estuary (the “Bay-Delta”), including the installation of temporary barriers or temporary water supply connections, while minimizing impacts to aquatic species. In addition, on July 15, 2014, the SWRCB adopted emergency measures requiring water suppliers to implement mandatory Statewide water conservation actions.

On March 17, 2015, the SWRCB adopted additional emergency regulations limiting outdoor irrigation to two days per week, extending certain measures set forth in the July 15, 2014 action for an additional 270 days, prohibiting outdoor irrigation for 48 hours following rain and prohibiting restaurants from serving water to customers unless requested. It is anticipated that the City will comply with the new regulations through its Water Conservation Ordinance (the “Ordinance”), as discussed under the subcaption “–City Response to Drought.”

On April 1, 2015, the California Governor issued an executive order extending the measures set forth in the Declaration and adopting the following additional orders, among others: (i) the SWRCB is directed to impose restrictions to reduce potable urban water usage, including usage by commercial, industrial and institutional properties and golf courses, by 25% from 2013 amounts through February 28, 2016; portions of a water supplier’s service area with higher per capita use must achieve proportionally greater reductions than areas with lower per capita use; (ii) DWR is directed to lead a statewide initiative to replace 50 million square feet of lawns with drought tolerant landscaping; (iii) the California Energy Commission is directed to implement a rebate program for replacement of inefficient appliances; (iv) urban water suppliers are required to provide monthly water usage, conservation and enforcement information; (v) service providers are required to monitor groundwater basin levels in accordance with California Water Code § 10933; (vi) permitting agencies are required to prioritize approval of water infrastructure and supply projects; and (vii) DWR is required to plan salinity barriers in the Bay-Delta. On May 6, 2015, the SWRCB adopted regulations in response to the Governor’s executive order that require the City to effect a 32% reduction from 2013 water usage. The City has complied with the State mandates on conservation.

On November 13, 2015, the Governor issued Executive Order B-36-15, which calls for an extension of urban water use restrictions until October 31, 2016 should drought conditions persist through January 2016.

On February 2, 2016, the SWRCB extended its previous emergency regulations through October 2016 while making available credits and adjustments of up to 8% in urban water suppliers' conservation mandates based upon climate, water-efficient growth and investments in drought-resilient supply sources. On May 18, 2016, the SWRCB adopted a statewide water conservation approach that replaces the prior percentage reduction-based water conservation standard with a localized "stress test" approach that mandates urban water suppliers act now to ensure at least a three year supply of water to their customers under drought conditions.

On April 7, 2017, the Governor issued an executive order (the "2017 Executive Order") which terminates the January 17, 2014 executive order discussed above (except with respect to certain counties within the State) and rescinds the 2015 Executive Order. The 2017 Executive Order continues to require the SWRCB to develop standards for urban water suppliers to set water use efficiency targets and restrict wasteful water use, as provided in the 2016 Executive Order.

City Response to Drought. The City Council has the authority to declare a water shortage and establish corresponding mandatory conservation measures. The City classifies the severity of the water shortage using stages, designated 1 to 4, each of which corresponds to the relative degree to which the City water supply is likely to be reduced.

In response to the State Declaration which required that water suppliers, such as the City, implement mandatory conservation measures by August 1, 2014, the City declared a Stage 2 Water shortage condition within the City and adopted mandatory water conservation measures to address the ongoing severe drought conditions. The resolution was adopted during the July 29, 2014 meeting and became effective immediately. The City's resolution prohibits and imposes a range of water conservation measures that are designed to reduce consumption of potable water in a variety of uses. Failure to comply with the water conservation measures is punishable by a fine of up to \$100 for a first violation; \$200 for a second violation within one year and \$500 for a third and every additional violation within one year. Since the severe drought emergency was lifted in 2017, the City's mandatory water conservation actions have not been enforced but they are still in effect.

When the City Council declares a water shortage, the water rates that are based on volume should be adjusted to reflect the level of severity and corresponding mandatory water conservation percentage reflected in the water shortage condition declaration.

Future Land Use Regulations

Development within the City's service area is contingent upon the future construction and acquisition of a number of public improvements such as public access streets, and utilities such as, but not limited to, water distribution facilities, sewage collection and transmission facilities, drainage facilities and street lighting, as well as the necessary local in-tract improvements. The installation of the necessary infrastructure improvements and the construction of the residential, commercial, institutional and/or industrial developments are subject to the receipt of discretionary approvals from the City and potentially additional public agencies, such as the California Coastal Commission and the Ventura Local Agency Formation Commission, concerning the layout and design of the development, the nature and extent of the improvements, land use, health and safety requirements and/or other matters. The failure to obtain any such approval could adversely affect the planned land development within the City.

In addition, there can be no assurance that land development operations within the City will not be adversely affected by future government policies, including, but not limited to, governmental policies to restrict or control development.

Proposition 218

Proposition 218, a state ballot initiative known as the “Right to Vote on Taxes Act” was approved by California voters on November 5, 1996 and, except for certain provisions that became effective on July 1, 1997, became effective on November 6, 1996. Proposition 218 added Article XIIC, entitled “Voter Approval of Local Tax Levies” (“Article XIIC”), and Article XIID, entitled “Assessment and Property Related Fee Reform (“Article XIID”), to the California Constitution. Article XIIC and Article XIID limit the imposition by a local government of “general taxes,” “special taxes,” “assessments” and “fees” or “charges.” The City is a local government within the meaning of Article XIIC and Article XIID.

Article XIIC, provides, among other things, that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local fee or charge. This extension of the initiative power is not limited by the terms of Article XIIC to fees and charges imposed after November 6, 1996 and, absent other authority, could result in retroactive reduction in existing fees and charges. Although the terms “fees” and “charges” are not defined in Article XIIC, the California Supreme Court, in *Bighorn-Desert View Water Agency v. Verjil* ((2006) 39 Cal. 4th 205, 211), has stated that there is no basis for excluding from Article XIIC’s authorization any of the fees subject to Article XIID. If fees or charges charged or collected by the City for its Water System or Sewer System are subjected to the initiative process and the outcome of any initiative proceedings results in a reduction or repeal of such fees or charges, respectively, the ability of the Enterprise to generate revenues sufficient to comply with the City’s covenants under the Indenture may be adversely affected. Furthermore, if voters were to approve an initiative lowering the City’s water rates, sewer rates, or other charges, the City would need voter approval before it could change the rate or charge that had been set by initiative. The City could, however, increase a charge that was not affected by initiative or to impose an entirely new charge without voter approval.

The California Supreme Court further stated in *Bighorn* that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states: “Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996 general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protection by Section 10 of Article I of the United States Constitution.” Government Code Section 5854 appears to limit the voters’ power to repeal or reduce Water System fees and Sewer System fees and charges if such reductions would interfere with the City’s payment of debt service on the 2020 Bonds. If Government Code Section 5854 becomes the subject of a challenge, however, no guarantee can be made that the courts will agree with such interpretation.

Article XIID prohibits the assessment upon any parcel of property or upon any person “as an incident of property ownership” (defined to exclude fees for the provision of electrical or gas service) by a local government of any tax, assessment, fee or charge except voter-approved ad valorem property taxes and special taxes, fees or charges as a condition of property development, and assessments and “fees or charges for property related services” levied or imposed in accordance with the provisions of Article XIID.

Under Article XIID, revenues derived from a “fee” or “charge” (defined as “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 user fees or charges for a property related service”) may not exceed the funds required to provide the “property-related service” and may not be used for any purpose other than that for which the fee or charge was imposed. Further, the amount of a “fee” or “charge” may not exceed the proportional cost of the service attributable to the parcel, no “fee” or “charge” may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question, and no “fee” or “charge” may be imposed for general governmental service where the service is “available to the public at large in substantially the same manner as it is to the property owners.”

In addition, in order for a “fee” or “charge” to be imposed or increased, Article XIID provides that, among other things, the parcel upon which a fee or charge is proposed for imposition must be identified, the amount of the fee or charge proposed to be imposed on each such parcel must be calculated, written notice by mail of the proposed fee or charge must be provided to the “record owner” of each identified parcel, and a public hearing must be conducted upon the proposed fee or charge. If written protests against the proposed “fee” or “charge” are presented by a majority of owners of the identified parcels, the fee or charge may not be imposed. The California Supreme Court in *Bighorn* indicated that once a property owner or resident has paid the connection charges and has become a customer of a public water agency, all charges for water delivery incurred thereafter are charges for a property-related service, whether the charge is calculated on the basis of consumption or is imposed as a fixed monthly fee. Accordingly, the imposition or increase of any fee or charge by the City for water service or sewer service will be the subject of such a majority protest. If such a majority protest occurs, the ability of the Enterprise to generate revenues sufficient to comply with the City’s covenants under the Indenture may be adversely affected.

Article XIID states that, beginning July 1, 1997, all “fees” or “charges” must comply with its provisions. It is unclear how the provisions of Article XIID will be applied to fees or charges established prior to such date. It is also unclear how the provisions of Article XIID will be applied to fees or charges established after such date but prior to the *Bighorn* decision.

As a result of the *Bighorn* decision, there can be no assurance that Proposition 218 will not limit the ability of the City to impose, levy, charge and collect increased fees and charges for water and sewer service.

Numerous recent appellate court opinions interpret and apply Proposition 218 in the context of evaluating the validity of water-related fees and charges. The City is unable to predict at this time how Proposition 218 will ultimately be interpreted by the courts and what, if any, further implementing legislation will be enacted, and there can be no assurance that Proposition 218 will not limit the future ability of the City to impose, levy, charge and collect increased fees and charges for water service and sewer service.

The City is currently a party in a suit filed with the Ventura County Superior Court, *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 claimed the Measure M initiative compelled the City to violate both State and Federal laws and regulations, and therefore could not be legally enforced. The City was granted a temporary restraining order on the implementation of the Measure M Initiative by the trial judge, which remained in place until new wastewater rates adopted by the City Council on May 23, 2017 became effective on July 1, 2017, none of which are subject to the Measure

M Initiative. Following trial, the judge ruled against the City, and judgment in the case was entered on August 1, 2018. The City appealed, and on October 13, 2020, the Court of Appeal issued an opinion reversing the trial court's ruling against the City. The opinion is not yet final and Respondent has stated that he will seek rehearing by the Court of Appeal or petition for review by the California Supreme Court. The Court of Appeal has calendared the remittitur to issue on December 14, 2020. If the Court of Appeal opinion becomes final, the City will not have to refund the amount of the increased rates collected while the temporary restraining order was in effect (up to \$5.9 million dollars, that the City's Wastewater Fund might have had to pay). That refund was sought by a post-judgment motion, which the trial court denied, and through a separate lawsuit that was filed as a class action and is currently pending in the Ventura Superior Court (*Aaron Starr and Nancy Pedersen v. City of Oxnard*). No assurance can be made that the Water System won't be subject to a similar type of an initiative.

Constitutional Limit on Appropriations, Fees and Charges

If a portion of the Water System rates or connection charges were determined by a court to exceed the reasonable costs of providing service, any fee which the City charges may be considered to be a "special tax," which under Articles XIII A or XIII D of the California Constitution must be authorized by a two-thirds vote of the affected electorate. This requirement is applicable to the City's rates for service provided by the Water System. The reasonable cost of service provided by the Water System has been determined by the State Controller to include depreciation and allowance for the cost of capital improvements. In addition, the State courts have determined that fees such as connection fees (capacity charges) will not be special taxes if they approximate the reasonable cost of constructing Water System improvements contemplated by the local agency imposing the fee. Such court determinations have been codified in the Government Code of the State of California (Section 66000 et seq.).

Under Article XIII B of the California Constitution, state and local government entities have an annual "appropriations limit" which limits their ability to spend certain moneys called "appropriations subject to limitation," which consists of tax revenues, certain state subventions and certain other moneys, including user charges to the extent they exceed the costs reasonably borne by the entity in providing the service for which it is levying the charge. In general terms, the "appropriations limit" is to be based on certain Fiscal Year 1978/79 expenditures, and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if an entity's revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. For the current fiscal year, the City's revenue subject to this limitation is only \$133,634,875, which is \$241,171,927 (64 percent) below the statutory ceiling of \$374,806,802.

The City is of the opinion that the rates and use charges imposed by the City in connection with the Water System do not exceed the costs it reasonably bears in providing such services.

Limitations on Remedies Available to Bondowners

The ability of the City to comply with its covenants under the Indenture and to generate Net Water System Revenues sufficient to pay principal of and interest on the 2020 Bonds may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "Proposition 218" below. Furthermore, any remedies available to the owners of the 2020 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Indenture, the rights and obligations under the 2020 Bonds and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the 2020 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Seismic Considerations

The City is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the City, there could be an interruption in the service provided by the Water System, resulting in a temporary reduction in the amount of Net Water System Revenues available to pay debt service when due on the 2020 Bonds.

The Indenture does not require the City to maintain earthquake or flood insurance on the Water System. The City, 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. The City standards for development, to which the components of the Water System were subject, have been designed to reduce the risk to the public and adequately mitigate seismic hazards.

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

Cybersecurity

As a recipient and provider of personal, private and sensitive information, the City and its departments face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems.

On May 22, 2018, the City was alerted by a banking institution that some of their credit card holders experienced fraudulent purchases on their accounts and these were the same cards used to pay their Oxnard utility bills with its Click2Gov ("Superion") online payment system. The City reported the issue to the Police Department and Superion, which engaged a third-party forensic firm to determine what happened and what information may have been affected. Superion alerted the City to a software vulnerability that had the potential to allow an unauthorized individual to gain access to the computer used to process credit card transactions. Security patches were applied by Superion on a new server to eliminate the vulnerability. The City also shut down the system to implement security controls recommended by Superion. Although Superion's investigation did not identify the exact method by which any credit card data could have been compromised, the City decided to notify customers as a precaution.

On April 6, 2020, the City was impacted by a ransomware cyberattack. When the City became aware of the cyber incident, it promptly took steps to secure and contain the system and identify the scope

of the impact. The City immediately engaged multiple external cybersecurity professionals to assist in the containment, restoration, and investigation. The incident encrypted files on the local hard drives of approximately 15% of the City's approximately 1,500 Microsoft Windows computers. The City's financial system was not infected by the ransomware virus, as validated by outside security professionals. A primary goal is to ensure full containment and restoration of the impacted computers. The forensic investigation concluded there was no forensic evidence of any access or exfiltration of personal information or any of the City's financial data.

Due to the impact on multiple endpoints, during the first week following the incident, there was access to the City's payroll system through only two PC workstations and to the accounts payable system through one, so that the City could pay its employees and vendors, respectively. Before the week was out, the Department of Billing and Licensing had access to the financial system in order to record incoming revenue, and the online payment portal was once again available for utility billing customers. The general ledger, accounts receivable, utility billing, fixed asset, grant accounting, and purchasing modules of the financial systems were inaccessible to almost all City employees outside the Information Technology Department. As a result, the City was unable to issue utility bills for water, wastewater, and environmental resources (solid waste) during the first week following the attack.

During the second week following the incident, the City and its cybersecurity professionals tested and reimaged multiple PC workstations to restore access to the financial system for several dozen more City employees, including much of the Finance Department. The City and its external investigation team are continuing to restore access to those financial system modules, with a full comprehensive restoration expected within a matter of weeks or months.

Since the second week following the attack, the City has been issuing water utility bills based on estimated water consumption, because the automated meter reading software was inaccessible, similar to the financial system (Wastewater utility bills do not require meter readings). Automated water meter reading resumed on April 20th.

As part of the recovery and restoration process, the City has implemented additional security measures to reduce the risk of future cyberattacks and is currently assisting law enforcement with its investigation.

The City did not incur any material financial consequences as a result of the incident.

No assurances can be given that the City's security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the City's computer and information technology systems could impact its operations and damage the City's digital networks and systems, and the costs of remedying any such damage could be substantial.

Climate Change

The change in the earth's average atmospheric temperature, generally referred to as "climate change," is expected to, among other things, increase the frequency and severity of extreme weather events and cause substantial flooding.

The City cannot predict the timing, extent, or severity of climate change and its impact on the City's operations and finances. Also, additional actions to address climate change may be necessary and the City can give no assurances regarding the impact of such actions on the City's operations and finances.

The City does not have nor is it adjacent to any wildland areas. Accordingly, the risk of a wildfire within the City is nonexistent.

Environmental Regulation

The kind and degree of water treatment which is effected through the Water System is regulated, to a large extent, by the federal government and the State of California. Treatment standards set forth in federal and State law control the operations of the Water System and mandate its use of technology. In the event that the federal government, acting through the Environmental Protection Agency, or the State of California, acting through the Department of Health Services, or additional federal or State legislation, should impose stricter water quality standards upon the Water System, the Water System's expenses could increase accordingly and rates and charges would have to be increased to offset those expenses. It is not possible to predict the direction which federal or state regulation will take with respect to drinking water quality standards, although it is anticipated that both will impose more stringent standards with attendant higher costs.

No Obligation to Tax

The obligation of the City to pay the principal of and interest on the 2020 Bonds 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 principal of and interest on the 2020 Bonds does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restriction.

Change in Law

The State is experiencing a significant budgetary shortfall during the pandemic-induced recession. The City cannot predict what actions will be taken in the future by the State Legislature and the Governor to deal with declining State revenues and increasing expenditures, and it is possible that future legislation will impact revenues of local agencies. These developments at the State level will most likely adversely affect local governments. However, the City does not currently anticipate that the State budget problems will materially adversely impact the operation of the City's Water System.

Geologic and Topographic

The value of the Water System, and the ability to generate Water System Revenues, is contingent upon the ability of the City to deliver water to its customers. The financial stability of the City can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods) and climatic conditions (such as droughts and tornadoes). The City is in an active geological area.

Engineering standards require that some of these factors be taken into account, to a limited extent, in the design of improvements, including the Water System. Some of these factors may also be taken into account, to a limited extent, in the design of other infrastructure and public improvements neither designed nor subject to design approval by the City. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception

of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur which may result in damage to improvements in varying degrees, and such damage may entail significant repair or replacement costs, and there can be no assurance that such repair or replacement will occur. Under any of these circumstances, the public and private improvements within the City in general may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

The area encompassed by the City, like that in much of California, may be subject to unpredictable seismic activity. Occurrence of earthquakes could cause an interruption of deliveries of water to and from the City until repairs could be effected, thus possibly diminishing the amount of Net Water System Revenues.

The components of the Water System are located in a flood insurance rate zone designated by the Federal Emergency Management Agency ("FEMA") as "Zone B." 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. The term "100-year flood" refers to the flood elevation that has a one percent 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.

Secondary Market for 2020 Bonds

There can be no guarantee that there will be a secondary market for the 2020 Bonds or, if a secondary market exists, that any 2020 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Federal Tax-Exempt Status of the 2020 Bonds

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Bond proceeds, limitations on the investment earnings on the Series A Bonds proceeds prior to expenditure, a requirement that certain investment earnings on the Series A Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the "IRS"). The City has covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series A Bonds as taxable, retroactively to the date of issuance of such Series A Bonds.

IRS Audit of Tax-Exempt Issues

The IRS has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series A Bonds might be affected as a result of such an audit of the Series A Bonds (or by an audit of similar obligations).

Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the 2020 Bonds when all or some becomes due, the Trustee on behalf of any owner of the 2020 Bonds shall have a claim under the Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the 2020 Bonds and the Insurer's consent may be required in connection with amendments to any applicable documents relating to the 2020 Bonds.

The Insurer will have the ability to direct the actions of the Trustee, give consents and waivers, and take other actions without regard to the views of the Owners of any 2020 Bonds.

The S&P long-term ratings on the 2020 Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the S&P long-term ratings of the Insurer and the ratings on the 2020 Bonds will not be subject to downgrade and such event could adversely affect the market price of the 2020 Bonds or the marketability (liquidity) for the 2020 Bonds. See "BOND INSURANCE" and "RATINGS" herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Authority, the City nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to make debt service payments, the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information regarding the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

Additional Obligations

As described in "SECURITY FOR THE 2020 BONDS – Additional Obligations" above, the Indenture permits the City to issue Additional Obligations, its obligations under which would be payable on a parity with the payment of debt service of the 2020 Bonds. In the event of a decline in Net Water System Revenues available to pay debt service on the 2020 Bonds, the existence of Additional Obligations could adversely affect the City's ability to pay debt service on the 2020 Bonds.

Current Initiatives

There are currently five local initiatives on the November 3, 2020 ballot which, if passed by Oxnard voters, could impact the City's finances and governance. The initiatives are described briefly below.

Measure "E": Funding or Services Like Oxnard 911 Safety/Medical Response, Financial Recovery/Accountability. This measure has been authored by the City and would establish a 1½¢ general sales tax to aid Oxnard's long-term financial stability and fund general services and infrastructure. It would require annual audits and public disclosure of all spending. If approved, it is expected to generate \$40,000,000 annually until ended by voters.

Measure "F": Oxnard Permit Simplicity Act. This initiative would require the City to provide certain training to staff and streamline the permit process.

Measure “L”: Oxnard Fiscal Transparency and Accountability Act. This initiative is authored by citizens. Under existing City regulations and in accordance with State law, the Director of Finance (as head of the Finance Department) is responsible for City financial reporting, fiscal and accounting duties and assisting in budgeting. Finance Department programs include general accounting, budget management, debt management, financial resources, grants management, and purchasing. Existing City regulations provide that the City Treasurer is to perform statutory duties assigned to the City Treasurer under State law and confirmed by resolution plus specific administrative duties assigned by the City Manager. Currently, the City Treasurer serves as the administrative head of the City Treasurer’s office.

Under the proposed initiative, the City Treasurer’s existing duties would be expanded to include:

- Designation as Director of Finance and would assume all statutory duties of the Director of Finance;
- Designing, implementing and overseeing an internal control system to safeguard assets, ensure financial statement reliability, promote operational efficiency and encourage compliance with applicable laws and City Council directives. Although the City Council could establish additional financial controls, the initiative prohibits imposition of such controls if they would undermine the authority of the City Treasurer (acting in the role of Finance Director);
- Selecting and overseeing an internal auditor who would not be a City employee who would conduct internal control reviews, compliance audits and performance audits;
- Implementing a program that would include monthly reports published online of City expenditures, including supporting invoices, purchase orders, submitted bids and solicitations for bids; and
- Submitting a proposed operations and capital budget to the City Council for the next fiscal year, which is currently a duty performed by the City Manager.

The position of City Treasurer is an elected position. The requisite qualifications for running for the position of City Treasurer are that such individual reside in the City and be at least 18 years of age. If the requisite number of signatures are gathered for the petition to place the initiative on the ballot and the initiative receives voter approval there may be an impact on the City’s management of its financial operations. The impact of such change is unknown to the City at this time.

Measure “M”: Oxnard Open Meetings Act. This initiative is proposed by citizens. This initiative would require City legislative body meetings to begin no earlier than 5 p.m., mandate the use of Robert’s Rules of Order, require posting of pre-recorded staff presentations, and allow public speakers no less than three minutes to comment on agenda items.

Measure “N”: Keeping the Promise for Oxnard Streets Act. This initiative is proposed by citizens. This initiative would deny the City certain sales tax revenue if it fails to maintain streets to specific levels. In the most extreme case, the approximately \$15 million annual revenue to the Measure O (Half-Cent Sales Tax) Fund would cease six (6) years prior to its currently scheduled expiration date of March 31, 2029. In such case, the City, upon approval of the City Council, would need to offset several expenditures currently funded by Measure O, including terminating certain capital improvement and maintenance projects. Currently, Measure O sales tax revenues are not restricted to funding street maintenance and may be utilized for other purposes as may be approved by the City Council.

TAX MATTERS

Series A Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series A Bonds is not a specific preference item for purposes of federal alternative minimum taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series A Bonds. The City has covenanted to comply with certain restrictions designed to insure that interest on the Series A Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series A Bonds being included in federal gross income, possibly from the date of original issuance of the Series A Bonds. The opinion of Bond Counsel assumes compliance with these 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 Series A Bonds may adversely affect the value of, or the tax status of interest on, the Series A Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals are announced from time to time which generally would limit the exclusion from gross income of interest on obligations like the Series A Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series A Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series A Bonds. Prospective purchasers of the Series A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Certain requirements and procedures contained or referred to in the Indenture, the tax certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series A Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to the exclusion from gross income of interest on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Best Best & Krieger LLP.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series A Bonds might be affected as a result of such an audit of the Series A Bonds (or by an audit of other similar bonds).

Although Bond Counsel is of the opinion that interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series A Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend

upon the particular tax status of the Bond Owner or the Owner's other items of income or deduction, and Bond Counsel expresses no opinion regarding any such other tax consequences.

Series B Bonds

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series B Bonds that acquire their Series B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series B Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series B Bonds pursuant to this offering for the issue price that is applicable to such Series B Bonds (i.e., the price at which a substantial amount of the Series B Bonds are sold to the public) and who will hold their Series B Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2020 Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2020 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series B Bonds (including their status as U.S. Holders or Non-U.S. Holders). Notwithstanding the rules described below, it should be noted that, under newly enacted law that is effective for tax years beginning after December 31, 2017 (or, in the case of original issue discount, for tax years beginning after December 31, 2018), certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series B Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series B Bonds in light of their particular circumstances.

U.S. Holders, Interest. Interest on the Series B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series B Bonds is less than the amount to be paid at maturity of such Series B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series B Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series B Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series B Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2020 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2020 Bond.

Sale or Other Taxable Disposition of the Series B Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2020 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2020 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2020 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2020 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2020 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2020 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series B Bonds. If the Authority defeases any Series 2020 Bond, the Series 2020 Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Series 2020 Bond.

Information Reporting and Backup Withholding. Payments on the Series B Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series B Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series B Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or

credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Series 2020 Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2020 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2020 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Series B Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or a deemed retirement due to defeasance of the Series 2020 Bond) or other disposition of a Series 2020 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2020 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Series 2020 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Series B Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2020 Bond or a financial institution holding the Series 2020 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("FATCA")-U.S. Holders and Non-U.S. Holders Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the

entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Series B Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series B Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Best Best & Krieger, LLP, Bond Counsel, will render an opinion with respect to the validity of the 2020 Bonds, the form of which opinion is set forth in Appendix D. Bond Counsel has assumed no responsibility for the accuracy, completeness or fairness of the Official Statement. Certain legal matters will also be passed upon for the City by Nixon Peabody LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the City by its City Attorney. Payment of the fees and expenses of Disclosure Counsel is contingent upon issuance of the 2020 Bonds. At times, Bond Counsel and Disclosure Counsel represent the Underwriter in matters unrelated to the 2020 Bonds.

FINANCIAL STATEMENTS

The City's comprehensive annual financial report for the Fiscal Year ended June 30, 2019, included in Appendix B, have been audited by Eadie & Payne LLP (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in Appendix B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

MUNICIPAL ADVISOR

NHA Advisors, LLC, San Rafael, California, is employed as Municipal Advisor to the City in connection with the issuance of the 2020 Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the 2020 Bonds is contingent upon the issuance and delivery of the 2020 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 2020 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Municipal Advisor 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 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.

RATINGS

In connection with the issuance and delivery of the 2020 Bonds, S&P Global Ratings (“S&P”) is expected to assign their municipal bond rating of “____” to the 2020 Bonds with the understanding that, upon delivery of such 2020 Bonds, a policy insuring the payment when due of the principal of and interest on the 2020 Bonds will be issued by _____. S&P has assigned their underlying municipal bond rating of “____” to the 2020 Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. 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 that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the 2020 Bonds.

The City and the Underwriter have undertaken no responsibility either to bring to the attention of the owners of the 2020 Bonds any proposed change in or withdrawal of a rating or to oppose any such proposed revision or withdrawal, however. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability of the 2020 Bonds.

LITIGATION

There is no controversy or litigation of any nature now pending against the City (with service of process having been completed), or to the knowledge of its officers, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2020 Bonds, or contesting the validity of the 2020 Bonds, any proceeds of the City, concerning the issuance or sale thereof, pledge or application of the money or security provided for payment of the 2020 Bonds, or the existence or powers of the City.

There are currently various litigation matters pending against the City. The City does not believe that these actions materially adversely affect the collection of System Revenues or the payment of debt service on the 2020 Bonds.

Measure M Litigation

The City is currently a party in a lawsuit filed with the Ventura County Superior Courts, *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 lawsuit 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. 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. On August 1, 2018, the trial court entered judgment denying the City’s request to invalidate Measure M. The City appealed, and on October 13, 2020, the Court of Appeal issued an opinion reversing the trial court’s ruling against the City. The opinion is not yet final and Respondent has stated that he will seek rehearing by the Court of Appeal or petition for review by the California Supreme Court. The Court of Appeal has calendared the remittitur to issue on December 14, 2020. If the Court of Appeal opinion becomes final, the City will not have to refund the amount of the increased rates collected while the temporary restraining order was in effect (up to \$5.9 million dollars, that the City’s Wastewater Fund might have had to pay). That refund was sought by a post-judgment motion, which the trial court denied, and through a separate

lawsuit that was filed as a class action and is currently pending in the Ventura Superior Court (*Aaron Starr and Nancy Pedersen v. City of Oxnard*).

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 a petition for writ of mandate 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 and Street Maintenance Fund. The writ petition calls for the reimbursement of all infrastructure use fees paid to date (approximately \$34 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 \$15.9 million to the City's Water Fund from the City's General Fund. Following an evidentiary hearing on the writ petition held in October 2020, the Court took the matter under submission. The Court's decision in the matter is expected by the end of 2020.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the 2020 Bonds to provide certain financial information and operating data relating to the City and the Water System by not later than March 31 of each year commencing with the report for the 2019-20 Fiscal Year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") or any successor assigned by the Municipal Securities Rulemaking Board or Securities and Exchange Commission. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events by the City is set forth in "APPENDIX C — FORM OF CONTINUING DISCLOSURE AGREEMENT."

[During the last five years, the City and the City of Oxnard Financing Authority failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply included:

- the failure to file on a timely basis the City's audited financial statements and to link audited financial statements to all CUSIPs in certain fiscal years;
- the failure to file on a timely basis certain required annual operating data; and
- the failure to file on a timely basis significant event notices pertaining to rating changes.

During the last five years, the Oxnard Community Development Commission Successor Agency failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply included:

- the failure to file on a timely basis the City's audited financial statements; and
- the failure to file on a timely basis certain required annual operating data.

During the last five years, the Oxnard Housing Authority failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply included the failure to file on a timely basis the Oxnard Housing Authority's audited financial statements for Fiscal Years 2014-15 through 2016-17.] **[UPDATE]**

The City and its related entities subsequently made all remedial filings of all annual operating data, audited financial statements, and significant event notices covering the prior five-year period and have taken steps, which include the hiring of NHA Advisors, LLC as its dissemination agent. Additionally, the Oxnard Housing Authority amended its continuing disclosure undertaking relating to outstanding Oxnard Housing Authority indebtedness to modify the filing deadline date for subsequent reports beginning in 2018 from October 31 to March 31 to ensure compliance with future continuing disclosure.

UNDERWRITING

The 2020 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the 2020 Bonds at a purchase price of \$_____ (which is equal to the principal amount of the 2020 Bonds (\$_____), plus/less net original issue premium/discount of \$_____, less an underwriter's discount of \$_____).

The contract of purchase pursuant to which the 2020 Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the 2020 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the 2020 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 Underwriter.

Although the Underwriter expects to maintain a secondary market in the 2020 Bonds after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of Directors of the Authority and the City Council of the City.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

CITY OF OXNARD

By: _____
City Manager

APPENDIX A

**SUMMARY OF CERTAIN PROVISIONS
OF THE PRINCIPAL LEGAL DOCUMENTS**

APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

APPENDIX C
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the City believes to be reliable, but the City does not take responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, NY, 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 will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Bonds, in the aggregate principal amount of such issue, 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com; provided that nothing contained in such website is incorporated into this Official Statement.

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 the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit will agree to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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.

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.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

DTC (or a successor securities depository) may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City. The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC (or a successor securities depository) with respect to the Bonds. The City undertakes no obligation to investigate matters that would enable the City to make such a determination. In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE AGENCY AND THE UNDERWRITER ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR AN ERROR OR DELAY RELATING THERETO.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City deems reliable, but the City takes no responsibility for the accuracy thereof.

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

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered as described in the Indenture and payment of interest to each Owner who owns of record \$1,000,000 or more in aggregate principal amount of Bonds may be made to such Owner by wire transfer to such wire address within the United States that such Owner may request in writing for all Interest Payment Dates following the 15th day after the Trustee's receipt of such request.

APPENDIX F

SELECTED REGIONAL ECONOMIC AND DEMOGRAPHIC DATA

The following information related to the City of Oxnard, the County of Ventura and the State of California is supplied for informational purposes only. 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.

General

The City of Oxnard (the “City”) was incorporated in 1903 and 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 most populous city in the County, with a population estimated at 206,222 as of January 2020, accounting for approximately 24% of the County’s population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

The City provides the full range of municipal services including public safety (police and fire), street construction and maintenance, solid waste collection and disposal, water and sewer utilities, culture and recreation, public improvements, planning and zoning, and general administrative and support services.

Population

The following table presents population statistics for the City for the last 10 years.

CITY OF OXNARD POPULATION ESTIMATES⁽¹⁾

<i>Calendar Year</i>	<i>Population</i>
2011	199,734
2012	200,756
2013	201,469
2014	203,436
2015	205,512
2016	206,085
2017	205,974
2018	206,222
2019	206,221
2020	206,352

⁽¹⁾ Estimated by the California Department of Finance, Demographic Research Unit, as of January 1 of each year.

Source: California Department of Finance (Report E-4 Population Estimates for Cities, Counties and the State, 2011-2020 with 2010 Benchmark).

Industry and Employment

The following table summarizes the civilian labor force, employment and unemployment figures for the City and for the County for the years 2010 through 2019.

CITY OF OXNARD AND COUNTY OF VENTURA LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT (Yearly Average)⁽¹⁾

Year	City of Oxnard			Ventura County	California
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2010	99,900	88,100	11.7	10.8	12.2%
2011	100,300	89,200	11.1	10.2	11.7
2012	101,100	91,100	9.9	9.1	10.4
2013	101,000	92,400	8.6	7.9	8.9
2014	100,500	93,200	7.2	6.6	7.5
2015	100,000	93,900	6.1	5.6	6.2
2016	101,000	94,300	6.6	5.2	5.5
2017	100,900	95,200	5.6	4.5	4.8
2018	101,000	96,000	4.9	3.8	4.3
2019	100,800	96,200	4.6	3.6	4.0

⁽¹⁾ Not seasonally adjusted. Figures represent the 12-month average for each such year.

Source: California Employment Development Department.

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The County is a part of the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area (the “MSA”). The following table summarizes the civilian labor force in the MSA for the calendar years 2014 through 2018. These figures reflect statistics for the MSA and may not necessarily accurately reflect employment trends in the City.

**OXNARD-THOUSAND OAKS-VENTURA
METROPOLITAN STATISTICAL AREA
ANNUAL AVERAGE EMPLOYMENT
Calendar Years 2014-2018**

	2014	2015	2016	2017	2018
Total Farm	26,500	26,300	25,200	23,800	24,400
Total Nonfarm	293,700	296,500	300,400	305,400	308,900
Total Private	249,700	251,100	253,800	258,500	262,100
Mining and Logging	1,300	1,000	900	900	900
Mining, Logging, and Construction	15,000	15,200	15,500	16,600	17,700
Construction	13,700	14,200	14,600	15,700	16,800
Manufacturing	25,000	25,900	25,700	25,600	26,200
Trade, Transportation and Utilities	57,900	58,500	59,000	59,500	59,100
Wholesale Trade	12,700	12,600	13,000	13,200	13,200
Retail Trade	39,200	39,900	40,000	40,100	39,600
Transportation, Warehousing and Utilities	6,000	6,000	6,000	6,100	6,400
Information	5,300	5,100	5,000	5,000	5,000
Financial Activities	18,700	17,700	17,400	16,900	16,500
Professional and Business Services	41,500	40,500	40,900	42,200	42,900
Educational and Health Services	41,600	42,900	44,400	45,900	47,600
Leisure and Hospitality	34,800	35,700	36,400	37,200	37,700
Other Services	9,800	9,700	9,600	9,600	9,400
Government	44,000	45,400	46,600	46,900	46,900
Total, All Industries	320,200	322,800	325,700	329,200	333,300

Source: State of California, Employment Development Department, Labor Market Information Division, Oxnard-Thousand Oaks-Ventura Annual Average Labor Force and Industry Employment, March 2018 Benchmark.

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Major Employers

The following table lists the largest employers in the City as of June 30, 2019, the most recent fiscal year for which such information is available.

**CITY OF OXNARD
PRINCIPAL EMPLOYERS**

<i>Name of Company</i>	<i>Number of Employees</i>	<i>Percent of Total Employment</i>
Oxnard Elementary School District	2,316	2.38%
Spatz Laboratories	1,969	2.02
Haas Automation	1,497	1.54
Oxnard Union School District	1,461	1.50
City of Oxnard	1,436	1.48
St. John's Regional Medical Center	1,429	1.47
Rio School District	598	0.61
Waterway Plastics Inc.	535	0.55
Oxnard College	373	0.38
Child Development Resources	299	0.31

Source: City of Oxnard Fiscal Year 2018-19 Comprehensive Annual Financial Report.

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Commercial Activity

Taxable sales in the City totaled approximately \$2,887,691,484 in 2018, the most recent full year for which figures are available. The following table summarizes the volume of retail sales and taxable transactions for the City and the County for 2010 through 2019, as provided by the California Department of Tax and Fee Administration (formerly the Board of Equalization).

TAXABLE SALES
City of Oxnard and Ventura County
2010 - 2019
(Dollars in Thousands)

<u>Year</u>	<u>City of Oxnard</u>		<u>Ventura County</u>	
	<u>Taxable Transactions</u>		<u>Taxable Transactions</u>	
	<u>Retail and Food</u>	<u>Other</u>	<u>Retail and Food</u>	<u>Other</u>
	<u>Services</u>		<u>Services</u>	
2010	\$1,507,987	\$425,741	\$7,546,960	\$2,678,528
2011	1,633,046	489,174	8,156,404	2,863,777
2012	1,765,630	524,959	8,700,010	3,258,250
2013	1,864,247	530,922	9,101,436	3,722,859
2014	1,947,853	554,519	9,401,053	3,965,575
2015	2,010,080	557,290	9,707,421	4,168,976
2016	2,130,664	553,401	9,864,805	3,971,071
2017	2,200,854	580,323	10,201,388	3,799,308
2018	2,269,802	617,889	10,486,735	3,836,696
2019	2,300,883	644,573	10,696,199	4,104,085

Source: California Department of Tax and Fee Administration, "Taxable Sales in California."

Personal Income

Personal income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

The following tables show the personal income and per capita personal income for the County, the State and United States from 2010 through 2018, the most recent full year for which such information is available.

PERSONAL INCOME
COUNTY OF VENTURA, STATE OF CALIFORNIA, AND UNITED STATES
CALENDAR YEARS 2010-2018
(Dollars in Thousands)

<i>Year</i>	<i>County of Ventura</i>	<i>California</i>	<i>United States</i>
2010	\$37,882,017	\$1,628,458,000	\$12,541,995,000
2011	39,898,290	1,737,940,000	13,315,478,000
2012	41,683,974	1,852,398,000	13,998,383,000
2013	42,328,733	1,886,379,000	14,175,503,000
2014	44,702,273	2,021,039,000	14,982,715,000
2015	47,182,666	2,171,947,000	15,709,242,000
2016	48,503,552	2,263,890,000	16,111,636,000
2017	49,994,234	2,370,112,000	16,870,106,000
2018	52,515,048	2,514,129,000	17,813,035,000

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following tables summarizes per capita personal income for the County, the State of California and the United States for the years 2010 through 2018, the most recent full year for which such information is available. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME
COUNTY OF VENTURA, STATE OF CALIFORNIA AND THE UNITED STATES
CALENDAR YEARS 2010-2018

<i>Fiscal Year</i>	<i>County of Ventura</i>	<i>California</i>	<i>United States</i>
2010	\$45,910	\$43,634	\$40,546
2011	48,059	46,170	42,735
2012	49,993	48,798	44,599
2013	50,475	49,277	44,851
2014	53,031	52,324	47,058
2015	55,711	55,758	48,978
2016	57,136	57,739	49,870
2017	58,761	60,156	51,885
2018	61,712	63,557	54,446

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

INSTALLMENT PURCHASE AGREEMENT

by and between

**CITY OF OXNARD,
as Purchaser**

and

**CITY OF OXNARD FINANCING AUTHORITY,
as Seller**

Dated as of _____, 2020

Relating to

**\$ _____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2020A**

and

**\$ _____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE REFUNDING BONDS
SERIES 2020B (FEDERALLY TAXABLE)**

INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into as of _____, 2020, by and between the CITY OF OXNARD, a charter city and a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the “Purchaser”), and the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the “Authority”):

WITNESSETH:

WHEREAS, the Purchaser proposes to finance certain improvements to the Purchaser’s water system, as more particularly described herein (collectively, the “Improvements”); and

WHEREAS, the Purchaser desires to (a) finance new capital improvements to the Water System, as further described herein (collectively, the “Improvements”) and (b) refund and defease all or a portion of the outstanding \$_____ City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the “2010 Bonds”) and its outstanding \$_____ City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the “2012 Bonds”) (together, the “Refunding”); and

WHEREAS, the Purchaser and the Authority have duly authorized the execution of this Agreement; 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 delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

“Acquisition and Construction” means, with respect to the Improvements, the acquisition, construction, improvement, equipping, renovation, remodeling or reconstruction thereof.

“Acquisition and Construction Costs” means, with respect to any of the Improvements, all costs of the Acquisition and Construction thereof which are paid from moneys on deposit in the Acquisition and Construction Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the Acquisition and Construction of the Improvements;

(b) obligations incurred for labor and materials in connection with the Acquisition and Construction of the Improvements;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the Acquisition and Construction of the Improvements;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper Acquisition and Construction of the Improvements;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the Acquisition and Construction of the Improvements;

(f) all financing costs incurred in connection with the Acquisition and Construction of the Improvements, including but not limited to Costs of Issuance and other costs incurred in connection with this Agreement and the financing of the Improvements; and

(g) the interest components of the Installment Payments during the period of Acquisition and Construction of the Improvements, to the extent not paid from the proceeds of the Authority Bonds deposited in the Interest Account pursuant to the Indenture.

“Additional Obligations” means Obligations other than this Installment Purchase Agreement, which are either currently outstanding or issued pursuant to Section 5.03 hereof.

“Agreement” or “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of _____, 2020, by and between the Purchaser and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

“Authority” means City of Oxnard Financing Authority, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California.

“Authority Bonds” means the Series 2020 Series A Bonds and the Series B Bonds.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Purchaser of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations of states and their political subdivisions and duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bonds” means all revenue bonds or notes of the Purchaser authorized, executed, issued and delivered by the Purchaser, the payments of which are on a parity with the Series 2020 Installment Payments and Installment Payments and that are secured by a pledge of and lien on the Net Water System Revenues.

“Build America Bonds” means the bonds with which the Authority has irrevocably elected (i) to apply the provisions of Section 54AA(d) of the Code and intends that the bonds be treated as “build America bonds” within the meaning of Section 54AA(d) of the Code and (ii) to apply the provisions of Section 54AA(g) of the Code and intends that the Bonds be treated as “qualified bonds” within the meaning of Section 54AA(g) of the Code, such that the bonds will bear interest that is not excluded from federal income taxation and, as provided for in Section 54AA(b) and 6431 of the Code, the bonds are eligible to receive Interest Subsidy Payments and for which the Authority or the Authority’s authorized designated recipient has filed the requires Internal Revenue Service Forms.

“City Bonds” means all revenue bonds or notes of the Purchaser authorized, executed, issued, and delivered under and pursuant to the laws of the State of California, the payments of which are made from the Net Water System Revenues and which are on a parity with the Installment Payments. The term “City Bonds” includes, but is not limited to, obligations in the form of bonds, notes, bond anticipation notes, and commercial paper.

“Contract Payments” means Installment Payments due and payable under this Installment Purchase Agreement, installment or lease payments of interest and principal or, if there are no separate payments of interest and principal, the installment or lease payments, scheduled to be paid by the Purchaser under and pursuant to the Contracts.

“Contracts” means this Installment Purchase Agreement and all contracts or leases of the Purchaser authorized and executed by the Purchaser under and pursuant to the laws of the State of California, installment or lease payments under which are payable from the Net Water System Revenues on a parity with this Installment Purchase Agreement.

“Debt Service” means, for any Fiscal Year or other period, the sum of (i) the interest payable during such Fiscal Year or 12-month period on all outstanding City Bonds, assuming that all outstanding serial City Bonds are retired as scheduled and that all outstanding term City Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any City Bonds), (2) that portion of the principal amount of all outstanding serial City Bonds maturing on any principal payment date which falls in such Fiscal Year or 12-month period, (3) that portion of the principal amount of all outstanding term City Bonds required to be redeemed or paid on any redemption date which falls in such Fiscal Year or 12-month period, and (4) that portion of the Contract Payments required to be made in such Fiscal Year or 12-month period (except to the extent such interest is capitalized). For purposes of calculating Debt Service, the following assumptions shall be used:

provided that, as to any such City Bonds or Contract Payments bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be the rate set forth in the applicable Qualified Swap, and if there is no Qualified Swap in effect with respect thereto, the greatest of (a) the actual interest rate on such City Bonds or Contract Payments on the date of calculation, or if the indebtedness is not yet outstanding, the initial interest rate (if established and binding), (b) if the City Bonds or Contracts have been outstanding for at least twelve months, the average rate over the twelve calendar months immediately preceding the date of calculation, and (c) (i) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer “Revenue Bond Index” (or comparable index if no longer published) plus 50 basis points, or (ii) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any portion of Sections 5.03 (Additional Obligations) and 6.10 (Amount of Rates and Charges) of the Installment Purchase Agreement, measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period; and

provided further that, if any series or issue of such City Bonds or Contract Payments have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the Fiscal Year or other 12-month period of determination as if the principal of and interest on such series or issue of such City Bonds or Contract Payments were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such City Bonds or Contract Payments or portions thereof bearing no interest but that are sold at a discount and which discount accretes with respect to such City Bonds or Contract Payments or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that, the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the City Bonds and Contracts for which such debt service reserve fund was established and in each preceding year until such amount is exhausted; and

provided further that, Debt Service shall not include interest that is paid from investment earnings on amounts on deposit in the applicable Reserve Account and transferred to the Debt Service Fund; and

provided further that, for purposes of any portion of Sections 5.03 (Additional Obligations) and 6.10 (Amount of Rates and Charges) of the Installment Purchase Agreement measuring actual debt service coverage during a test period, Debt Service with respect to all City Bonds, Contract Payments, and bonds issued by the Authority secured by such Contract Payments for which the Purchaser or the Authority is entitled to receive Interest Subsidy Payments or any similar payments from the United States Department of the Treasury shall be determined net of all such Interest Subsidy Payments or similar payments from the United States Department of the Treasury received or scheduled to be received by the Purchaser or the Authority during such test period.

“Event of Default” means an event described in Section 8.01.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the last day of June of the next succeeding year, or any other twelve-month period selected and designated as the official Fiscal Year of the Purchaser.

“Improvements” means any additions, betterments, extensions or improvements to the Water System, the design, acquisition or construction of which (together with the incidental costs and expenses related thereto) is to be financed by the proceeds of the Authority Bonds, that may include improvements to both the water treatment (i.e. filter control replacement system, new clarifier and filter system, raw water reservoir improvements, vehicle and equipment replacement and storage tank repairs) and water distribution (i.e. water pipeline replacement, water distribution expansion and storage tank improvements).

“Indenture” means the Indenture of Trust, dated as of _____, 2020, by and among the Purchaser, the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom:

(a) is in fact independent and not under domination of the Authority or the Purchaser;

(b) does not have any substantial interest, direct or indirect, in the Authority or the Purchaser; and

(c) is not connected with the Authority or the Purchaser as an officer or employee of the Authority or the Purchaser but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the Purchaser.

“Independent Financial Consultant” means a financial consultant or firm of such consultants appointed by the Purchaser, and who, or each of whom:

(1) is in fact independent and not under domination of the Purchaser or the Authority;

(2) does not have any substantial interest, direct or indirect, with the Purchaser or the Authority; and

(3) is not connected with the Purchaser or the Authority as an officer or employee thereof, but who may be regularly retained to make reports thereto.

“Installment Payment Date,” “Series 2020 Installment Payment Date”

The term “Installment Payment Date” means each date on which Installment Payments are scheduled to be paid by the Purchaser under and pursuant to any Contracts. The term “Series 2020 Installment Payment Date” means the fifth day prior to each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

“Installment Payments;” “Series 2020 Installment Payments;” “Interest Component of Series 2020 Installment Payments;” “Principal Component of Series 2020 Installment Payments”

The term “Installment Payments” means the installment payments of interest and principal scheduled to be paid by the Purchaser under and pursuant to the Contracts. The term “Series 2020 Installment Payments” means the Installment Payments scheduled to be paid by the Purchaser under and pursuant hereto, including all amounts payable to the Insurer for draws on the Insurance Policy or the Reserve Policy, plus interest on such draws as set forth in the Indenture. The term “Interest Component of Series 2020 Installment Payment”, with respect to any Series 2020 Installment Payment, means the “Amount Attributable to Interest” in respect of such payment as reflected in Exhibit A hereto. The term “Principal Component of Series 2020 Installment Payment”, with respect to any Series 2020 Installment Payment, means the “Amount Attributable to Principal” in respect of such payment as reflected in Exhibit A hereto.

“Interest Payment Date” means June 1 and December 1 in each year, as applicable, beginning June 1, 2021, and continuing so long as any Authority Bonds remain Outstanding.

“Interest Subsidy Payment” means with respect to Build America Bonds, each payment received by the Authority or the Authority’s designated recipient directly from the United States Department of the Treasury in an amount equal to 35% of the corresponding interest payable on such Build America Bonds of the Water System, as provided for in Sections 54AA(b) and 6431 of the Code.

“Maintenance and Operation Costs” means (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the Purchaser that are charged directly or apportioned to the Water System, including, but not limited, to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the Purchaser or charges (other than debt service payments) required to be paid by it to comply with the terms of the City Bonds, or any other Contract, other than Debt Service, or of any resolution or indenture authorizing the issuance of any City Bonds or Contracts, and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

“Maximum Annual Debt Service” means, at any point in time, with respect to City Bonds and Contracts then outstanding, the largest amount of Debt Service on the City Bonds and Contracts in the then current or any future Fiscal Year.

“Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including reasonable attorneys’ fees) incurred in the collection of such proceeds.

“Net Water System Revenues” means (i) for any Fiscal Year, the Water System Revenues for such Fiscal Year less the Maintenance and Operation Costs for such Fiscal Year, or (ii) in applying the provisions of the Installment and Purchase Agreement with respect to Additional Obligations only, the Water System Revenues for the selected 12-month period less the Maintenance and Operation Costs for the same 12-month period.

“Obligations” means City Bonds and Contract Payments.

“Purchaser” means the City of Oxnard, a charter city and a municipal corporation duly organized and existing under and by virtue of the laws of the State of California.

“Purchase Price” means the principal amount plus interest thereon owed by the Purchaser to the Authority under the terms hereof as provided in Section 4.01.

“Qualified Swap” means any financial arrangement (i) that is entered into by the Purchaser with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) that provides that the Purchaser shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal to the principal amount of the Authority Bonds Outstanding, and that such entity shall pay to the Purchaser an amount based on the interest accruing on such principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by the Authority Bonds) or that one shall pay to the other any net amount due under such arrangement; and (iii) that has been designated in writing to the Trustee by the Purchaser and the Authority as a Qualified Swap with respect to the Authority Bonds.

“Qualified Swap Provider” means a financial institution whose senior long term debt obligations or an insurance provider whose claims-paying ability, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations or by an insurance provider

whose claims-paying ability, are rated (at the time the subject Qualified Swap is entered into) not lower than Aa3 by Moody's and AA- by S&P, or the equivalent thereof by any successor thereto.

"Revenue Fund" means the fund by that name established pursuant to Section 5.02 hereof.

"Series A Bonds" means the \$_____ aggregate principal amount of City Of Oxnard Financing Authority Water Revenue Bonds Series 2020A.

"Series B Bonds" means the \$_____ aggregate principal amount of City Of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2020B (Federally Taxable).

"Trustee" means Wells Fargo Bank, National Association, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

"Water Service" means the water distribution service provided by the Purchaser.

"Water System" means the whole and each and every part of the waterworks system serving the Purchaser, whether owned or operated by the Purchaser or another party, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions, and improvements to such water system or any part thereof hereafter acquired or constructed.

"Water System Revenues" means all income, rents, rates, fees, charges, and other moneys derived from the ownership of or operation of the Water System, including, without limiting the generality of the foregoing, (1) all in lieu charges and groundwater augmentation charges (including investment earnings thereon) collected by or on behalf of the Purchaser, (2) all income, rents, rates, fees, charges, business interruption insurance proceeds, or other moneys derived by the Purchaser from the sale, furnishing, and supplying of the water, drainage or other services, facilities, and commodities sold, furnished, or supplied through the facilities of or in the conduct or operation of the business of the Water System, and (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds, or other moneys, including Purchaser reserves; but excluding in all cases (a) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Purchaser, (b) proceeds of taxes or benefit assessments restricted by law to be used by the Purchaser to pay amounts due on bonds or other obligations hereafter incurred, and (c) connection fees and charges.

"Written Consent of the Authority or Purchaser," "Written Order of the Authority or Purchaser," "Written Request of the Authority or Purchaser," "Written Requisition of the Authority or Purchaser"

The terms "Written Consent of the Authority or Purchaser," "Written Order of the Authority or Purchaser," "Written Request of the Authority or Purchaser," and "Written Requisition of the Authority or Purchaser" mean, respectively, a written consent, order, request or requisition signed by or on behalf of (i) the Authority by its Chairman, Vice Chairman, or Executive Director or (ii) the Purchaser by the Mayor, Vice Mayor or City Manager or by any person who is specifically authorized by resolution of the Purchaser (a certified copy of which has been delivered to the Trustee) to sign or execute such a document on its behalf.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Representations by the Purchaser. The Purchaser makes the following representations:

(a) The Purchaser is a charter city and a municipal corporation duly organized and existing under and pursuant to the laws of the State of California.

(b) The Purchaser has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement, and the Purchaser has complied with the provisions of the Law in all matters relating to such transactions.

(c) By proper action, the Purchaser has duly authorized the execution, delivery and due performance of this Agreement.

(d) The Purchaser will not take or, to the extent within its power, permit any action to be taken as a consequence of which any Interest Component of Series 2020 Installment Payments would fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Authority or its assigns for purposes of federal income taxation, or to fail to be exempt from State of California personal income taxes.

(e) The Purchaser has determined that it is necessary and proper for Purchaser uses and purposes within the terms of the Law that the Purchaser finance/refinance the Improvements in the manner provided for in this Agreement.

SECTION 2.02. Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement and by proper action has duly authorized the execution and delivery and due performance of this Agreement.

(b) The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

(c) The Authority will not take or permit any action to be taken as a consequence of which the interest on any Authority Bond would fail to be excluded pursuant to section 103(a) of the Code from the gross income of the owner thereof for purposes of federal income taxation, or to fail to be exempt from State of California personal income taxes.

ARTICLE III

ISSUANCE OF AUTHORITY BONDS; SALE AND PURCHASE OF THE PROJECT

SECTION 3.01. The Authority Bonds. The Authority has authorized the issuance of the Authority Bonds pursuant to the Indenture in the aggregate principal amount of _____ Dollars (\$_____) of Series A Bonds and the aggregate principal amount of _____ Dollars (\$_____) of Series B Bonds. The Authority and the Purchaser agree that the proceeds of sale of the Authority Bonds shall be paid to the Trustee on the Closing Date for deposit pursuant to the terms and conditions of the Indenture. The Purchaser hereby approves the Indenture, the assignment to the Trustee of the rights of the Authority assigned under and pursuant to the Indenture, and the issuance of the Authority Bonds by the Authority under and pursuant to the Indenture.

SECTION 3.02. Appointment of Purchaser as Agent of Authority. The Authority hereby appoints the Purchaser as its agent to carry out all phases of the Acquisition and Construction of the additional Improvements to the Water System pursuant to and in accordance with the provisions hereof and the Indenture. The Purchaser hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the Acquisition and Construction of the Improvements. The Authority, or the Purchaser as agent of the Authority hereunder, shall enter into, administer and enforce all purchase orders or other contracts relating to the Acquisition and Construction of the Improvements. All contracts for, and all work relating to, the Acquisition and Construction of the Improvements shall be subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of like facilities and property by the Purchaser.

SECTION 3.03. Sale and Purchase of the Improvements. As consideration for the proceeds of the Authority Bonds, the Authority hereby agrees to purchase, and the Purchaser hereby agrees to sell, the Improvements. As consideration for the Purchaser's agreement to make Series 2020 Installment Payments in accordance with Section 4.02 hereof, the Authority hereby agrees to sell, and the Purchaser hereby agrees to purchase, the Improvements. All right, title and interest in the Improvements shall vest in the Purchaser immediately upon execution of this Agreement. Such vesting shall occur without further action by the Authority or the Purchaser; and the Authority shall, if requested by the Purchaser or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

ARTICLE IV

SERIES 2020 INSTALLMENT PAYMENTS

SECTION 4.01. Purchase Price.

(a) The Purchase Price to be paid by the Purchaser hereunder to the Authority is the sum of the principal amount of the Purchaser's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the Purchaser hereunder on each Series 2020 Installment Payment Date is set forth in Exhibit A hereto; provided, however, the amount payable by the Purchaser to the Authority on each Series 2020 Installment Payment Date shall be reduced by the amount, if any, on deposit in the Bond Payment Fund and available or to be available for the payment of principal of and interest on the Authority Bonds on such Interest Payment Date as a result of prepayment in accordance with Article VII.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit A hereto, and shall be paid by the Purchaser as and constitute interest paid on the principal amount of the Purchaser's obligations hereunder.

SECTION 4.02. Series 2020 Installment Payments. The Purchaser shall, subject to any rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts relating to each Series 2020 Installment Payment Date as set forth in Exhibit A hereto.

Each Series 2020 Installment Payment shall be paid to the Authority in lawful money of the United States of America. If the Purchaser fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the Purchaser until such amount shall have been fully paid; and the Purchaser agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2020 Installment Payments if paid in accordance with their terms.

The obligation of the Purchaser to make the Series 2020 Installment Payments is absolute and unconditional, and until such time as the Purchase Price and any amounts owing the Insurer shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the Purchaser will not discontinue or suspend any Series 2020 Installment Payments required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part and such payments shall not be subject to reduction whether by offset, abatement or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

SECTION 4.03. Additional Payments. In addition to the Series 2020 Installment Payments, the Purchaser shall pay when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture, [including without limitation all amounts owing to the Insurer relating to the Insurance Policy or the Reserve Policy that is not payable as a Series 2020 Installment Payment], all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund or the Acquisition and Construction Fund), and shall pay to the Trustee upon request therefor all compensation for fees due to the Trustee and all of its costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents, together with all amounts required to indemnify the Trustee pursuant to Section 6.13 of the Indenture, and all costs and expenses of attorneys, auditors, engineers and accountants. The rights of the Trustee and the obligations of the Purchaser under this Section 4.03 shall survive the termination of this Agreement and the resignation and removal of the Trustee.

ARTICLE V

SECURITY

SECTION 5.01. Pledge of Net Water System Revenues. All Net Water System Revenues are hereby irrevocably pledged to the payment of the Series 2020 Installment Payments as provided herein and Net Water System Revenues shall not be used for any purpose other than as permitted herein while any of the Series 2020 Installment Payments remain unpaid. This pledge shall constitute a lien on Net Water System Revenues, including Net Water System Revenues in the Revenue Fund established herein, subject to the terms hereof, for the payment of the Series 2020 Installment Payments and all other Obligations in accordance with the terms hereof and the Indenture.

SECTION 5.02. Allocation of Net Water System Revenues. To carry out and effectuate the pledge and lien contained herein, the Purchaser agrees and covenants that all Water System Revenues shall be received by the Purchaser in trust hereunder and shall be deposited when and as received in a special fund designated as the “Revenue Fund,” which fund is hereby created and established and which fund the Purchaser agrees and covenants to maintain and to hold in trust separate and apart from other funds so long as any Obligations remain unpaid. Moneys in the Revenue Fund shall be used and applied by the Purchaser as provided in this Agreement. Investment earnings received by the Trustee from the investment of moneys on deposit in the Bond Payment Fund and the Reserve Fund are to be retained by the Trustee and applied by it as provided for in the Indenture.

The Purchaser shall, first from the moneys in the Revenue Fund, pay all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs, the payment of which is not then immediately required) as they become due and payable. Thereafter, all Net Water System Revenues in the Revenue Fund shall be set aside by the Purchaser at the following times for the transfer to the following respective special funds in the following order of priority; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth in this Section 5.02.

(a) **Bond Payment Fund.** On or before each Series 2020 Installment Payment Date until the Authority Bonds have been paid or provision for their payment has been made as provided in Section 9.03 of the Indenture, the Purchaser shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund the Series 2020 Installment Payment due and payable on that Series 2020 Installment Payment Date. Such deposit to the Bond Payment Fund shall be reduced to the extent amounts on deposit therein are available for application to the Series 2020 Installment Payment due and payable on such Series 2020 Installment Payment Date.

The Purchaser shall also, from the moneys in the Revenue Fund, transfer to the trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, to pay any other debt service in accordance with the provisions of any Bond or Contract.

(b) **Reserve Fund.** On or before each Series 2020 Installment Payment Date until the Authority Bonds have been paid, or provision for their payment has been made as provided in Section 10.03 of the Indenture, the Purchaser shall, from the remaining moneys in the Revenue Fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee or other fiduciary for deposit in the Reserve Fund and such other reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts, other than this Agreement, that sum, if any, necessary to restore the Reserve Fund to an amount equal to the Reserve Requirement and/or such reserve funds or accounts to an amount equal to the amount required to be maintained therein.

No transfer of moneys for deposit to the Reserve Fund in connection with the Series 2020 Installment Payments need be made if the amount contained therein is at least equal to the Reserve Requirement.

(c) **Surplus.** Moneys on deposit in the Revenue Fund not necessary to make any of the payments required above, may be expended by the Purchaser at any time for any purpose permitted by law.

SECTION 5.03. Additional Obligations. The Purchaser may at any time execute any Contract or issue any City Bonds, as the case may be, in accordance herewith; provided:

(a) No Event of Default shall have occurred and be continuing, and the Purchaser shall deliver a certificate to that effect to the Trustee; and

(b) the Purchaser obtains or provides a certificate or certificates prepared by an Independent Financial Consultant showing that

(i) the Net Water System Revenues as shown by the books of the Purchaser for the twelve (12) calendar months ending 90 days prior to the end of the month in which such Additional Obligations are incurred (the "Look Back Period"), shall have amounted to at least the sum of (x) one hundred percent (100%) of Debt Service for such Look Back Period, plus (y) the amount by which the amount on deposit in the Revenue Fund on the first day of such Look Back Period was less than twenty-five percent (25%) of Maximum Annual Debt Service on all Outstanding City Bonds and Contracts calculated on the first day of such Look Back Period; for purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the Purchaser for all or any part of the Look Back Period, which have not been subject to audit by an Independent Certified Public Accountant if audited financial statements for the Fiscal Year or period are not available;

(ii) the estimated Net Water System Revenues for the twelve (12) calendar months following the date of incurring such Additional Obligations will be at least equal to one hundred percent (100%) of Maximum Annual Debt Service on all City Bonds and Contracts to be outstanding immediately after the incurring of such Additional Obligations; and

(iii) the amount on deposit in the Revenue Fund on the date of incurring such Additional Obligations is at least equal to twenty-five percent (25%) of Maximum Annual Debt Service on all Outstanding City Bonds and Contracts as of the date of incurring of such Additional Obligations.

(c) For purposes of the computations to be made as described in clause (ii) above, the determination of the Net Water System Revenues:

(i) may take into account any increases in rates and charges that relate to the Water System and shall take into account any reduction in such rates and charges that will be effective prior to or at the time of incurring such proposed Additional Obligations;

(ii) may take into account an allowance for any estimated increase in such Net Water System Revenues from any revenue producing additions to or improvements or extensions of the Water System to be made with the proceeds of such Additional Obligations or with the proceeds of Obligations previously issued, as shown by a certificate of an Independent Financial Consultant; and

(iii) for the period contemplated by clause (ii) above, Maintenance and Operation Costs of the Water System shall be deemed to be the same as for the period for which a calculation is done pursuant to clause (i) above, but adjusted, if deemed necessary by the Independent Financial Consultant, for any increased Maintenance and Operation Costs of the Water System which are, in the judgment of the Independent

Financial Consultant, essential to maintaining and operating the Water System, including any additions or betterments thereto to be made with the proceeds of such Additional Obligations.

The certificate or certificates described above shall not be required if the Additional Obligations being incurred are for the purpose of refunding then outstanding Obligations and at the time of the incurring of such Additional Obligations a certificate of an Authorized Official shall be delivered showing that Maximum Annual Debt Service on all Outstanding City Bonds and Contracts after the incurring of such Additional Obligations will not exceed Maximum Annual Debt Service on all Obligations outstanding prior to the incurring of such Additional Obligations.

SECTION 5.04. Investments. All moneys held by the Purchaser in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

COVENANTS OF THE PURCHASER

SECTION 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The Purchaser will punctually pay the Series 2020 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Water System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Purchaser will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Indenture required to be observed and performed by it; and it is expressly understood and agreed by and between the parties to this Agreement that, subject to Section 11.07 hereof, each of the agreements, conditions, covenants and terms contained in each of this Agreement and the Indenture is an essential and material term of the purchase of and payment for the Improvements by the Purchaser pursuant to and in accordance with this Agreement.

The Purchaser will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

SECTION 6.02. Against Encumbrances. The Purchaser will not make any pledge of or place any lien on Net Water System Revenues or the moneys in the Revenue Fund except as provided herein. The Purchaser may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a pledge of and lien on Net Water System Revenues or any moneys in the Revenue Fund as may from time to time be deposited

therein (as provided in Section 5.02), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein. The Purchaser will not issue any evidences of indebtedness or incur other obligations that are payable from and secured by a pledge of and lien on Net Water System Revenues senior to the pledge of and lien on Net Water System Revenues of the Series 2020 Installment Payments.

SECTION 6.03. Against Sale or Other Disposition of Property. The Purchaser will not enter into any agreement or lease that impairs the operation of the Water System or any part thereof necessary to secure adequate Net Water System Revenues for the payment of the Series 2020 Installment Payments, or that would otherwise impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the Water System, or any material or equipment that has become worn out, may be sold if such sale will not impair the ability of the Purchaser to pay the Series 2020 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the Purchaser to sell any portion of the Water System if such portion is immediately repurchased by the Purchaser and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy that would deprive the Purchaser of or otherwise interfere with its right to own and operate such portion of the Water System.

SECTION 6.04. Maintenance and Operation of the Water System. The Purchaser will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Maintenance and Operation Costs as they become due and payable.

SECTION 6.05. Payment of Claims. The Purchaser will pay and discharge any and all lawful claims for labor, materials or supplies that, if unpaid, might become a lien on the Net Water System Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the Purchaser pledged to pay the Series 2020 Installment Payments or to the Owners prior or superior to the lien of the Series 2020 Installment Payments or that might impair the security of the Series 2020 Installment Payments, except that if the Purchaser desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the Purchaser will forthwith pay or cause to be paid and discharged such judgment.

SECTION 6.06. Insurance.

(a) The Purchaser will procure and maintain or cause to be procured and maintained insurance relating to the Water System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water System) as are usually covered in connection with facilities similar to the Water System, so long as such insurance is available from reputable insurance companies at reasonable costs.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the following shall apply; provided however, the following shall not apply, if (1) the Net Proceeds are less than \$50,000, in which case the Purchaser may determine the use of such proceeds; or (2) the Purchaser certifies in a Written Order of the Purchaser delivered to the Trustee that if the damaged or destroyed portion of the Water System is not repaired or replaced, the Water System will generate Net Water System Revenues equal to at least 125% of the amount described in clause (b) of Section 6.10 for each future fiscal year that the Authority Bonds are scheduled to remain outstanding without a rate increase triggering a noticed Proposition 218 rate hearing:

(i) The Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The Purchaser shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

(ii) If such Net Proceeds are sufficient to enable the Purchaser to retire the entire obligation evidenced hereby prior to the final due date of the Series 2020 Installment Payments as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the Purchaser may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the prepayment of Series 2020 Installment Payments as provided in Article VII and to the retirement of such Bonds and Contracts.

(iii) If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Water System, and/or the cost of the construction of additions, betterments, extensions or improvements to the Water System, then the excess Net Proceeds may, in the Purchaser's discretion, be applied in part to the prepayment of Series 2020 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion that the aggregate unpaid principal balance of Series 2020 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

(b) The Purchaser will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal water systems similar to the Water System.

(c) Any insurance required to be maintained by paragraph (a) above and, if the Purchaser determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance required to be maintained herein shall provide that the Authority and the Trustee shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

The Trustee shall not be responsible for the sufficiency or adequacy of the insurance maintained by the Purchaser.

SECTION 6.07. Accounting Records; Financial Statements and Other Records.

(a) The Purchaser will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall

be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The Purchaser will prepare and file with the Authority and, upon request of the Insurer or the Trustee, annually within one hundred eighty (180) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2021);

(1) financial statements of the Purchaser for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereon; and

(2) a detailed report as to all insurance policies maintained and self-insurance programs maintained by the Purchaser with respect to the Water System, as of the close of such Fiscal Year, including the names of the insurers that have issued the policies and the amounts thereof and the property or risks covered thereby and a statement that all such policies comply with Section 6.08 hereof.

The Trustee shall have no duty to review, verify or analyze the documents provided to it pursuant to this Section 6.07(b)(1) and shall hold such documents solely as a repository for the benefit of the Owners. The Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

SECTION 6.08. Protection of Security and Rights of the Authority. The Purchaser will preserve and protect the security hereof and the rights of the Authority to the Series 2020 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

SECTION 6.09. Payment of Taxes and Compliance with Governmental Regulations. The Purchaser will pay and discharge all taxes, assessments and other governmental charges that may hereafter be lawfully imposed upon the Water System, or any part thereof or upon the Water System Revenues when the same shall become due. The Purchaser will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof, but the Purchaser shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

SECTION 6.10. Amount of Rates and Charges, Operating Reserves. The Purchaser shall fix, prescribe, and collect fees, rates, and charges for the Water System which will be at least sufficient to yield during each Fiscal Year Net Water System Revenues equal to the sum of (a) one hundred percent (100%) of the Debt Service for such Fiscal Year and the amounts, if any, then due and owing to the Insurer under the Reserve Policy, if applicable, plus (b) the amount by which the amount on deposit in the Revenue Fund on the last day of the immediately preceding Fiscal Year was less than twenty-five percent (25%) of Maximum Annual Debt Service as of such day. The Purchaser may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Water System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

SECTION 6.11. Collection of Rates and Charges. The Purchaser will have in effect at all times rules and regulations requiring each customer to pay the rates, fees and charges applicable to the Water Services and providing for the billing thereof and for a due date and a delinquency date for each bill.

SECTION 6.12. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows; provided

however, the following shall not apply, if (1) the Net Proceeds are less than \$50,000, in which case the Purchaser may determine the use of such proceeds; or (2) the Purchaser certifies in a Written Order of the Purchaser delivered to the Trustee that if the portion of the Water System taken by eminent domain is not replaced, the Water System will generate Net Water System Revenues equal to at least 125% of the amount described in clause (b) of Section 6.10 for each future fiscal year that the Authority Bonds are scheduled to remain outstanding without a rate increase triggering a noticed Proposition 218 rate hearing:

(a) If (1) the Purchaser files with the Authority and the Trustee a certificate showing (i) the estimated loss of annual Net Water System Revenues, if any, suffered or to be suffered by the Purchaser by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Water System proposed to be acquired and constructed by the Purchaser from such Net Proceeds, and (iii) an estimate of the additional annual Net Water System Revenues to be derived from such additions, betterments, extensions or improvements, and (2) the Purchaser, on the basis of such certificate filed with the Authority and the Trustee, determines that the estimated additional annual Net Water System Revenues will sufficiently offset the estimated loss of annual Net Water System Revenues resulting from such eminent domain proceedings so that the ability of the Purchaser to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive), then the Purchaser shall promptly proceed with the acquisition and construction of such additions, betterments, extensions or improvements substantially in accordance with such certificate and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the Purchaser for such purpose shall be deposited in the Revenue Fund.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Purchaser in part to the prepayment of Series 2020 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion that the aggregate unpaid principal balance of Series 2020 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

SECTION 6.13. Further Assurances. The Purchaser will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

SECTION 6.14. Continuing Disclosure. The Purchaser will comply with the continuing disclosure requirements promulgated under U.S. Securities and Exchange Commission Rule 15c2 12 and will also comply with the terms of the Continuing Disclosure Agreement.

SECTION 6.15. Tax Exempt Status of Series A Bonds.

(a) **Private Activity Bond Limitation.** The City and the Authority shall assure that the proceeds of the Series A Bonds are not so used as to cause the Series A Bonds to satisfy the private business tests of section 141(b) of the Code.

(b) **Private Loan Financing Limitation.** The City and the Authority shall assure that the proceeds of the Series A Bonds are not so used as to cause the Series ABonds to satisfy the private loan financing test of section 141(c) of the Code.

(c) Federal Guarantee Prohibition. The City and the Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(d) No Arbitrage. The City and the Authority shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The City and the Authority shall take all actions necessary to assure the exclusion of interest on the Series A Bonds from the gross income of the Owners of the Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series A Bonds, including compliance with the requirements of the code relating to rebate of excess arbitrage earnings to the federal government.

SECTION 6.16. Access to the Water System. The Purchaser agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have the right at all reasonable times to enter upon and to examine and inspect the Water System. The Purchaser further agrees that the Authority and the Trustee, and any duly authorized representative thereof, shall have such rights of access to the Water System as may be reasonably necessary to cause the proper maintenance of the Water System in the event of failure by the Purchaser to perform its obligations hereunder.

ARTICLE VII

PREPAYMENT OF SERIES 2020 INSTALLMENT PAYMENTS

SECTION 7.01. Prepayment.

(a) The Purchaser may or shall, as the case may be, prepay from the Net Proceeds as provided in Sections 6.06 and 6.12 herein the Series 2020 Installment Payments as a whole or in part in the order of payment date as directed by the Purchaser (or in the event the Purchaser has not directed the order of payment date, in inverse order of maturity) at a prepayment price equal to the sum of the principal amount prepaid plus accrued interest thereon to the date of prepayment. Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price and all amounts owing the Insurer shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

(b) The Purchaser may exercise its option to prepay the principal components of the Series 2020 Installment Payments in whole or in part (in integral multiples of \$5,000) to the extent the Authority has the ability to effect an optional redemption of the Authority Bonds under the Indenture. The Purchaser shall give the Trustee and the Authority written notice of its intention to exercise its option under this Section not less than forty (40) days in advance of the date of exercise (or such lesser period of time as shall be consented to by the Trustee and the Authority).

SECTION 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01(a), the Purchaser shall, within ten (10) Business Days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event. The Purchaser shall, within sixty (60) days of such written notice or three

Business Days following the date on which the Purchaser receives actual notice of the amount of Net Proceeds to be received by the Purchaser as described in the Section 6.06 or 6.12 (whichever occurs later), specify the date on which the prepayment will be made, which date shall be ninety (90) days or longer from the date the written notice was given by the Purchaser, unless such prepayment must occur on a Payment Date, in which case such date shall be the next Payment Date with respect to which notice of prepayment may be timely given pursuant to the Indenture. In the event of a partial prepayment, the Purchaser shall give written direction to the Authority as to the series of Authority Bonds to be prepaid and the maturities of such Authority Bonds to be prepaid.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

SECTION 8.01. Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen, that is to say --

(1) if default shall be made in the due and punctual payment of any Series 2020 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(2) if default shall be made by the Purchaser in the performance of any of the agreements or covenants required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the Purchaser shall have been given notice in writing of such default by the Authority; provided, however, if in the reasonable opinion of the Purchaser the failure stated in the notice can be corrected, but not within such sixty (60) day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Purchaser within such sixty (60) day period and the Purchaser shall thereafter diligently and in good faith cure such failure in a reasonable period of time, which period shall not extend more than one hundred eighty (180) days from the date of the default notice; or

(3) if the Purchaser shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Purchaser seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Purchaser or of the whole or any substantial part of its property;

then and in each and every such case during the continuance of such Event of Default specified in clause (3) above, the Authority shall, and for any other such Event of Default the Authority may, by notice in writing to the Purchaser, declare the entire principal amount of the unpaid Series 2020 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2020 Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the Purchaser shall deposit with the Authority a sum sufficient to pay the unpaid principal amount of the Series 2020 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the

accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2020 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2020 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the Purchaser, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Net Water System Revenues thereafter received shall be applied in the following order –

First, to the payment of the fees, costs and expenses of the Trustee, if any, in carrying out the provisions of this article, including reasonable compensation to its accountants, advisors and legal counsel and then to the payment of the fees, costs and expenses of the Authority, if any, in carrying out the provisions of this article, including reasonable compensation to its accountants, advisors and legal counsel; and

Second, to the payment of the entire principal amount of the unpaid Series 2020 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2020 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

SECTION 8.03. Other Remedies of the Authority. The Authority shall have the right –

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Purchaser or any director, officer or employee thereof, and to compel the Purchaser or any such director, officer or employee to perform and carry out its or his duties under the Law and the agreements and covenants required to be performed by it or him contained herein:

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Authority or the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the Purchaser and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Authority shall have no security interest in or mortgage on the Improvements or the Water System or any other real property of the Purchaser and no default hereunder shall result in the loss of the Improvements or the Water System or any other real property of the Purchaser

SECTION 8.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Purchaser, which is absolute and unconditional, to pay the Series 2020 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Water System Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall

affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the Purchaser and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 8.05. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Authority or the Bond Owners, or as provided in the Indenture, is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Indenture or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

SECTION 9.01. Discharge of Obligations. When:

(a) all or any portion of the Series 2020 Installment Payments shall have become due and payable in accordance herewith or a written notice of the Purchaser to prepay all or any portion of the Series 2020 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2020 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2020 Installment Payments, sufficient moneys and Permitted Investments, in the amounts required by Section 10.03 of the Indenture, described in paragraph (1), (2) or (3) of the definition thereof, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and interest of such Series 2020 Installment Payments to their respective Series 2020 Installment Payment Dates or prepayment date or dates as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee and the Insurer,

then and in that event, if an opinion of Bond Counsel is filed with the Trustee to the effect that the actions authorized by and taken pursuant to this Article IX shall not adversely affect the tax exempt status of the interest portion of the Series 2020 Installment Payments payable to the Series A Bonds, the right, title and interest of the Authority herein and the obligations of the Purchaser hereunder shall, with respect to all or such portion of the Series 2020 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the

Trustee and the obligation of the Purchaser to have such moneys and such Permitted Investments applied to the payment of such Series 2020 Installment Payments).

In such event, upon request of the Purchaser the Trustee shall cause an accounting for such period or periods as may be requested by the Purchaser to be prepared and filed with the Purchaser and shall execute and deliver to the Purchaser all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, prepared by or on behalf of and at the expense of the Purchaser, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the Purchaser, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2020 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Series 2020 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2020 Installment Payments and shall be applied by the Trustee to the payment of the Series 2020 Installment Payments of the Purchaser.

ARTICLE X

BOND INSURANCE PROVISIONS

SECTION 10.01. [TO COME]

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Purchaser Limited to Net Water System Revenues. Notwithstanding anything contained herein, the Purchaser shall not be required to advance any moneys derived from any source of income other than the Net Water System Revenues, the Revenue Fund and the other funds provided herein and in the Indenture for the payment of the Series 2020 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The Purchaser may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the Purchaser for such purpose.

The obligation of the Purchaser to make the Series 2020 Installment Payments is a special obligation of the Purchaser payable solely from Net Water System Revenues, the Revenue Fund and other funds described in this Agreement and in the Indenture, and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 11.02. Benefits of Installment Purchase Agreement Limited to Parties. Except as provided in Section 11.05 hereto, nothing contained herein, expressed or implied, is intended to give to any person other than the Purchaser or the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Purchaser or the Authority shall be for the sole and exclusive benefit of the other party.

SECTION 11.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the Purchaser or the Authority is named or referred to herein, such reference shall be deemed to

include the successor to the powers, duties and functions that are presently vested in the Purchaser or the Authority, and all agreements and covenants required hereby to be performed by or on behalf of the Purchaser or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04. Waiver of Personal Liability. No director, officer or employee of the Purchaser shall be individually or personally liable for the payment of the Series 2020 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the Purchaser from the performance of any official duty provided by any applicable provisions of law or hereby.

SECTION 11.05. Third Party Beneficiary. The Trustee and the Insurer shall each be and is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary and may enforce the provisions of this Agreement as if they were a party hereto.

SECTION 11.06. Article and Section Headings; Gender and References. 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 hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.07. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Purchaser or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Purchaser and the Authority hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.08. Assignment. This Agreement and any rights hereunder may be assigned by the Authority to the Trustee, as a whole or in part, without the necessity of obtaining the prior consent of the Purchaser.

SECTION 11.09. Net Contract. This Agreement shall be deemed and construed to be a net contract, and the Purchaser shall pay absolutely net during the term hereof the Series 2020 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

SECTION 11.10. California Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 11.11. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Purchaser: City of Oxnard
300 West Third Street
Oxnard, CA 93030
Attention: City Manager

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

SECTION 11.12. Effective Date. This Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Authority).

SECTION 11.13. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 11.14. Indemnification of Authority. The Purchaser hereby agrees to indemnify and hold harmless the Authority if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

SECTION 11.15. Amendments Permitted. (a) This Agreement and the rights and obligations of the Authority, the Purchaser, the Owners of the Authority Bonds and of the Trustee may be modified or amended at any time, by an amendment hereto that shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Authority Bonds then Outstanding, exclusive of Authority Bonds disqualified as provided in Section 7.02 of the Indenture, shall have been filed with the Trustee; provided, however, that the Insurer shall be deemed the Owner of the Authority Bonds then Outstanding entitled to consent to such modification or amendment pursuant to this Section. No such modification or amendment shall –

(1) extend the stated maturities of the Authority Bonds, or reduce the rate of interest represented thereby, or extend the time of payment of interest, or reduce the amount of principal represented thereby, or reduce any premium payable on the prepayment thereof, without the consent of the Owner of each Authority Bond so affected, or

(2) reduce the aforesaid percentage of Owners of Authority Bonds whose consent is required for the execution of any amendment or modification of this Agreement, or

(3) modify any of the rights or obligations of the Trustee or the Authority without its respective written consent thereto.

(b) This Agreement and the rights and obligations of the Authority, the Purchaser and of the Owners of the Authority Bonds may also be modified or amended at any time, by an amendment hereto that shall become binding upon adoption, without the consent of the Owners of any Authority Bonds, but only to the extent permitted by law and only for any one or more of the following purposes-

(1) to add to the covenants and agreements of the Authority or the Purchaser contained in this Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Authority or the Purchaser so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Authority Bonds;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Agreement, or in any other respect whatsoever as the Authority or the Purchaser may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Authority Bonds in the reasonable judgment of the Authority;

(3) to maintain the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes under the Code, if applicable; and

(4) to make such other amendments or modifications that do not materially adversely affect the interests of the Owners of the Authority Bonds.

(c) No amendment without consent of the Owners may modify any of the rights or obligations of the Trustee without its written consent thereto.

[Remainder of page intentionally left blank.]

(Signature page follows)

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

CITY OF OXNARD

By: _____
City Manager

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

*-Signature Page-
Installment Purchase Agreement*

EXHIBIT A
PURCHASE PRICE

1. The principal amount of payments to be made by the Purchaser hereunder is \$_____.

2. The installment payments of principal and interest are payable ten days prior to each Interest Payment Date in the amounts set forth as follows:

Interest Payment <u>Dates</u>	Amount Attributable <u>to Principal</u>	Amount Attributable <u>to Interest</u>	<u>Total</u>
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INDENTURE OF TRUST

by and among the

CITY OF OXNARD FINANCING AUTHORITY

and

CITY OF OXNARD

and

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

Dated as of _____, 2020

Relating to

\$ _____

**CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2020A**

And

\$ _____

**CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE REFUNDING BONDS
SERIES 2020B (FEDERALLY TAXABLE)**

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, is dated as of _____, 2020, by and among the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority"), the CITY OF OXNARD, a charter city and a municipal corporation, duly organized and existing under the laws of the State of California (the "City"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, and being qualified to accept and administer the trusts hereby created, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Authority is a joint powers authority authorized to borrow money for the purpose of financing and refinancing public capital improvements; and

WHEREAS, the City owns and operates that certain water system referred to herein as the "Water System"; and

WHEREAS, the City desires to (a) finance new capital improvements to the Water System, as further described herein (collectively, the "Improvements") and (b) refund and defease all or a portion of the outstanding \$_____ City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the "2010 Bonds") and its outstanding \$_____ City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the "2012 Bonds") (together, the "Refunding"); and

WHEREAS, for the purpose of completing the Refunding and providing funds to the City to finance the Improvements, the Authority has determined to issue its Water Revenue Bonds, Series 2020A (the "Bonds") in the aggregate principal amount of \$_____ and its Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the "Series B Bonds" and together with the Series A Bonds, the "Bonds") in the aggregate principal amount of \$_____, all pursuant to and secured by this Indenture in the manner provided herein; and

WHEREAS, the City and the Authority have determined that it is necessary and desirable to enter into an Installment Purchase Agreement, dated the date hereof (the "Installment Purchase Agreement"), pursuant to which the Authority will sell the Improvements to the City in consideration for Installment Payments equal in time and amount to the debt service on the Bonds; and

WHEREAS, the Authority has determined that to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium (if any) thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the City and the Authority have determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants

and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. In addition, all capitalized terms used herein and not otherwise defined in this Section 1.01 shall have the respective meanings given such terms in the Installment Purchase Agreement.

“Acquisition and Construction Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.05.

“Additional Payments” means the payments so designated and required to be paid by the City pursuant to Section 4.03 of the Installment Purchase Agreement.

“Annual Debt Service” means, for each Bond Year with respect to the Bonds, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Authority” means the City of Oxnard Financing Authority, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California.

“Authorized Investments” means any securities in which the City may legally invest funds subject to its control.

“Authorized Representative” means: (a) with respect to the Authority, its Chairman, Vice Chairman, Executive Director, Secretary or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chairman, Vice Chairman, Executive Director and filed with the City and the Trustee; and (b) with respect to the City, its Mayor, Mayor Pro Tem, City Manager, City Finance Director, City Clerk or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by its Mayor, Mayor Pro Tem, City Manager, or City Clerk and filed with the Trustee.

“Bond Counsel” means (a) Best Best & Krieger LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the City of nationally recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

“Bond Payment Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02(a).

“Bond Year” means any twelve-month period commencing on June 2 in a year and ending on the next succeeding June 1, both dates inclusive; except that the first Bond Year shall commence on the Closing Date and end on June 1, 2021.

“Bonds” means the City of Oxnard Financing Authority Water Revenue Bonds, Series 2020A, and the City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) issued and at any time Outstanding pursuant to the Bond Law and this Indenture.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located.

“City” means the City of Oxnard, California, a charter city and a municipal corporation duly organized and existing under the laws of the State of California.

“Closing Date” means _____, 2020, being the date of delivery of the Bonds to the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contracts” means the Installment Purchase Agreement and all contracts or leases of the City authorized and executed by the City under and pursuant to the laws of the State of California, the debt service, installment or lease payments under which are payable from the Net System Revenues on a parity with the Installment Purchase Agreement.

“Costs of Issuance” means all items of expense directly or indirectly relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, fees, expenses and charges of the City, the Authority, the Trustee, and their respective counsel, including the Trustee’s first annual administrative fee, costs of obtaining bond insurance, a Qualified Reserve Fund Credit Instrument or Permitted Investment for monies held in the funds and accounts created and held hereunder, fees, charges and disbursements of bond counsel, disclosure counsel and other attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the execution and delivery of the Installment Purchase Agreement.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“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 Authority discontinues use of the Depository pursuant to Section 2.12 hereof, any other securities depository which agrees to follow the procedures requested to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with notice to the Trustee.

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

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events described in Section 8.01.

“Improvements” means any additions, betterments, extensions or improvements to the Water System, the design, acquisition or construction of which (together with the incidental costs and expenses related thereto) is to be financed by the proceeds of any Bonds or any Contracts, that may include improvements to both the water treatment (i.e. filter control replacement system, new clarifier and filter system, raw water reservoir improvements, vehicle and equipment replacement and storage tank repairs) and water distribution (i.e. water pipeline replacement, water distribution expansion and storage tank improvements).

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants appointed and paid by the City or the Authority, and who, or each of whom (a) is in fact independent and not under domination of the City or the Authority; (b) does not have any substantial interest, direct or indirect, with the City or the Authority; and (c) is not connected with the City or the Authority as an officer or employee of the City or the Authority, but who may be regularly retained to make annual or other audits of the books of or reports to the City or the Authority.

“Information Services” means Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called Bonds as the Authority may designate in writing to the Trustee.

“Installment Payments” means the payments required to be paid by the City pursuant to Section 4.02 of the Installment Purchase Agreement, including all prepayments thereof.

“Installment Purchase Agreement” means that certain Installment Purchase Agreement by and between the Authority and the City, with respect to the sale of the Improvements, dated as of _____, 2020, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

“Insurance Policy” shall mean the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Insurer” means _____, or any successor thereto or assignee thereof.

“Interest Payment Date” means December 1 and June 1 in each year, beginning June 1, 2021, and continuing so long as any Bonds remain Outstanding.

“Maximum Annual Debt Service” in respect of any Bond Year means the largest of the sums obtained for that or any succeeding Bond Year after totaling the following for each such Bond Year:

(a) the principal amount of all Outstanding Bonds maturing or required to be redeemed by mandatory sinking account redemption in such Bond Year; and

(b) the interest that would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on

the date of such computation were to mature or be redeemed in accordance with the applicable maturity or mandatory sinking account redemption schedule. At the time and for the purpose of making such computation, the amount of Bonds already retired in advance of the above mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant hereto.

“Office” means the corporate trust office of the Trustee in Los Angeles, California, or at such other or additional offices as may be specified in writing to the Authority and the City except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the designated corporate trust office or agency of the Trustee.

“Original Purchaser” means the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.03; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner,” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely upon a Written Request of the City directing investments as a certification to the Trustee that such investments are legal investments), but only to the extent that the same are acquired at fair market value:

(1) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — “SLGS”)

(2) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

(3) Resolution Funding Corp. (“REFCORP”) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(4) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AA+” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or “AA+” rated pre-refunded municipals to satisfy this condition.

(5) Obligations, debentures, notes or other evidence of indebtedness issued or fully and unconditionally guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided, that with respect to the funds and accounts established under this Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(6) Deposit accounts, including time deposits, trust accounts, demand deposits, trust funds, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee and its affiliates) or savings accounts (i) fully insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short term obligations are rated no lower than A-1 by S&P and P-1 by Moody's, including those of the Trustee and its affiliates.

(7) Federal funds or banker's acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" by Moody's and "A-1" or "A" or better by S&P (including the Trustee and its affiliates).

(8) Repurchase obligations with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the Securities Investor Protection Corporation ("SIPC") or a federally chartered commercial bank whose long term debt obligations are rated A or better by S&P and Moody's, with respect to any security described in clause (1); provided, that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(9) Taxable government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds, including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(10) Tax-exempt government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(11) Money market mutual funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AA-Am-G or AA-Am and rated in one of the two highest Rating Categories of Moody's, including those managed or advised by the Trustee or its affiliates or for which the Trustee or an affiliate of the Trustee serves as administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and

retains a fee for services provided to the fund, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(12) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from Moody's and S&P, of A1 and P1, respectively.

(13) Repurchase and reverse repurchase agreements collateralized with securities described in clause (1) of this definition, including those of the Trustee or any of its affiliates.

(14) The Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(15) Investment agreements, including guaranteed investment contracts ("GICs") forward purchase agreements and reserve fund put agreements with banks or other financial institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated, by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(16) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank, national banking association or insurance company and deposited with the Trustee pursuant to Section 3.03(d) provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company at the time of delivery of such letter of credit or surety bond is rated in one of the two highest rating categories by Moody's or S&P and, if rated by A.M. Best & Company, a minimum rating of "A"; (ii) such letter of credit or surety bond or policy has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 3.0(d); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the amounts available to repay the principal of and interest on the Bonds.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02(c).

"Registration Books" means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“Reserve Policy” means the debt service reserve insurance policy issued by the Insurer and deposited to the credit of the Reserve Fund in satisfaction of the Reserve Requirement on the Closing Date for the Bonds. The Reserve Policy constitutes a Qualified Reserve Fund Credit Instrument for all purposes of this Indenture.

“Reserve Requirement” means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the Bonds); (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the Bonds.

“Responsible Officer” means any President, Managing Director, Vice President, Assistant Vice President, Treasurer, Assistant Treasurer, Assistant Secretary, Associate, Senior Associate or any other officer of the Trustee in the Office of the Trustee in Los Angeles, California (or any successor corporate trust office) having regular responsibility for corporate trust matters and having direct responsibility for the administration of this Indenture.

“Revenue Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

“Revenues” means (a) all amounts received by the Authority or the Trustee pursuant, or with respect, to the Installment Purchase Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), prepayments, insurance proceeds, and condemnation proceeds, but excluding any Additional Payments; (b) all moneys and amounts held in the funds and accounts established hereunder; and (c) investment income with respect to any moneys held by the Trustee hereunder.

“S&P” means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

“Securities Depositories” means The Depository Trust Company, New York, New York and its successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then Securities Depository pursuant to Section 2.12, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

“Series A Bonds” means the City of Oxnard Financing Authority Water Revenue Bonds, Series A.

“Series A Bonds Costs of Issuance Account” means the account by that name established under Section 3.04(a).

“Series B Bonds” means the City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable).

“Series B Bonds Costs of Issuance Account” means the account by that name established under Section 3.04(b).

“State” means the State of California.

“Supplemental Indenture” means any indenture, agreement, resolution or other instrument hereafter duly adopted or executed in accordance with the provisions of Section 7.01 of this Indenture.

“Tax Certificate” means the Tax Exemption Certificate or similar federal tax certificate entered into with respect to the issuance of the Bonds.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Section 103 of the Code.

“Trustee” means Wells Fargo Bank, National Association, appointed by the Authority to act as trustee hereunder pursuant to Section 6.01, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Written Certificate”, “Written Request” and “Written Requisition” of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that, as of the date of issuance of the Bonds, all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized, pursuant to the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture.

SECTION 2.02. Terms of Bonds. (a) The Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture shall be designated the “City of Oxnard Financing Authority Water Revenue Bonds, Series 2020A” and shall be issued in the original principal amount of \$_____ and “City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable)” and shall be issued in the original principal amount of \$_____.

(b) The Series A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series A Bond shall have more than one maturity date. The Series A Bonds shall be dated the Closing Date, shall mature on June 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
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(c) The Series B Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series B Bond shall have more than one maturity date. The Series B Bonds shall be dated the Closing Date, shall mature on June 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
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(d) Interest on the Bonds shall be payable semiannually calculated based on a 360-day year of twelve (12) thirty-day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the Interest Payment Date by first class mail to the Owner at the address of such Owner as it appears on the Registration Books; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account at a financial institution in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the applicable Record Date. Any such written request shall remain in effect until rescinded in writing by the Owner. Principal of any Bond and any premium upon redemption shall be paid by check or wire of the Trustee upon presentation and surrender thereof at the Office of the Trustee. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

SECTION 2.03. Redemption of Bonds.

(a) Special Mandatory Redemption. The Bonds shall be subject to special mandatory redemption as a whole or in part, on any date, from proceeds of an eminent domain award or proceeds of casualty insurance not used to repair or rebuild the Water System, which proceeds may be used for such purpose pursuant to Sections 6.06 or 6.12 of the Installment Purchase Agreement, at a redemption price equal to the principal amount of the Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.

(b) Optional Redemption from Prepayments of Installment Payments. (1) Series A Bonds. The Series A Bonds maturing on or before June 1, ____ shall not be subject to optional redemption prior to maturity. The Series A Bonds maturing on June 1, ____ shall be subject to redemption prior to their maturity date, at the option of the Authority, randomly within a maturity on any date on or after June 1, ____, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the Series A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(2) Series B Bonds. The Series B Bonds maturing on or before June 1, ____ shall not be subject to optional redemption prior to maturity. The Series B Bonds maturing on June 1, ____ shall be subject to redemption prior to their maturity date, at the option of the Authority, randomly within a maturity on any date on or after June 1, ____, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the Series B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) Mandatory Sinking Fund Redemption.

(1) Series A Bonds. The Series A Bonds maturing on June 1, ____ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, ____, in part randomly, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series A Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series A Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as nearly as possible in integral multiples of \$5,000. The City shall provide the Trustee with a revised sinking fund schedule.

**Schedule of Mandatory Sinking Fund Redemptions
Series A Term Bonds Maturing June 1, ____**

Redemption Date (June 1)	Principal Amount
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(maturity)

(2) Series B Bonds. The Series B Bonds maturing on June 1, ____ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, ____, in part randomly, from mandatory sinking account payments at a redemption price equal to the

principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series B Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series B Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as nearly as possible in integral multiples of \$5,000. The City shall provide the Trustee with a revised sinking fund schedule.

**Schedule of Mandatory Sinking Fund Redemptions
Series B Term Bonds Maturing June 1, ____**

Redemption Date (June 1)	Principal Amount
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(maturity)

(d) Notice of Redemption. The Trustee on behalf and at the expense of the Authority shall send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to: (i) the respective Owners of any Bonds designated for redemption, at least twenty (20) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services, at least twenty (20) but not more than sixty (60) days prior to the redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. In addition to mailed notice, the notice to the Securities Depositories and Information Service shall be given by telephonically confirmed facsimile transmission or overnight delivery service or by such other means approved by such institutions. Such notice shall state the series of Bonds to be redeemed, the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

Any notice given pursuant to this paragraph may be conditional and/or rescinded by written notice given to the Trustee by the Authority and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given pursuant to this Section.

(e) Selection of Bonds for Redemption. Whenever provision is made in the foregoing subsection (a) or (b) of this Section for the redemption of Bonds of more than one maturity, the Bonds to be redeemed shall be selected among series of Bonds in a manner determined in writing by the Authority and in inverse order of maturity or, at the election of the Authority evidenced by a Written Request of the Authority filed with the Trustee at least sixty (60) days prior to the date of redemption, on a pro rata basis

among maturities as nearly as possible given authorized denominations (provided that, in any event, the principal and interest due on the Bonds Outstanding following such redemption shall be equal in time and amount to the unpaid payments due under the Installment Purchase Agreement); and in each case, the Trustee shall select the Bonds to be redeemed within any maturity randomly in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

(f) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. All Bonds redeemed pursuant to this Section shall be canceled and shall be destroyed by the Trustee.

SECTION 2.04. Forms of Bonds. The Series A Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture. The Series B Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only those Bonds that bear thereon a certificate of authentication in substantially the forms set forth in Exhibit A of Exhibit B, manually or electronically executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer and Exchange of Bonds.

(a) Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his

duly authorized attorney, upon surrender of such Bond for cancellation at the Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Bond or Bonds of the same series, maturity, interest rate and aggregate principal amount, in any authorized denominations. The Authority shall pay all costs of the Trustee incurred in connection with any such transfer, except that the Trustee may require the payment by the Bond Owner of any tax or other governmental charge required to be paid with respect to such transfer.

Prior to any transfer of the Bonds outside of the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045 as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Authority shall pay all costs of the Trustee incurred in connection with any such exchange, except that the Trustee may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) Limitations on Transfer or Exchange. The Trustee may refuse to transfer or exchange either (i) any Bond during the period established by the Trustee for the selection of Bonds for redemption pursuant to Section 2.03, or (ii) the portion of any Bond which the Trustee has selected for redemption pursuant to the provisions of Section 2.03.

SECTION 2.07. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the City and the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

SECTION 2.08. Issuance in Temporary Form. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like series, tenor and authorized denomination 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 delivered to,

or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity for the Authority and the Trustee satisfactory to the Trustee shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like maturity and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity for the Authority and the Trustee satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.10. Book-Entry System; Limited Obligation. The Bonds shall be initially executed, authenticated and delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.12 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. Each global Bond shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant or to any person on behalf of which such a Depository Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority 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 Depository Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Depository 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 Depository Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Depository Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to principal of, interest on, or premium, if any, of the Bonds. The Authority 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, and interest on, the Bond, for the purpose of giving Redemption Notices with respect to the Bonds and other notices with respect to the Bonds, 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, 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 of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on, such Bond pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority 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 Indenture shall refer to such new nominee of the Depository.

SECTION 2.11. Representation Letter. To qualify the Bonds for the Depository's book-entry system, the Authorized 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 2.10 hereof or in any other way impose upon the Authority or the City 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 deputies and designees, each is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

SECTION 2.12. Transfers Outside Book-Entry System. If at any time the Depository notifies the Authority that it 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 or other applicable statute or regulation and a successor Depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.10 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. In addition, the Authority may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of Section 2.10 hereof shall no longer apply to the Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. Bonds executed, authenticated and delivered in exchange for global bonds pursuant to this Section 2.12 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Depository Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such bonds representing the 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 global bond for each of the maturities 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 Indenture.

SECTION 2.13. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, 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 2.14. Initial Depository and Nominee. The initial Depository under this Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III

ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver Series A Bonds in the aggregate principal amount of \$_____, and Series B Bonds in the aggregate principal amount of \$_____, and shall deliver the Bonds to the Trustee for authentication and delivery to the Original Purchaser upon the Written Request of the Authority.

SECTION 3.02. Application of Proceeds and Other Moneys. (1) Series A Bond Proceeds. Upon the receipt of payment for the Series A Bonds on the Closing Date, the Trustee shall deposit the net amount of the proceeds of the Series A Bonds as follows:

(a) The Trustee shall deposit into the Series A Bonds Costs of Issuance Account of the Costs of Issuance Fund the amount of \$_____.

(b) The Trustee shall deposit into the Acquisition and Construction Fund the amount of \$_____.

(c) The Trustee shall transfer to Wells Fargo Bank, National Association, the escrow agent for the Refunding of the 2010 Bonds the amount of \$_____.

(d) The Trustee shall credit the Reserve Policy to the Reserve Fund to satisfy the Reserve Requirement.

(2) Series B Bond Proceeds. Upon the receipt of payment for the Series B Bonds on the Closing Date, the Trustee shall deposit the net amount of the proceeds of the Series B Bonds as follows:

(a) The Trustee shall deposit into the Series B Bonds Costs of Issuance Account of the Costs of Issuance Fund the amount of \$_____.

(b) The Trustee shall transfer to Wells Fargo Bank, National Association, the escrow agent for the Refunding of the 2012 Bonds the amount of \$_____.

(c) The Trustee shall credit the Reserve Policy to the Reserve Fund to satisfy the Reserve Requirement.

The Trustee may, in its discretion, establish a temporary fund or account or subaccount in its books and records to facilitate such deposits.

SECTION 3.03. Reserve Fund. (a) There is hereby created a separate fund to be known as the "Reserve Fund," which shall be held in trust by the Trustee. An amount equal to the Reserve Requirement

shall be maintained in the Reserve Fund at all times, subject to the provisions of Section 4.02(b), and any deficiency therein shall be replenished from the first available Revenues pursuant to Section 4.02(b).

(b) Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03(c), if the moneys in the Bond Payment Fund are insufficient therefor. If the amount on deposit in the Bond Payment Fund on any date is insufficient to enable the Trustee to pay in full the aggregate amount of principal of and interest on the Bonds coming due and payable, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03(c), the Trustee shall withdraw the amount of such insufficiency from the Reserve Fund and transfer such amount to the Bond Payment Fund.

(c) If the amount on deposit in the Reserve Fund exceeds the Reserve Requirement on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date, the amount of such excess shall be withdrawn therefrom by the Trustee and transferred to the Bond Payment Fund and credited against the Installment Payment or Installment Payments next due from the City.

(d) The Authority may fund all or a portion of the Reserve Requirement with one or more Qualified Reserve Fund Credit Instruments. Upon deposit of any Qualified Reserve Fund Credit Instrument with the Trustee, the Trustee shall transfer any excess amounts then on deposit in the Reserve Fund into a segregated account of the Bond Payment Fund, which monies shall be applied at the written direction of the Authority either (i) to the payment within one year of the date of transfer of capital expenditures of the Authority permitted by law, or (ii) to the redemption of Bonds on the earliest succeeding date on which such redemption is permitted hereby, and pending such application shall be held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the Bonds; provided, however, that the Authority may by written direction to the Trustee cause an alternative use of such amounts if the Authority shall first have obtained a written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion pursuant to section 103 of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to subsection (a) of Section 4.02.

If the Qualified Reserve Fund Credit Instrument will lapse or expire, the Trustee shall draw upon such Qualified Reserve Fund Credit Instrument prior to its lapsing or expiring in the full amount of such Qualified Reserve Fund Credit Instrument, make deposits from available Revenues to the Reserve Fund to increase the amount on deposit therein to the Reserve Requirement or the Authority shall substitute such Qualified Reserve Fund Credit Instrument with a Qualified Reserve Fund Credit Instrument that satisfies the requirements of this subsection (d).

On the Closing Date, the Trustee will deposit the Reserve Policy into the Reserve Fund to satisfy the Reserve Requirement. So long as the Reserve Policy is in effect, the provisions of [Section 9.02] hereof shall govern with respect to the Reserve Policy.

SECTION 3.04. Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the “Costs of Issuance Fund,” and under which shall be established the “Series A Bonds Costs of Issuance Account” and the “Series B Bonds Costs of Issuance Account.” Except as otherwise provided herein, moneys in each account of the Costs of Issuance Fund shall be used solely for the payment of the Costs of Issuance. The Trustee shall disburse moneys in each account of the Costs of Issuance Fund from time to time to pay Costs of Issuance (or to reimburse the Authority for payment of Costs of Issuance) upon receipt by the Trustee of a Written Request of the Authority, substantially in the form attached hereto as Exhibit C. 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. Upon the earlier of 180 days from the Closing Date or the filing with the Trustee of a Written Certificate of the Authority stating that all Costs of Issuance have been paid, the Trustee shall withdraw all amounts then on deposit in the Costs of Issuance Fund and transfer such amounts to the Acquisition and Construction Fund or, if all Acquisition and Construction Costs have been paid as evidenced by a Written Certificate of the City, to the Bond Payment Fund, and the Costs of Issuance Fund shall then be closed.

SECTION 3.05. Acquisition and Construction Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the “Acquisition and Construction Fund.” Except as otherwise provided herein, moneys in the Acquisition and Construction Fund shall be used solely for the payment of Acquisition and Construction Costs, as defined in the Installment Purchase Agreement. Before any payment from the Acquisition and Construction Fund shall be made, the City shall file or cause to be filed with the Trustee, a Requisition of the City which shall be substantially in the form attached hereto as Exhibit D. The Trustee shall be entitled to rely on the representations of the City contained in such Requisition and shall not be required to independently verify the contents of such Requisition.

Within five (5) Business Days following receipt of each such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Acquisition and Construction Fund. Upon the Written Request of the City accompanied by a Written Certificate of the City stating that all Acquisition and Construction Costs have been paid or provision made for their payment, any unexpended moneys in the Acquisition and Construction Fund may be used to pay the costs associated with any other improvements to the Water System, provided that in the opinion of Bond Counsel such use of the proceeds of the Bonds shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof. Any unexpended moneys in the Acquisition and Construction Fund subsequent to the payment of all Acquisition and Construction Costs which are not used to pay the cost of other improvements to the Water System shall be transferred to the Bond Payment Fund upon receipt by the Trustee of a Written Request of the City accompanied by a Written Certificate of the City stating that all Acquisition and Construction Costs have been paid or provision made for their payment, and the Acquisition and Construction Fund shall then be closed.

SECTION 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Installment Purchase Agreement and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FLOW OF FUNDS

SECTION 4.01. Collateral Assignment of Revenues and of the Installment Purchase Agreement.

The Authority hereby assigns to the Trustee, on behalf of the Owners, as additional security for its obligations hereunder, all of the Authority's right, title and interest to and in the Revenues and all of the right, title and interest (but none of the obligations) of the Authority in the Installment Purchase Agreement (other than the rights of the Authority under Sections 8.03 and 11.14 thereof and the Authority's rights to give consents and approvals thereunder, including, without limitation, to amendments thereof); provided, that should the Authority well and truly pay or cause to be paid the principal of the Bonds with interest thereon in accordance with the terms thereof, and perform all other obligations of the Authority hereunder, then such assignment shall cease, determine and become void and the Trustee shall acknowledge and deliver to the Authority such instruments of satisfaction or release thereof as may reasonably be prepared and requested by or on behalf of the Authority. Subject to Section 4.03, all Revenues the Trustee collects and receives shall be applied to the payment of principal of and interest and premium (if any) on the Bonds equally, without priority for series, issue, number or date, in accordance with the terms hereof. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that a portion of the Revenues may be used for purposes as expressly permitted by Section 4.02 hereof.

The assignment under this section to the Trustee is solely in the Trustee's capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting pursuant to such assignment shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article VI hereof. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority.

SECTION 4.02. Receipt, Deposit and Application of Revenues. Except as provided in Section 4.03 hereof with regard to the deposit of earnings on investments, all of the Revenues shall be deposited by the Trustee immediately upon receipt in the Revenue Fund (which the Trustee shall establish and hold in trust hereunder) or as otherwise instructed by the City. Amounts in the Revenue Fund shall be applied solely for the uses and purposes set forth herein. The Trustee shall withdraw amounts on deposit in the Revenue Fund and apply such amounts at the times and for the purposes, and in the priority, as follows:

(a) **Bond Payment Fund.** On or before each Interest Payment Date, so long as any Bonds remain Outstanding hereunder, the Trustee shall withdraw from the Revenue Fund and deposit into the Bond Payment Fund (which the Trustee shall establish and hold in trust hereunder) an amount which, together with other available amounts then on deposit in the Bond Payment Fund, is at least equal to the sum of (i) the aggregate amount of principal of and interest coming due and payable on the Bonds on such Interest Payment Date, (ii) the principal amount Bonds maturing on such Interest Payment Date, and (iii) the redemption price of the Term Bonds coming due and payable on such Interest Payment Date by operation of mandatory sinking fund redemption pursuant to Section 2.03(c).

Amounts in the Bond Payment Fund shall be applied by the Trustee solely for the purpose of paying the principal of and interest on the Outstanding Bonds when and as such principal and interest becomes due and payable (including accrued interest on any Bonds purchased or redeemed pursuant hereto), and for the purpose of paying the principal of the Term Bonds at the maturity thereof or upon the mandatory sinking fund redemption thereof pursuant to Section 2.03(c).

If after all of the Bonds have been paid or deemed to have been paid, there are moneys remaining in the Bond Payment Fund, such moneys shall be transferred by the Trustee to the City, after the payment of any outstanding fees and expenses of the Trustee.

(b) Reserve Fund. If the amount on deposit in the Reserve Fund at any time falls below the Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and, subject to Section 9.02(a) hereof, the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the Revenue Fund, and (ii) transfer such amount to the Reserve Fund. No deposit need be made in the Reserve Fund so long as the balance therein or credited thereto at least equals the Reserve Requirement.

(c) Redemption Fund. The Trustee shall deposit into the Redemption Fund all amounts required to redeem any Bonds which are subject to redemption pursuant to Sections 2.03(a) and (b) when and as such amounts become available. Amounts in the Redemption Fund shall be applied by the Trustee solely for the purpose of paying the redemption price of Bonds to be redeemed pursuant to Sections 2.03(a) and (b). Following any redemption of all of the Bonds, any moneys remaining in the Redemption Fund shall be transferred by the Trustee to the City.

SECTION 4.03. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the City, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as sponsor, principal or agent in the acquisition or disposition of any investment. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section. The Trustee may rely conclusively upon the investment direction of the City as to the suitability and legality of the directed investments.

The Trustee may sell, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

The Authority (and the City by its execution of the Installment Purchase Agreement) acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the City the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Authority and the City specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

SECTION 4.04. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired and disposed of (as of the date that valuation is required by this Indenture or the Code) at fair market value.

(b) Except as required pursuant to Section 5.07 hereof, the fair market value of the investments held pursuant to this Indenture shall be determined as follows: “Value”, which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows: (a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times; the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest; and (d) as to any investment not specified above; the value thereof established by prior agreement between the Authority and the Trustee.

Notwithstanding anything to the contrary herein, in making any valuations of investments hereunder, the Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Certificate or Written Request of the Authority. Trustee shall be deemed to have complied with such valuation through use of its automated pricing service as reflected on its trust accounting statements.

ARTICLE V

COVENANTS OF THE AUTHORITY; SPECIAL TAX COVENANTS

SECTION 5.01. Punctual Payment; Compliance With Documents. The Authority shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures.

SECTION 5.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 5.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 5.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds is Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 5.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are

and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VI and to the extent permitted by law, defend, preserve and protect such pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Installment Purchase Agreement, and all funds and accounts held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours and under reasonable circumstances with reasonable notice.

SECTION 5.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 5.07. Tax Covenants.

(a) **General.** The Authority and the City hereby covenant with the owners of the Series A Bonds that, notwithstanding any other provisions of this Indenture, it shall not take any action, or fail to take action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Series A Bonds under Section 103 of the Code. Neither the Authority nor the City, directly or indirectly, shall use or permit the use of proceeds of the Series A Bonds or any of the property financed or refinanced with proceeds of the Series A Bonds, or any portion thereof, by any person other than a governmental person (as such term is used in Section 141 of the Code and applicable Treasury Regulations), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Series A Bonds.

(b) **Use of Proceeds.** Neither the Authority nor the City shall take any action, or fail to take action, if any such action or failure to take action would cause the Series A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code and applicable Treasury Regulations, and in furtherance thereof, shall not make any use of the proceeds of the Series A Bonds or any of the property financed or refinanced with proceeds of the Series A Bonds, or any portion thereof, that would cause the Series A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code. So long as any Bonds are outstanding, the Authority and the City, with respect to such proceeds and property, will comply with the requirements of the Code and the Treasury Regulations, to the extent such requirements are, at the time, applicable and in effect. The City shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the Series A Bonds as “governmental bonds.”

(c) **Arbitrage.** Neither the Authority nor the City shall directly or indirectly use or permit the use of any proceeds of any Series A Bonds, or of any property financed or refinanced thereby, or of other funds of the Authority or the City, that would cause the Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations, and shall not otherwise take any action, or fail to take action, if such action or failure to take action would cause the Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Authority and the City shall comply with all requirements of Section 148 of the Code and the Treasury Regulations to the extent such requirements are, at the time, in effect and applicable to the Series A Bonds.

(d) Federal Guarantee. Neither the Authority nor the City shall make any use of the proceeds of the Series A Bonds, or of any other funds of the Authority or the City, that would cause the Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, and shall not otherwise take any action, or fail to take action, when such action or failure to take action would cause the Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section 5.07, the Authority and the City each covenant that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Series A Bonds.

SECTION 5.08. Installment Purchase Agreement. The Trustee shall promptly collect all amounts due from the City pursuant to the Installment Purchase Agreement. Subject to the provisions of Article VI and Article IX, the Trustee may enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Installment Purchase Agreement with respect to the timely collection of the Installment Payments.

SECTION 5.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 5.10. Further Assurances. The Authority will adopt, 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 Indenture, and for the better assuring and confirming unto the Trustee and Owners of the Bonds the rights and benefits provided in this Indenture.

SECTION 5.11. Continuing Disclosure. The City covenants and agrees that it will comply with the continuing disclosure requirements with respect to the Bonds promulgated under U.S. Securities and Exchange Commission Rule 15c2-12 and the terms of the Continuing Disclosure Agreement. The Authority shall have no liability to the Owners or to any other person with respect to such disclosure matters. Notwithstanding any other provisions of this Indenture, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take, and the Trustee shall take, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, and upon receipt of satisfactory indemnification, such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Agreement.

ARTICLE VI

THE TRUSTEE

SECTION 6.01. Appointment of Trustee. Wells Fargo Bank, National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee having a combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000), and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding. 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 purpose of this Section 6.01 the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.02. Payment of Bonds; Registration Books. The Trustee is hereby authorized to pay the Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged. The Trustee will keep or cause to be kept at its Office sufficient books for the registration and transfer of the Bonds, which shall at all times during regular business hours upon reasonable notice be open to inspection by the City and the Authority. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, as provided in this Indenture with respect to the Bonds.

SECTION 6.03. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. Prior to the time that an Event of Default hereunder has occurred or after the curing of all Events of Default which may have occurred, the Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or duties shall be read into this Indenture against the Trustee. In case an Event of Default hereunder has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) 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, and shall have no liability for the actions of any such attorney, agent or receiver chosen with reasonable care, and the Trustee shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be liable for any action taken or not taken in reliance upon advice or opinion of such counsel.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the City's investment direction or as otherwise provided in this Indenture.

(d) The Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Authority with the same rights it would have 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 of Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

(e) In the absence of bad faith on its part, the Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate of the City or a Written Certificate of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 6.03(h) hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Written Certificate of the Authority to the effect that an authorization in the form therein set forth has been adopted by the Authority, as conclusive evidence that such authorization has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents. In acting under the Installment Purchase Agreement or any other document executed in connection herewith or therewith, the Trustee shall have the same rights, protections and indemnities as afforded to it hereunder.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Installment Purchase Agreement, except failure by the City to make any of the payments to the Trustee required to be made by the City pursuant to the Installment Purchase Agreement, or failure by the Authority to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds by a certain date, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture or under the Installment Purchase Agreement to be delivered to the Trustee must, to be effective, be delivered at the Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder or thereunder except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but not the duty) fully to inspect the Water System, all books, papers and records of the City or the Authority pertaining to the Water System and the Bonds, and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, or the right of the City or the Authority to the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Section 8.03 or any other actions besides making payments of principal of and interest on the Bonds, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(n) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Trustee shall provide the Authority and the City with seven days' notice prior to making any advance of its own funds hereunder (which it is in no event required to do), and, if the City or the Authority does not provide moneys in the amount needed, the Trustee shall be entitled to interest on the amounts advanced at a rate equal to its prime rate then in effect; provided that no such prior notice shall need be given and such interest on amounts advanced shall accrue from the date of any such advance following the occurrence of an Event of Default hereunder.

(o) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for herein) in aggregate principal amount of the Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee.

(q) 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, pandemics, 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 and/or occurrences beyond the control of the Trustee.

(r) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(s) Whenever in the administration of the trusts imposed upon it by this Indenture 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) may be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such certificate, 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.

(t) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(u) The Trustee may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

(v) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and City whenever a person is to be added or deleted from the listing. If the Authority and City elect to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority and City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 6.04. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all reasonable advances, reasonable counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, but solely from Additional Payments

made by the City under the Installment Purchase Agreement. Upon the occurrence of an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.05. Notice to Bond Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds, of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(h), then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice.

SECTION 6.06. Intervention by Trustee. In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.03(l), shall do so if requested in writing by the Owners of a majority in aggregate principal amount of such Bonds then Outstanding.

SECTION 6.07. Removal of Trustee. The Owners of a majority in aggregate principal amount of the Outstanding Bonds, or the Authority (so long as no Event of Default has occurred or is continuing), may at any time upon thirty (30) days prior written notice remove the Trustee.

SECTION 6.08. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign by giving written notice by registered or certified mail to the City and the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee in accordance with Section 6.09. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the successor Trustee shall mail notice thereof to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.09. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee; provided that any such successor shall be a bank, national banking association or trust company meeting the requirements of Section 6.01. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within sixty (60) days following the delivery to the Trustee of the instrument described in Section 6.06 or within sixty (60) days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such sixty (60) day period. Upon the acceptance by any successor Trustee of appointment as such, the successor Trustee shall cause notice thereof to be given by first class mail to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.10. Merger or Consolidation. Any company into which the Trustee may be merged or converted or 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 that such company shall be eligible under Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the

trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.11. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Written Request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.12. Appointment of Co-Trustee. It is the purpose of this Indenture 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 Indenture, 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 which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 6.12 are adopted to these ends.

If 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 Indenture 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.

SECTION 6.13. Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, costs, claims, expense (including, without limitation, legal fees and expenses), suits, actions, judgements and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability or enforcing its indemnification rights hereunder, but excluding any and all losses, costs, claims, expenses and liabilities which are finally determined to have been primarily caused by the negligence or

willful misconduct of the Trustee, its officers, directors or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder or pursuant to the Installment Purchase Agreement. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The obligations of the Authority under this paragraph shall be payable solely from Additional Payments made by the City under the Installment Purchase Agreement and shall survive the resignation or removal of the Trustee under this Indenture or any defeasance of the Bonds. The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents 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 these Bonds. Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THIS INDENTURE

SECTION 7.01. Amendment by Consent of Bond Owners. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02 hereof, are filed with the Trustee. No such modification or amendment shall (a) 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 premiums 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, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein.

This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Bond Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Authority; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds, in the opinion of Bond Counsel; or

(c) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series A Bonds.

The Trustee shall not be required to enter into or consent to any amendment or modification which, in the sole judgment of the Trustee, might adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein.

Prior to the Trustee entering into any Supplemental Indenture hereunder, the Authority or the City shall deliver to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Series A Bonds.

SECTION 7.02. Disqualified Bonds. Bonds owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this article provided for, and shall not be entitled to consent to, or take any other action in this article provided for, unless all of the Outstanding Bonds shall be owned or held by or for the account of the City or the Authority, provided however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by the Authority or the City or for the account of the Authority or the City unless the Authority or the City is a Registered Owner or the Trustee has received written notice that any other Registered Owner is the Owner of a Bond for the account of the City or Authority.

SECTION 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

SECTION 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Bond Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default and Acceleration of Maturities. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for mandatory sinking fund redemption, by declaration or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City and the Authority by the Trustee; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice (other than a default in the payment of any fees and expenses owing to the Trustee) can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time, which period shall not be longer than one hundred eighty (180) days from the date of such default notice.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

(e) The occurrence and continuation of an Event of Default under and as defined in the Installment Purchase Agreement.

Upon the occurrence and during the continuance of any Event of Default the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, the Trustee shall, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all of the principal of and interest on the Bonds having come due prior to such declaration, with interest on such overdue principal and interest calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, together with interest thereon at the prime rate of the Trustee then in effect, and any and all other defaults actually known to the Trustee (other than in the payment of the principal of and interest on the Bonds having come due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee or the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding may, by written notice to the Authority and to the Trustee, on behalf of the Owners of all of the Outstanding Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts; and

Third, to any amounts owing the Insurer to the extent not otherwise paid pursuant to Second above.

SECTION 8.03. Other Remedies: Rights of Bond Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy, in addition to the remedy specified in Section 8.01, at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.03(l), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 8.04. Power of Trustee to Control Proceeding. If the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and the Trustee has been indemnified to its satisfaction. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by

taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Revenues and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds 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 of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

SECTION 8.07. Rights and Remedies of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, or the Installment Purchase Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) the Trustee has not received any inconsistent direction during such 60-day period from the Owners of a majority in aggregate principal amount of the Outstanding Bonds.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, or the Installment Purchase Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

INSURANCE AND RESERVE POLICY PROVISIONS [TO COME]

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or any Additional Revenues). The Authority may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds pledged hereunder as in this Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a debt of the Authority, or a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as in this Indenture provided.

SECTION 10.02. Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee, the Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners of the Bonds.

SECTION 10.03. Discharge of Indenture. If the Authority shall pay and discharge each Outstanding Bond in any one or more of the following ways –

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums;

(c) by irrevocably depositing with the Trustee, in trust, Permitted Investments described in paragraph (1), (2) or (3) of the definition thereof in such amount as Bond Counsel or an Independent Accountant shall determine (as evidenced by an opinion or report, respectively, delivered to the Trustee) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the mailing of such notice; or

(d) by delivering such Bonds to the Trustee for cancellation –

then, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the assignment of the Installment Purchase Agreement and pledge of the Revenues and other funds provided for in this Indenture securing its performance with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the City.

SECTION 10.04. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 10.05. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.05. The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof. The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner shall bind every future

Owner with respect to the same Bond and the Owner with respect to any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 10.06. Waiver of Personal Liability. No member of the Authority's Board of Directors or, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.07. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 10.08. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Authority of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and furnish to the Authority upon the Authority's Written Request a certificate of such destruction.

SECTION 10.09. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 10.10. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) upon receipt after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City, the Authority or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

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

If to the City: City of Oxnard
300 West Third Street
Oxnard, CA 93030
Attention: City Manager

If to the Trustee: Wells Fargo Bank, National Association
CTSO Mail Operations
600 S 4th Street, 7th floor
Minneapolis MN 55415
MAC N9300-070

If to the Insurer: If to the Insurer: The City will provide the Insurer with all notices and other information it is obligated to provide under its Continuing Disclosure Agreement with respect to the Bonds. The City and the Authority shall provide the Insurer with all notices and other information it is obligated to provide the Owners of Bonds or the Trustee hereunder or under the Installment Purchase Agreement.

The notice address of the Insurer is set forth in Subsection 9.01 hereof.

SECTION 10.11. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee (without liability for interest) to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee shall, at the Written Request of the Authority (and of its expense), cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 10.12. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 10.13. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

[Remainder of page intentionally left blank.]

(Signature page follows)

IN WITNESS WHEREOF, the CITY OF OXNARD FINANCING AUTHORITY and the CITY OF OXNARD have caused this Indenture to be signed in their names by their respective authorized officers, and WELLS FARGO BANK, NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

CITY OF OXNARD

By: _____
City Manager

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

*-Signature Page-
Indenture of Trust*

EXHIBIT A**[FORM OF SERIES A BOND]**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND AUTHENTICATED AND DELIVERED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-

\$

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2020A**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
%	_____, 2020	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The CITY OF OXNARD FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority") for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before May 15, 2021, in which event it

shall bear interest from the Issue Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each December 1 and June 1, commencing June 1, 2021 (each, an "Interest Payment Date").

The principal (or redemption price) hereof is payable at the Office (as defined in the Indenture referred to below) of Wells Fargo Bank, National Association (together with any successor trustee under the Indenture, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the fifteenth day of the month preceding the applicable Interest Payment Date.

It is hereby certified and recited that any and all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Bond Law and by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "City of Oxnard Financing Authority Water Revenue Bonds, Series 2020A" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$_____), authorized pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Bond Law"), and issued pursuant to an Indenture of Trust, dated as of _____, 2020 (the "Indenture"), by and among the Authority, the City of Oxnard, California (the "City"), and the Trustee. Reference is hereby made to the Indenture (a copy of which is on file at such Office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture. This Bond is issued on a parity with the Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) issued in the aggregate principal amount of \$_____.

The Bonds have been issued by the Authority to assist the City in financing certain improvements to the Water System. Pursuant to an Installment Purchase Agreement, dated as of _____, 2020, by and between the City and the Authority, the Authority will sell to the City such improvements and the City will pay, in consideration therefor, Installment Payments, secured by the Revenues, as defined in the Indenture. The scheduled Installment Payments are equal to the debt service payments on the Bonds.

The Bonds and the interest thereon are payable from Revenues (as such term is defined in the Indenture), consisting primarily of Installment Payments to be made by the City under the Installment Purchase Agreement as consideration for the purchase of the Improvements, and are secured by a pledge

and assignment of such Revenues, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment.

The Bonds are subject to redemption prior to their maturity as provided in the Indenture.

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Trustee has no obligation or liability to the Registered Owners to make payments of principal of or interest on 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 Registered Owners the various funds and accounts established under the Indenture and, to the extent provided in the Indenture, to enforce the rights of the Authority under the Installment Purchase Agreement.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said Office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) 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 premiums 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, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes and the Authority and the Trustee shall not be affected by any notice to the contrary.

(Balance of this page intentionally left blank)

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 signature of its President and attested to by the manual signature of its Secretary, all as of the Issue Date stated above.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2020A Bonds described in the within-mentioned Indenture.

Dated: _____

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

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the
Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a
guarantor institution participating in the
Securities Transfer Agents Medallion
Program or in such other guarantee
program acceptable to the Trustee.

Note: The signature(s) on this Assignment must
correspond with the name(s) as written on
the face of the within Bond in every
particular, without alteration or
enlargement or any change whatsoever.

EXHIBIT B**[FORM OF SERIES B BOND]**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND AUTHENTICATED AND DELIVERED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R-

\$

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE REFUNDING BONDS
SERIES 2020B (FEDERALLY TAXABLE)**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
%	_____, 2020	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The CITY OF OXNARD FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority") for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before May 15, 2021, in which event it

shall bear interest from the Issue Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each December 1 and June 1, commencing June 1, 2021 (each, an "Interest Payment Date").

The principal (or redemption price) hereof is payable at the Office (as defined in the Indenture referred to below) of Wells Fargo Bank, National Association (together with any successor trustee under the Indenture, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the fifteenth day of the month preceding the applicable Interest Payment Date.

It is hereby certified and recited that any and all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Bond Law and by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable)" (the "Bonds"), in the aggregate principal amount of _____ Dollars (\$_____), authorized pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Bond Law"), and issued pursuant to an Indenture of Trust, dated as of _____, 2020 (the "Indenture"), by and among the Authority, the City of Oxnard, California (the "City"), and the Trustee. Reference is hereby made to the Indenture (a copy of which is on file at such Office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture. This Bond is issued on a parity with the Oxnard Financing Authority Water Revenue Bonds, Series 2020A issued in the aggregate principal amount of \$_____.

The Bonds have been issued by the Authority to assist the City in financing certain improvements to the Water System. Pursuant to an Installment Purchase Agreement, dated as of _____, 2020, by and between the City and the Authority, the Authority will sell to the City such improvements and the City will pay, in consideration therefor, Installment Payments, secured by the Revenues, as defined in the Indenture. The scheduled Installment Payments are equal to the debt service payments on the Bonds.

The Bonds and the interest thereon are payable from Revenues (as such term is defined in the Indenture), consisting primarily of Installment Payments to be made by the City under the Installment Purchase Agreement as consideration for the purchase of the Improvements, and are secured by a pledge and assignment of such Revenues, subject only to the provisions of the Indenture permitting the

application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment.

The Bonds are subject to redemption prior to their maturity as provided in the Indenture.

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Trustee has no obligation or liability to the Registered Owners to make payments of principal of or interest on 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 Registered Owners the various funds and accounts established under the Indenture and, to the extent provided in the Indenture, to enforce the rights of the Authority under the Installment Purchase Agreement.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said Office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) 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 premiums 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, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes and the Authority and the Trustee shall not be affected by any notice to the contrary.

(Balance of this page intentionally left blank)

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 signature of its President and attested to by the manual signature of its Secretary, all as of the Issue Date stated above.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series B Bonds described in the within-mentioned Indenture.

Dated: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the
Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a
guarantor institution participating in the
Securities Transfer Agents Medallion
Program or in such other guarantee
program acceptable to the Trustee.

Note: The signature(s) on this Assignment must
correspond with the name(s) as written on
the face of the within Bond in every
particular, without alteration or
enlargement or any change whatsoever.

EXHIBIT C

**\$ _____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2020A**

and

**\$ _____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE REFUNDING BONDS
SERIES 2020B**

(Issue Dated Date: _____, 20__)

Requisition of the Authority
(Costs of Issuance Fund)
(Section 3.04 of the Indenture)

The undersigned hereby states and certifies:

(i) That I am the duly appointed [_____] of the City of Oxnard Financing Authority, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Authority"), and as such, is familiar with the facts herein certified and is authorized and qualified to execute and deliver this certificate;

(ii) I have been authorized to execute this requisition pursuant to the Indenture of Trust, dated as of _____, 2020 (the "Indenture"), by and among the Authority, the City of Oxnard and Wells Fargo Bank, National Association, as Trustee (the "Trustee") for the Authority's Water Revenue Bonds, Series 2020A (the "Bonds"); and

(iii) The Trustee is hereby directed to disburse this date from the Costs of Issuance Fund established pursuant to the Indenture to the payees, designated on Exhibit A attached hereto and by this reference incorporated herein, at the address set forth below such payee name, the respective sums set forth opposite such payees, in payment of the Costs of Issuance related to the Bonds described on said Exhibit A; and

(iv) That each obligation shown on said Exhibit A has been properly incurred and is a proper charge against the Costs of Issuance Fund;

(v) That no item to be paid pursuant to this Requisition has been previously paid or reimbursed from the Costs of Issuance Fund; and

(vi) That capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Dated: _____, 20__

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Authorized Representative

EXHIBIT B TO WRITTEN REQUISITION NO. 1
COSTS OF ISSUANCE
TO BE PAID AT CLOSING

1. Immediately upon release of the Bonds by DTC, or as soon thereafter as practicable, pay the following amounts to the following parties from the Costs of Issuance Fund held under the Indenture:

EXHIBIT D

\$ _____

**CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2020A**

(Issue Dated Date: _____, 20__)

Requisition of the City
(Acquisition and Construction Fund)
(Section 3.05 of the Indenture)

Wells Fargo Bank, National Association
Attention: Corporate Trust Department

Request No.: P-____ (to be sequentially numbered)

Project Component	Amount of This Draw	Aggregate Amount Draws Including This Draw
--------------------------	--------------------------------	---

(Continue on Additional Sheet if Necessary)

Name and Address of party to whom payment is to be made:

Purpose for which the obligation was incurred:

The undersigned _____ of the City of Oxnard (the "City") hereby certifies that (i) each such cost or expense constitutes a proper charge against the Acquisition and Construction Fund for services rendered, and has not been the subject of any other payment request filed with you; and (ii) if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder and that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty.

Date: _____

CITY OF OXNARD

By: _____

Title: _____

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ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

CITY OF OXNARD FINANCING AUTHORITY,

CITY OF OXNARD, CALIFORNIA,

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent**

Dated as of _____, 2020

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the “Escrow Agreement”) is made and entered into as of _____, 2020, by and among 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”), CITY OF OXNARD, a municipal corporation organized and existing by virtue of Constitution and laws of the State of California (the “City”) and Wells Fargo Bank, National Association, as Escrow Agent (the “Escrow Agent”);

WITNESSETH:

WHEREAS, the City and the Authority have heretofore entered into an Installment Purchase Agreement, dated as of _____, 2010 (the “2010 Agreement”);

WHEREAS, payments by the City of installment payments pursuant to the 2010 Agreement (the “2010 Payments”) are applied to the payment of a portion of the \$12,575,000 City of Oxnard Financing Authority Wastewater Revenue Bonds, Series 2010 (the “2010 Bonds”);

WHEREAS, the 2010 Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys and certain securities (as defined in Section 10.01 of the 2010 Indenture) in an amount, together with investment earnings and certain funds held under the 2010 Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the 2010 Agreement at or before maturity, then the obligations of the City under the 2010 Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the City to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Net Water System Revenues (as defined in the 2010 Agreement) shall be released from the lien of the 2010 Agreement; and

WHEREAS, pursuant to the 2010 Agreement, the Authority assigned to the Prior Trustee its rights to installment receive payments from the City under the 2010 Agreement and the right to exercise such rights and remedies conferred on the Authority under the 2010 Agreement to enforce payment of the prior payments; and

WHEREAS, pursuant to a 2010 Indenture, relating to and dated as of the same date as the 2010 Agreement, by and between the Authority and the Prior Trustee (the “2010 Indenture”), the 2010 Bonds were issued, secured in part by the prior payments; and

WHEREAS, the City has determined that it is in the best interests of the Authority at this time to refinance the City's obligation to make the installment payments under the 2010 Agreement and, as a result thereof, to provide for the payment of such installment payments through [December __, 2020] and to prepay such installment payments on said [December __, 2020], at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Authority and the City propose to make the deposit of moneys and to appoint the Escrow Agent as its agent for the purpose of applying said deposit to the payment of Prior Payments in accordance with the instructions provided by this Escrow Agreement and of

applying said Prior Payments to the payment and redemption of a portion of the 2010 Bonds in accordance with the 2010 Indenture and 2010 Agreement, and the Escrow Agent will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the City and the Authority propose to issue \$_____ City of Oxnard Financing Authority Water Revenue Bonds, Series 2020A pursuant to that certain Indenture of Trust, dated as of _____, 2020, (the “Indenture”), by and among the City, the Authority and the Trustee; and

WHEREAS, the City wishes to make such a deposit with the Escrow Agent and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Federal Securities. As used herein, the term “Federal Securities” means direct non-callable obligations of the United States of America, Refcorp interest strips, or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such obligation or guarantee.

Section 2. Appointment of Escrow Agent. The City and the Authority hereby appoint the Escrow Agent as Escrow Agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Agent hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City and the Authority with, and to be held by, the Escrow Agent, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Agent on behalf of the City and the Authority and for the benefit of the owners of the 2010 Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the 2010 Agreement. If at any time the Escrow Agent shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the City and the Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds. All amounts deposited to the Escrow Fund shall be held as cash uninvested.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Authority hereby irrevocably direct and instruct the Escrow Agent to apply the interest on and maturing principal amount of the Escrowed Federal Securities and Cash to pay the Prior Payments relating to the 2010 Agreement, through [December __, 2020] and to prepay the remaining Prior Payments in full on [December __, 2020] at a prepayment price of 100% of the principal amount hereof. For such purpose of call and prepayment prior to maturity of a portion of the 2010 Bonds, the City and the Authority have previously instructed the Escrow Agent to give notice of prepayment, of the 2010 Bonds subject to prepayment, and such notice of prepayment has been given timely for prepayment of the 2010 Bonds on [December __, 2020], in accordance with the applicable provisions of the 2010 Indenture. Any funds remaining in the Escrow Fund after [December __, 2020], shall be delivered to the City.

Section 6. Application of Certain Terms of 2010 Indenture. All of the terms of the 2010 Indenture relating to the making of payments of principal and interest with respect to the 2010 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2010 Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Compensation to Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the City and the Escrow Agent. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Agent. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Agent to satisfy such obligation. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

The Escrow Agent undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow

Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Agent.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Agent 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) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and Authority, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and Federal Securities in the escrow Fund.

The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an

incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Utility Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Utility Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Utility Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Utility Authority the right to receive brokerage confirmations of security transactions as they occur, the Utility Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Utility Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2010 Bonds then outstanding shall have been filed with the Escrow Agent. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2010 Bonds or the Bonds, and that such amendment will not cause interest on the 2010 Bonds or the Bonds to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Agent pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Agent to the City free from the trust created by the 2010 Indenture and this Escrow Agreement, and the Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Agent with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Agent not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity

or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 12. Notice of Escrow Agent, Authority and City. Any notice to or demand upon the Escrow Agent may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent as specified by the Escrow Agent as Prior Trustee in accordance with the provisions of the 2010 Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2010 Agreement (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which 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 Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the 2010 Indenture, shall be the successor hereunder to the Escrow Agent without the execution or filing of any paper or any further act.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the City and the Escrow Agent have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF OXNARD

By: _____
Kevin Riper
Chief Finance Officer

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
Kevin Riper
Chief Financial Officer

*-Signature Page-
Escrow Deposit and Trust Agreement*

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ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

CITY OF OXNARD FINANCING AUTHORITY,

CITY OF OXNARD, CALIFORNIA,

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent**

Dated as of _____, 2020

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the “Escrow Agreement”) is made and entered into as of _____, 2020, by and among 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”), CITY OF OXNARD, a municipal corporation organized and existing by virtue of Constitution and laws of the State of California (the “City”) and Wells Fargo Bank, National Association, as Escrow Agent (the “Escrow Agent”);

WITNESSETH:

WHEREAS, the City and the Authority have heretofore entered into an Installment Purchase Agreement, dated as of _____, 2012 (the “2012 Agreement”);

WHEREAS, payments by the City of installment payments pursuant to the 2012 Agreement (the “2012 Payments”) are applied to the payment of a portion of the \$_____ City of Oxnard Financing Authority Wastewater Revenue Bonds, Series 2012 (the “2012 Bonds”);

WHEREAS, the 2012 Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys and certain securities (as defined in Section 10.01 of the 2012 Indenture) in an amount, together with investment earnings and certain funds held under the 2012 Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the 2012 Agreement at or before maturity, then the obligations of the City under the 2012 Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the City to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Net Water System Revenues (as defined in the 2012 Agreement) shall be released from the lien of the 2012 Agreement; and

WHEREAS, pursuant to the 2012 Agreement, the Authority assigned to the Prior Trustee its rights to installment receive payments from the City under the 2012 Agreement and the right to exercise such rights and remedies conferred on the Authority under the 2012 Agreement to enforce payment of the prior payments; and

WHEREAS, pursuant to a 2012 Indenture, relating to and dated as of the same date as the 2012 Agreement, by and between the Authority and the Prior Trustee (the “2012 Indenture”), the 2012 Bonds were issued, secured in part by the prior payments; and

WHEREAS, the City has determined that it is in the best interests of the Authority at this time to refinance the City's obligation to make the installment payments under the 2012 Agreement and, as a result thereof, to provide for the payment of such installment payments through June 1, 2021 and to prepay such installment payments on said June 1, 2021, at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Authority and the City propose to make the deposit of moneys and to appoint the Escrow Agent as its agent for the purpose of applying said deposit to the payment of Prior Payments in accordance with the instructions provided by this Escrow Agreement and of

applying said Prior Payments to the payment and redemption of a portion of the 2012 Bonds in accordance with the 2012 Indenture and 2012 Agreement, and the Escrow Agent will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the City and the Authority propose to issue \$_____ City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) pursuant to that certain Indenture of Trust, dated as of _____, 2020, (the “Indenture”), by and among the City, the Authority and the Trustee; and

WHEREAS, the City wishes to make such a deposit with the Escrow Agent and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Federal Securities. As used herein, the term “Federal Securities” means direct non-callable obligations of the United States of America, Refcorp interest strips, or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such obligation or guarantee.

Section 2. Appointment of Escrow Agent. The City and the Authority hereby appoint the Escrow Agent as Escrow Agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Agent hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City and the Authority with, and to be held by, the Escrow Agent, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Agent on behalf of the City and the Authority and for the benefit of the owners of the 2012 Bonds, said escrow to be designated the “Escrow Fund.” All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the 2012 Agreement. If at any time the Escrow Agent shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the City and the Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds. All amounts deposited to the Escrow Fund shall be held as cash uninvested.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Authority hereby irrevocably direct and instruct the Escrow Agent to apply the interest on and maturing principal amount of the Escrowed Federal Securities and Cash to pay the Prior Payments relating to the 2012 Agreement, through June 1, 2021 and to prepay the remaining Prior Payments in full on June 1, 2021 at a prepayment price of 100% of the principal amount hereof. For such purpose of call and prepayment prior to maturity of a portion of the 2012 Bonds, the City and the Authority have previously instructed the Escrow Agent to give notice of prepayment, of the 2012 Bonds subject to prepayment, and such notice of prepayment has been given timely for prepayment of the 2012 Bonds on June 1, 2021, in accordance with the applicable provisions of the 2012 Indenture. Any funds remaining in the Escrow Fund after June 1, 2021, shall be delivered to the City.

Section 6. Application of Certain Terms of 2012 Indenture. All of the terms of the 2012 Indenture relating to the making of payments of principal and interest with respect to the 2012 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2012 Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Compensation to Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the City and the Escrow Agent. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Agent. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Agent to satisfy such obligation. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

The Escrow Agent undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any

payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Agent.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Agent 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) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and Authority, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and Federal Securities in the escrow Fund.

The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and

containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Utility Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Utility Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Utility Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Utility Authority the right to receive brokerage confirmations of security transactions as they occur, the Utility Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Utility Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2012 Bonds then outstanding shall have been filed with the Escrow Agent. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2012 Bonds or the Bonds, and that such amendment will not cause interest on the 2012 Bonds or the Bonds to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Agent pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Agent to the City free from the trust created by the 2012 Indenture and this Escrow Agreement, and the Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Agent with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Agent not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity

or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 12. Notice of Escrow Agent, Authority and City. Any notice to or demand upon the Escrow Agent may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent as specified by the Escrow Agent as Prior Trustee in accordance with the provisions of the 2012 Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2012 Agreement (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which 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 Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the 2012 Indenture, shall be the successor hereunder to the Escrow Agent without the execution or filing of any paper or any further act.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the City and the Escrow Agent have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF OXNARD

By: _____
Kevin Riper
Chief Finance Officer

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
Kevin Riper
Chief Financial Officer

*-Signature Page-
Escrow Deposit and Trust Agreement*

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Oxnard, California (the “City”) in connection with the issuance of \$_____ aggregate principal amount of the City of Oxnard Financing Authority Water Revenue Bonds, Series 2020A (the “Series A Bonds”) and Water Revenue Refunding Bonds, Series 2020B (Federally Taxable) (the “Series B Bonds,” and, together with the Series A Bonds, the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2020 (the “Indenture”) by and among the City of Oxnard Financing Authority, the City and Wells Fargo Bank National Association, as trustee.

Capitalized terms not defined herein shall have the meaning set forth in the Indenture. The City covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as the foregoing capitalized terms are hereinafter defined).

Section 2. Definitions. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which 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).

“Dissemination Agent” shall mean NHA Advisors, LLC San Rafael, California, or any successor Dissemination Agent designated in writing by the City, which has filed with the City a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2020, as amended or supplemented.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than March 31 after the end of the City's fiscal year (which currently ends on June 30), commencing with the report due for the fiscal year ending June 30, 2020, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, however, that the Official Statement with respect to the Bonds, along with the audited financial statements of the City for the fiscal year ending June 30, 2020, if available, will be filed for the first Annual Report due March 31, 2021 in lieu of an Annual Report consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The City's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The City will promptly notify the MSRB of a change in the fiscal year dates.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if the Dissemination Agent is not the City). If by fifteen (15) Business Days prior to the date specified in (a) for the Annual Report, the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall notify the City of such failure to receive the report. If the Dissemination Agent is other than the City, the City 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 by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the City fails to provide an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice of such failure to file to the MSRB, in the form required by the MSRB.

Section 4. Content of Annual Report. The City's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the City then ended. If the City prepares audited financial statements and 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 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. Audited financial statements, if prepared by the City, 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 City shall provide a notice of such modification to the 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) Financial and Operating Data. An update of the information contained in the following tables under the heading “THE WATER SYSTEM” in the Official Statement for the Bonds for the most recent fiscal or calendar year, as applicable, if the information is not included elsewhere in the Annual Report:

[Table 1 — Active Service Accounts

Table 2 — Historic Water Usage

Table 3 — Ten Largest Customers by Order of Billing

Table 4 — Monthly Water Service Charges

Table 5 — Customer Usage and Variable Rates

Table 7 — Connection Fee Equivalency Factor, Charges, and Fees

Table 9 — Historical Operating Results and Debt Service Coverage]

Financial information referenced in Section 4(b) may be updated from time to time, and such updates may involve displaying data in a different format or table or eliminating data that is no longer available.

The City has not undertaken in this Disclosure Certificate to provide all information an investor may want to have in making decisions to hold, sell or buy Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(d) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the City shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Facility Lease, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2020

CITY OF OXNARD, CALIFORNIA

By: _____
Alexander Nguyen, City Manager

Acknowledged and Accepted:
NHA Advisors, LLC as Dissemination Agent

By: _____
Authorized Officer

City of Oxnard

2020 Water Revenue Bonds (Capital Projects Financing and Refunding)

PRESENTATION TO FINANCE AND GOVERNANCE COMMITTEE

NOVEMBER 10, 2020

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

Recommendation

- ▶ That the Finance and Governance Committee recommend that:
 - ❑ (i) The City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and
 - ❑ (ii) The Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto

Background

- ▶ City will finance \$18.65M Hueneme Road Recycled Water Pipeline Project and \$6.25M Aquifer Storage & Recovery Project
- ▶ 2010A and 2012 Water Revenue Bonds can be refinanced for economic savings
 - ❑ Refinancing with Project Financing creates economies of scale

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Financing Participants

- ▶ Issuer: Oxnard Financing Authority
- ▶ Municipal Advisor: NHA Advisors
- ▶ Bond Counsel: Best Best & Krieger
- ▶ Disclosure Counsel: Nixon Peabody
- ▶ Trustee: Wells Fargo
- ▶ Bond Underwriter: Stifel Nicolaus
 - ❑ Most recent addition to financing team; selected through competitive RFP amongst qualified underwriter pool participants

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Capital Projects Financing

- ▶ Purpose of the two new projects are to offset local groundwater shortages and allow for future growth
 - ❑ Aquifer Storage and Recovery Project (\$6.25M project cost)
 - ❑ Hueneme Road Recycled Water Pipeline Project (\$18.65M project cost)
- ▶ Bonds proposed to have 35-year term in line with useful life of projects

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Refinancing of 2010A & 2012 Bonds

- ▶ **2010A Bonds**
 - ❑ Par Outstanding: \$3,635,000
 - ❑ Average Current Interest Rate: 5.5%
 - ❑ Estimated All-In Interest Cost on Refunding: 2.25%
 - ❑ Estimated Annual Cashflow Savings from Refunding: \$960,000 (FYE 2021 and 2022)
 - Approximately \$900,000 of these annual savings come from liquidation of the debt service reserve fund associated with the 2010A Bonds, while the remainder comes from interest rate savings
 - ❑ **Net Present Value Savings: \$119,000 (3.3% of refunded par)**
- ▶ **2012 Bonds**
 - ❑ Par Outstanding: \$5,925,000
 - ❑ Average Current Interest Rate: 4.01%
 - ❑ Estimated True Interest Cost on Refunding: 2.44%
 - ❑ Estimated Annual Cashflow Savings from Refunding: \$120,000 (FYE 2021-2030)
 - ❑ **Net Present Value Savings: \$356,000 (6.0% of refunded par)**

6

2020 Water Revenue Bond Financing Overview

► 2020 Series A

- Approximately \$25M
 - Tax Exempt
 - June 2055 Final Maturity
- Capital Projects financing and refunding of 2010A Bonds

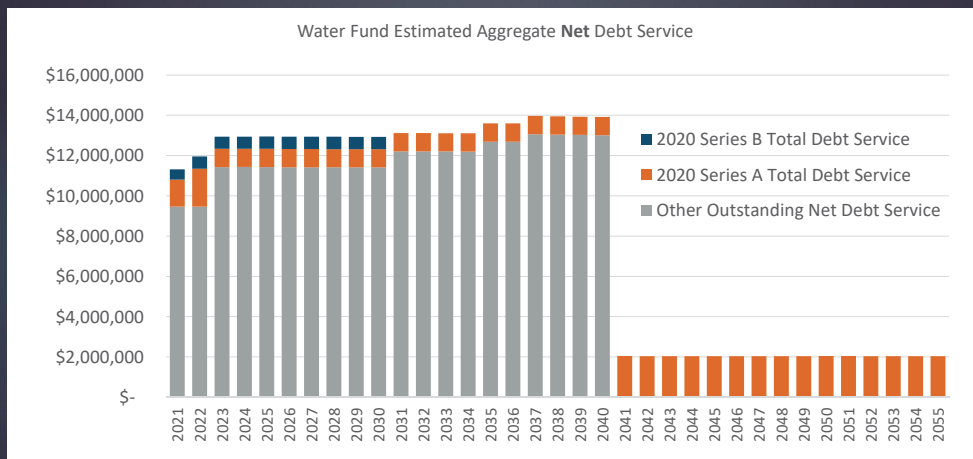
► 2020 Series B

- Approximately \$5.5M
- Advance Refunding of 2012 Bonds
 - Taxable
 - June 2030 Final Maturity

- On parity with outstanding 2010B, 2014, and 2018 Water Revenue Bonds

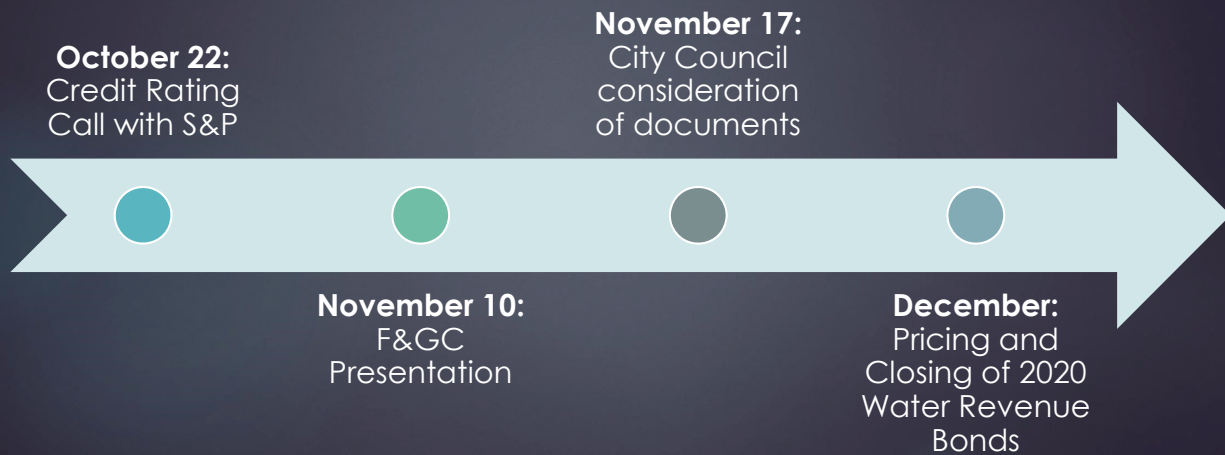
7

Estimated Aggregate Debt Service (After 2020 Bonds Issuance)



8

Tentative Financing Schedule



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Recommendation

- That the Finance and Governance Committee recommend that:
 - ❑ (i) The City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and
 - ❑ (ii) The Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, an escrow agreement, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed \$35,000,000 in one or more series as federally tax-exempt and taxable bonds, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto

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Questions?

11



**FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT
REPORTS
AGENDA ITEM NO. D.2**

DATE: November 10, 2020

TO: Finance & Governance Committee

FROM: Alexander Hamilton, Interim Fire Chief, (805) 385-7708, alexander.hamilton@oxnard.org

SUBJECT: Ventura County COVID-19 City Assistance Program. (5/5/5)

RECOMMENDATION

That the Finance and Governance Committee recommend the City Council adopt a resolution ratifying the Subrecipient Agreement between Ventura County and the City of Oxnard for Coronavirus Relief Funds (CRF), and authorizing and approving the execution and submittal by the City Manager or designee of any additional agreements, forms and documentation that may be required regarding the City's allocation of such funds.

BACKGROUND

On Tuesday, October 20, 2020, the Ventura County Board of Supervisors allocated up to \$5 million in County CRF to its 10 cities based on population. The City of Oxnard has been allocated \$1,379,570.

The County will reimburse cities for the following costs incurred through October 30, 2020:

1. Non-labor related eligible costs (Services and Supplies)
2. Labor costs related to substantially dedicated public health and public safety
3. Business Ambassador program

CRF funds must cover costs that: are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19); were not accounted for in the most recently approved budget as of March 27, 2020 (the date of the enactment of the CARES Act); and were incurred during the period that begins on March 1, 2020 and ends on October 30, 2020.

Approval of the attached resolution will ratify the Subrecipient Agreement for Ventura County CRF allocation to the City of Oxnard, which the City Manager was required to sign and submit by the November 6 deadline established by the County. The resolution also authorizes and approves the execution and submittal by the City Manager or designee of any additional agreements, forms and documentation that may be required regarding the City's allocation of Ventura County CRF.

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

County CRF do not require a local match. Funds will be used to offset the cost of necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) between March 27, 2020 and October 30, 2020.

Prepared by: Amy Van Atta, Management Analyst II

ATTACHMENTS

1. County CRF Resolution.v2
2. County Award Letter 10.23.2020
3. Exhibit_A.Agreement No. A-8264.City_Sigs
4. County CRF Presentation

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD RATIFYING THE
SUBRECIPIENT AGREEMENT WITH VENTURA COUNTY BY THE CITY MANAGER
ON **NOVEMBER XX, 2020**

WHEREAS, based on the county's population, Ventura County received a total of \$147.6 million Coronavirus Relief Funds (CRF) provided in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act; and

WHEREAS, the Ventura County Board of Supervisors authorizes the County of Ventura ("County") to allocate \$5 million of County's share of CRF to cities; and

WHEREAS, the City of Oxnard ("City") has been allocated \$1,379,570 (the "Funds"); and

WHEREAS, to be eligible to receive the Funds, the City Manager had to sign and submit a Subrecipient Agreement no later than November 6, 2020; and

WHEREAS, the City Manager signed and submitted the Subrecipient Agreement on November **XX**, 2020.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to ratify the Subrecipient Agreement attached as Exhibit A to this resolution and incorporated by this reference, and further authorizes and approves the execution and submittal by the City Manager or designee of any additional agreements, forms and documentation that may be required regarding the City's allocation of Funds.

PASSED AND ADOPTED this 17th day of November, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Timothy Flynn, Mayor

ATTEST:

APPROVED AS TO FORM:

Michelle Ascencion, City Clerk

Stephen M. Fischer, City Attorney



County of Ventura County Executive Office MEMORANDUM

DATE: October 23, 2020
TO: City Managers and Fiscal Officers
FROM: Scott Powers, Senior Deputy Executive Officer
SUBJECT: Ventura County COVID-19 City Assistance Program

On Tuesday, October 20, 2020, the Ventura County Board of Supervisors allocated up to \$5 million in County CRF to its 10 cities based on population. An additional \$100,000 was allocated to 5 cities with fewer than 50,000 in population. Attached to this letter is a list with the amount of CRF allocated to each city in Ventura County.

To help meet federal guidelines and reduce the risk of returning funds to the Treasury due to ineligible costs, the County staff is partnering with consultants at Ernst & Young (EY) to develop and review the County's federal-funded programs. Based on a review of the preliminary information cities provided regarding COVID-19 related expenditures, the County will reimburse cities for the following costs incurred through October 31, 2020:

- 1) Non-labor related eligible costs (Services and Supplies)
- 2) Labor costs related to substantially dedicated public health and public safety
- 3) Business Ambassador program

In order to receive your city's CRF allocation from the County, please submit the attached Subrecipient Agreement, which includes an expenditure plan template, along with requested supporting documentation listed in the template to the County **no later than November 6, 2020** to covid.financial@ventura.org. County staff and EY will review the information submitted and notify the city when the submittal has been approved, or if additional information is needed.

Program Timeline

#	Step	Timeframe
1	Complete Application	By Friday, November 6, 2020
2	Initial Screening	Monday, November 9 through Friday, November 27, 2020
3	Detailed Review and Assessment	
4	Notify the City	
5	Signed Subaward Agreement	
6	Issue Funds	As needed, pending audit
7	Additional Documentation	
8	Closeout	Spring 2020

If you have any questions regarding this program, please e-mail James Importante, Program Management Analyst in the County Executive Office at james.importante@ventura.org.

Attachments: 1) CRF Allocation by City, 2) Subaward Agreement, 3) Exhibit 3 of Subaward Agreement

**SUBAWARD AGREEMENT FOR THE
VENTURA COUNTY COVID-19
CITIES ASSISTANCE PROGRAM**

This Subaward Agreement for the Ventura County COVID-19 Cities Assistance Program (“Agreement”) is hereby entered into by and between the County of Ventura (“County”) and the City of Oxnard (“Subrecipient”).

**ARTICLE I
PURPOSE OF AGREEMENT**

1. The purpose of this Agreement is to provide Subrecipient with funding (“Subaward Funds”) from the federal Coronavirus Relief Fund (“CRF”) pursuant to the Ventura County COVID-19 Cities Assistance Program (“Program”), to be used for Subrecipient’s unreimbursed COVID-19-related costs that were incurred during the period of March 1, 2020, through October 31, 2020, in accordance with section 601(d) of the Social Security Act and the United States Department of the Treasury’s guidance on eligible expenses. The Subaward Funds will be limited to unreimbursed COVID-19-related costs for non-labor (services and supplies) expenses, payroll costs for public safety employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, and payroll costs for other staff whose services were directly related to code enforcement activities to ensure ongoing compliance with state and County public health orders by assisting businesses through education in order to open or remain open (“Business Ambassador Program”) during the COVID-19 public health emergency (collectively, “Eligible Expenses”). For purposes of this Agreement, County serves as the pass-through entity for a federal award and Subrecipient serves as the recipient of a subaward.

**ARTICLE II
REPRESENTATIONS**

2. The parties agree that this Agreement is entered into based on the following representations:

2.1. County representations:

2.1.1. County represents to Subrecipient it received the Subaward Funds from the federal government, and County has the authority to subaward the Subaward Funds to Subrecipient and set the terms and conditions outlined in this Agreement.

2.1.2. County represents to Subrecipient that it has authority to disburse the Subaward Funds under this Agreement.

2.2. Subrecipient’s representations:

2.2.1. Subrecipient represents to County that it is fully qualified and eligible to receive the Subaward Funds awarded to it by County as part of this Agreement.

2.2.2. Subrecipient represents to County that it understands that any funding provided through the Program will be limited to Eligible Expenses and is authorized under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and that it will follow all requirements of the CARES Act, including, but not limited to, all related guidance, including subsequent guidance, issued by the United States Department of the Treasury.

2.2.3. Subrecipient acknowledges that County intends to award a portion of the CRF to Subrecipient, and further acknowledges that the Subaward Funds may be utilized only for the uses authorized by this Agreement and the CARES Act.

2.2.4. Subrecipient covenants that the use of the Subaward Funds by Subrecipient is limited to only those uses for which the Subaward Funds may be utilized under this Agreement and the CARES Act.

ARTICLE III

SUBAWARD FUNDS, TERMS AND CONDITIONS

3. County will pass-through the Subaward Funds to Subrecipient in the maximum total payment amount(s), as specified in Exhibit 1. In consideration of the Subaward Funds, Subrecipient agrees to the terms and conditions set forth in this Agreement and in Exhibits 1, 2 and 3, which are attached to this Agreement.

ARTICLE IV

TERM AND TERMINATION; SUSPENSION; NON-COMPLIANCE; SUBAWARD FUNDS

4.1. Term and Termination. The term of this Agreement will commence on November 17, 2020. This Agreement may be terminated consistent with 2 Code of Federal Regulations ("C.F.R.") part 200.339 or pursuant to the terms and conditions set forth herein.

4.2. Suspension. County may suspend this Agreement, in whole or in part, pursuant to a funding failure or if Subrecipient fails to comply with terms and conditions of this Agreement. If suspension is due to Subrecipient's failure to comply, County may withhold further payment pending corrective action by Subrecipient or a decision to terminate this Agreement by County.

4.3. Non-compliance. If Subrecipient fails to comply with applicable statutes and regulations or the terms and conditions of this Agreement, County may impose additional

conditions on Subrecipient, as described in 2 C.F.R. part 200.207. If County determines that non-compliance cannot be remedied by imposing additional conditions, County may take one or more of the actions described in 2 C.F.R. part 200.338.

4.4. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. County may terminate or suspend this Agreement at any time, without advance notice, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to County by the state or the federal funding source, (ii) the County reserves funds, or (iii) County determines that funds will not or may not be available for payment. County shall provide notice, in writing, to Subrecipient of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this section will be effective upon the date of the written notice unless otherwise indicated.

4.5. Termination for Assignment. County may terminate this Agreement immediately, without advance notice, if Subrecipient assigns or purports to assign this Agreement or any portion thereof to a third party without the prior written consent of County.

ARTICLE V ADDITIONAL REQUIREMENTS

5.1. Subaward Funds.

5.1.1. Return of Subaward Funds. Subaward Funds that are not expended by Subrecipient to cover Eligible Expenses incurred during the period of March 1, 2020, through October 31, 2020, shall be returned to County on or before December 30, 2020.

5.1.2. Interest. All interest earned on Subaward Funds held by Subrecipient shall be treated in accordance with 2 C.F.R. part 200.305(b)(9). Any amount due shall be remitted annually in accordance with 2 C.F.R. part 200.305(b)(9) or to County, as applicable.

5.1.3. Subaward Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 C.F.R. part 200.305(b)(8).

5.1.4. Duplication of Benefits. Subrecipient shall not use Subaward Funds for costs which Subrecipient has received or will receive funds through other grant, insurance, state or federal sources.

5.1.5. Subrecipient shall be liable for all amounts which are determined to be ineligible expenses or to be due as a result of disallowance by the federal government, the State of California, or County, or any other governmental agency with jurisdiction. Payment

of any disallowed costs must be made within 30 days of notification of the disallowed costs, unless otherwise specified by County. Subrecipient will be notified of any disallowed costs or any other controversy or proceeding between County, the State of California, or the federal government arising from the performance of this Agreement.

5.2. **Mandatory Criminal Disclosures.** Subrecipient shall continue to disclose to County all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this subaward. Additionally, if Subrecipient receives over \$10 million in total financial assistance, funded by either state or federal funds, during the period of this Agreement, Subrecipient must maintain the currency of information reported to the System for Award Management ("SAM") regarding civil, criminal or administrative proceedings as required by 2 C.F.R. part 200.113 and appendix XII of 2 C.F.R. part 200.

5.3. **Compliance with Applicable Laws.** Subrecipient shall comply with the requirements of all applicable federal, state and local laws and the rules and regulations promulgated thereunder. Subrecipient shall comply with the following provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. part 200): 2 C.F.R. part 200.303 regarding internal controls; 2 C.F.R. 200.330 through 200.332 regarding subrecipient monitoring and management; subpart E regarding cost eligibility requirements; and subpart F regarding audit requirements.

5.4. **Compliance with Nondiscrimination Laws.** Subrecipient, its employees and its subcontractors under subcontract made pursuant to this Agreement shall comply with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

5.4.1. The California Civil Rights Laws (Civ. Code, § 51 et seq. (public accommodations); Gov. Code, §12940 et seq. (housing & employment));

5.4.2. The United States Civil Rights Act of 1964 (as amended) (42 U.S.C. §§ 2000a and 2000h-6). (See also guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);

5.4.3. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794);

5.4.4. The Americans with Disabilities Act of 1990 (as amended) (42 U.S.C. § 12101 et seq.); and

5.4.5. The Age Discrimination Act (42 USC § 6101 et seq.).

ARTICLE VI

INDEMNIFICATION, HOLD HARMLESS

6.1. Subrecipient agrees to defend, indemnify, and save harmless County, including all of its boards, agencies, departments, officers, employees, agents and volunteers, against any and all claims, lawsuits, judgments, debts, demands and/or liability, whether against Subrecipient, County or others, including without limitation, those arising from injuries or death of persons and/or for damages to property, arising directly or indirectly out of the obligations herein described or undertaken or out of operations conducted or subsidized in whole or in part by Subrecipient, save and except claims or litigation arising through the sole negligence or wrongdoing and/or sole willful misconduct of County. Subrecipient agrees to waive all rights of subrogation against County for losses arising directly or indirectly from the activities and/or work covered by this Agreement.

6.2. Payments to Third Parties. Subrecipient agrees to hold harmless County when County acts in good faith to redirect all or a portion of any Subaward Funds to a third party. County will be deemed to have acted in good faith if it is in possession of information that indicates Subrecipient authorized County to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

ARTICLE VII GENERAL PROVISIONS

7.1. Conflict of Interest; Required Disclosures. Subrecipient must immediately disclose in writing any potential or actual conflict of interest to County as required by 2 C.F.R. part 200.112.

7.2. Lobbying.

7.2.1. Improper Influence. Subrecipient certifies that no Subaward Funds have been paid or will be paid by or on behalf of Subrecipient to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any agreement, the making of any subaward, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, subaward, loan or cooperative agreement. (31 U.S.C. § 1352.) Additionally, Subrecipient certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352), if applicable.

7.2.2. Federal Form LLL. If any funds, other than federally appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with

its instructions.

7.2.3. Lobbying Costs. Subrecipient certifies that it is in compliance with the restrictions on lobbying set forth in 2 C.F.R. part 200.450. For any indirect costs associated with this Agreement, total lobbying costs shall be separately identified in the program budget, and thereafter treated as other unallowable costs.

7.3. Further Actions. The parties hereto agree that they will execute any and all documents and take any and all other actions as may be reasonably necessary to carry out the terms and conditions of this Agreement.

7.4. Notices. All notices required or permitted under this Agreement will be made in writing and served by personal delivery, overnight mail or United States first-class mail, postage prepaid, on the other party at the following address:

To Subrecipient: City of Oxnard
Office of the City Manager
Attn: Alexander Nguyen
300 W. Third Street
Oxnard, CA 93030

To County: County of Ventura
County Executive Office
800 South Victoria Avenue
Ventura, California 93009

Service of notice shall be deemed complete on the date of actual delivery, if by personal delivery or overnight mail, or at the expiration of the third day after the date of mailing (whether or not actually received by the addressee), if by United States first-class mail. A party may change that party's address as set forth in this section by serving notice as provided in this section.

7.5. Legal Representation. Each party warrants and represents that in executing this Agreement, the party has relied upon legal advice from attorneys of the party's choice (or had a reasonable opportunity to do so); that the terms of this Agreement have been read and their consequences (including risks, complications and costs) completely explained to the party by those attorneys (or the party had a reasonable opportunity to do so); and that the party fully understands the terms of this Agreement. Each party further acknowledges and represents that the party has executed this Agreement freely and voluntarily without the undue influence of any person, and the party has not relied on any inducements, promises or representations made by any person not expressly set forth in this Agreement.

7.6. No Waiver. Failure by a party to insist upon strict performance of each and every term, condition and covenant of this Agreement shall not be deemed a waiver or

relinquishment of the party's rights to enforce any term, condition or covenant.

7.7. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the parties intend, and it shall be so deemed, that the remaining provisions of this Agreement shall continue in full force without being impaired or invalidated in any way. If such provision is held to be invalid, void or unenforceable due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

7.8. Interpretation of Agreement. For purposes of interpretation, this Agreement shall be deemed to have been drafted by both parties, and no ambiguity shall be resolved against any party by virtue of the party's participation in the drafting of the Agreement. Accordingly, Civil Code section 1654 shall not apply to the interpretation of this Agreement. Where appropriate in the context of this Agreement, the use of the singular shall be deemed to include the plural, and the use of the masculine shall be deemed to include the feminine and/or neuter.

7.9. Governing Law; Venue. This Agreement is made and entered into in the State of California and shall, in all respects, be interpreted, governed and enforced in accordance with the laws of the State of California applicable to agreements entered into and fully to be performed therein. The venue for any action, suit, arbitration, judicial reference or other proceeding concerning this Agreement shall be in Ventura County, California.

7.10. Entire Understanding. This Agreement, including Exhibits 1, 2, and 3, is an integrated agreement and constitutes the final expression, and the complete and exclusive statement of the terms of, the parties' agreement with respect to the subject matter hereof.

7.11. Amendments. Any changes to this Agreement will not be effective until set forth in a written amendment to this Agreement signed by both parties.

7.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

SIGNATURES CONTINUED ON PAGE 8

In witness whereof, the parties hereto have executed this Agreement.

County

Subrecipient

By _____
Scott Powers
Senior Deputy Executive Director

By 
Alexander Nguyen
City Manager

By 
Steve Naveau
Director, Human Resources

EXHIBIT 1

VENTURA COUNTY COVID-19 CITIES ASSISTANCE PROGRAM

Payment, Terms and Conditions

The parties agree to the following payment, terms and conditions:

1. Payment by County. County will provide Subaward Funds to Subrecipient in a not-to-exceed amount of \$1,379,570 which will be based on actual costs Subrecipient has incurred for Eligible Expenses during the period of March 1, 2020, through October 31, 2020, and submitted to County in the form and manner as described in Exhibit 3.

2. Funding Terms.

A. Costs

1. Allowable costs. Subrecipient shall be responsible for administering all COVID-19 response activities in a manner satisfactory to County and consistent with any standards required as a condition of providing the Subaward Funds. The costs that will be allowable for reimbursement from County are Subrecipient's unreimbursed COVID-19 costs that were incurred during the period of March 1, 2020, through October 31, 2020, in accordance with section 601(d) of the Social Security Act and the United States Department of the Treasury's guidance on eligible expenses, limited to unreimbursed COVID-19-related costs for non-labor (services and supplies) expenses, payroll costs for public safety employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, and payroll costs for other staff whose services were directly related to code enforcement activities in the Business Ambassador Program, during the COVID-19 public health emergency.

2. Unallowable Costs. Unallowable costs include but are not limited to the following:

- (a) Workforce bonuses;
- (b) Severance pay;
- (c) Legal settlements;
- (d) Taxes;
- (e) Entertainment (including alcohol);
- (f) Travel costs;
- (g) Public relations (advertisement);
- (h) Expenses for the state share of Medicaid;
- (i) Damages covered by insurance;

- (j) Reimbursement to donors for donated items or services; or
- (k) Revenue replacement.

B. BUDGET

1. Budget. The schedule of actual expenditures of Subaward Funds, consistent with the allowable costs identified in the previous section, that are approved by County for carrying out the purposes of this Agreement is hereafter referred to as the Budget, as provided in Exhibit 3. The Budget submitted by Subrecipient upon execution of this Agreement will be considered final.

2. Budget Revisions. Subrecipient shall obtain prior approval from County whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 C.F.R. part 200.308. All requests for Budget revisions that require County's approval shall be signed by Subrecipient or an authorized representative of Subrecipient and submitted to County for approval.

3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 C.F.R. part 200.308, transfers between approved line items may be made without County's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require County's written approval.

C. FINANCIAL MANAGEMENT

1. Financial Management Standards. The financial management systems of Subrecipient must meet the following standards:

(a) Accounting System. Subrecipient organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally funded program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the program from third parties must be accounted for in the general ledger with other Subaward Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 C.F.R. part 200.305(b)(7)(i), Subrecipient shall

use reasonable efforts to ensure that funding streams are delineated within Subrecipient's accounting system. (See 2 C.F.R. § 200.302.)

(b) Source Documentation. Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the subaward and general ledger accounts which are to be charged or credited.

(c) Internal Control. Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Subrecipient must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Subrecipient must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. (2 C.F.R. § 200.303.)

D. MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

1. Records Retention. Records shall be maintained for a period of 5 years after receipt of payment per OIG-CA-20-021 Coronavirus Relief Fund Reporting and Record Retention Requirements. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

2. Accessibility of Records. Subrecipient, in compliance with 2 C.F.R. part 200.336, shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized County representatives, and any other person as may be authorized by County (including auditors), by the state of California or by federal statute. Subrecipient shall cooperate fully in any such audit or inquiry.

3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation shall establish a presumption in favor of County for the recovery of any funds paid by County under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

4. Monitoring and Access to Information. Subrecipient must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. County may monitor the activities of Subrecipient to assure compliance with all requirements and performance expectations of this Agreement. Subrecipient shall timely submit all financial and performance reports, and shall supply, upon County's request, documents and information relevant to this Agreement and the Subaward Funds. County may make site visits as warranted by program needs. (See 2 C.F.R. §§ 200.328 & 200.331.)

E. REPORTING

1. Required Financial Reports. Subrecipient agrees to submit financial reports as requested and, in the format, required by County. Subrecipient shall file reports with County describing the expenditure(s) of the funds related thereto as described below, unless more frequent reporting is required by Subrecipient pursuant to specific subaward conditions. (2 C.F.R. § 200.207.)

2. Ad-hoc Reporting. County may request ad-hoc reports and supporting documentation.

3. Final Reporting. Subrecipient is required to submit a final report no later than January 15, 2021, to County including:

- Summary narrative description of how funds were utilized and their impact.
- Itemized list of expenditures including type, description, vendor (if applicable), dollar amount, and date incurred.
- Identification of the dollar amount of any unspent funds (if applicable).
- Documentation to support the payment of the itemized expenditures.
- Reporting for other sources of funding for financial recovery from COVID-19.

(a) Subrecipient shall submit a final report no later than the due date specified by County following the end of the period of performance for this Agreement or Agreement termination. The format of this final report shall follow a format prescribed by County. (2 C.F.R. § 200.343.)

(b) If an audit or review of Subrecipient occurs and results in adjustments after Subrecipient submits a final report, Subrecipient will submit a new final report based on audit adjustments, and immediately submit a refund to County, if applicable. (2 C.F.R. § 200.344.)

Exhibit 2 - Contract Schedule of Federal Subaward Funds

The following information is provided pursuant to 2 C.F.R. part 200.331(a)(1):

Name of Subrecipient	City of Oxnard
Subrecipient's Unique Entity Identifier	95-6000756 (Tax I.D. Number)
Federal Award Identification Number (FAIN)	SLT0158
Federal Award Date	4/22/2020
Subaward Period of Performance Start and End Dates	3/1/2020 through 10/31/2020
Total Federal Award Amount	\$ (insert amount)
Federal Award Project Description	The Ventura County COVID-19 Cities Assistance Program supports cities responding to COVID-19 by providing funds to reimburse COVID-19 eligible expenses.
Name of the Federal Awarding Agency	U.S. Department of the Treasury
Catalog of Federal Domestic Assistance (CFDA) Number and Name	21.019; Coronavirus Relief Fund
Were funds awarded for research and development activities? (Yes or No)	Non R&D
Indirect Cost Rate for Federal award (including if the de minimums rate is charged)	See Exhibit 3- Budget

I. Single and Program-Specific Audits. If, during its fiscal year, Subrecipient expends \$750,000 or more in federal awards (direct federal and federal pass-through awards combined), Subrecipient must have a single audit or program-specific audit conducted for that year as required by 2 C.F.R. part 200.501 and other applicable sections of subpart F of 2 C.F.R. part 200.512 (single audit) or 2 C.F.R. part 200.507 (program-specific audit), and submitted to the Federal Audit Clearinghouse, as required by 2 C.F.R. part 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Subrecipient Portal. The due date of all required submissions set forth in this paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of Subrecipient's audit period.

II. Audits. Subrecipient shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. §§ 7501-7507) and subpart F of 2 C.F.R. part 200. Subrecipient shall retain records to support COVID-19 eligible expenditures and participate in audits conducted by the federal, state or County

government.

III. The information above is based on the information provided to County by the United States Department of the Treasury and the State of California's Department of Finance for federal pass-through funds received from the State. FAINs, federal award dates, and federal amounts for each fiscal year may be updated. In such cases, County will make updated prime federal award information available to Subrecipient, if applicable, as soon as practicable following receipt by County.

IV. At the sole discretion of County, the dollar amount payable under each federal funding source referenced in this Exhibit may be changed upon written notice from County so long as payments do not exceed the maximum total payment amount in accordance with this Agreement.

Exhibit 3 - Budget

On attached Excel forms

Exhibit 3 - City Expenditure Plan

NOTE: Please complete the expenditure plan detailing expected usage of your city's County allocation of Coronavirus Relief Fund (CRF) funds for eligible expenses as outlined in the Department of Treasury CMA Worksheet and [FAQs](#).

Insert additional lines as necessary. Expenses must be net of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

City Name: City of Oxnard

Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org

CATEGORY Details Under Each Category; Add Additional Lines if Necessary)	VENDOR / PAYEE NAME	ELIGIBLE POSITION CATEGORY (CHOOSE ONE)	POSITION/TITLE	INVOICE / CONTRACT #	INVOICE / CONTRACT DATE	INVOICE / CONTRACT AMOUNT	SALARY	BENEFITS	DESCRIPTION	LOCATION	EXPENDITURE AMOUNT
Payroll for Public Safety Employees (Substantially Dedicated)	AARON, SCOTT	Police officer	POLICE SERGEANT		5/3/2020	\$	4,096.32			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ADAMS, KEVIN	Police officer	POLICE OFFICER II		5/3/2020	\$	3,694.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ADAMS, MICHAEL	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,677.67			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	AQUILAR, ADAM	Police officer	POLICE OFFICER I		5/3/2020	\$	3,077.55			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	AQUILAR, HERBERTO	Firefighter	FIRE ENGINEER		5/3/2020	\$	4,421.73			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BLANZ, ABEL	Police officer	POLICE OFFICER II		5/3/2020	\$	3,694.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BLANTAR, SHANE G.	Firefighter	FIREFIGHTER		5/3/2020	\$	3,041.82			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ALDRETE, CHRISTIAN	Police officer	POLICE OFFICER I		5/3/2020	\$	3,252.89			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ALVAREZ, ERICA	Police officer	POLICE OFFICER II		5/3/2020	\$	3,699.04			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ALVAREZ, ENRIQUE	Police officer	POLICE OFFICER II		5/3/2020	\$	3,694.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ANDREWS, BRYAN	Firefighter	FIREFIGHTER		5/3/2020	\$	4,309.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ARAGON, JESAL	Police officer	POLICE SERGEANT		5/3/2020	\$	3,860.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ARIELANO, ALEXIS L.	Police officer	POLICE OFFICER I		5/3/2020	\$	3,252.70			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BAILEY, KRIS	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,449.64			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BALLIW, JONATHAN	Police officer	POLICE OFFICER II		5/3/2020	\$	3,690.85			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BARNES, ELIAS	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,120.88			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BASSO JOHNSON, BRIAN	Firefighter	FIREFIGHTER		5/3/2020	\$	4,121.70			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BATTLES, JEROLD	Police officer	POLICE OFFICER I		5/3/2020	\$	3,584.10			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BURRHO, ANDREW	Firefighter	FIRE ENGINEER		5/3/2020	\$	4,409.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BELL, RICHARD	Police officer	POLICE OFFICER I		5/3/2020	\$	3,584.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BENTLEY, JOSEPH	Police officer	POLICE SERGEANT		5/3/2020	\$	3,584.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BLANCHARD, MICHAEL	Police officer	POLICE OFFICER I		5/3/2020	\$	4,396.32			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BLANCHE, PATRICK	Police officer	POLICE OFFICER II		5/3/2020	\$	3,868.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BOWERS, LOREN	Police officer	POLICE OFFICER I		5/3/2020	\$	3,344.61			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BOYMAN, KAWA	Police officer	POLICE OFFICER I		5/3/2020	\$	3,868.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BREWER, SCOTT	Public Safety supervisor	EMERGENCY SERVICES MANAGER		5/3/2020	\$	2,716.00			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BRISLINGER, JOHN	Police officer	POLICE OFFICER II		5/3/2020	\$	3,868.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BROWN, JAMES L.	Police officer	POLICE OFFICER II		5/3/2020	\$	3,360.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BRUND, ERIN	Police officer	POLICE OFFICER I		5/3/2020	\$	3,345.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BURGESS, CURTIS	Police officer	POLICE OFFICER I		5/3/2020	\$	3,835.04			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	BUTTELL, CHARLES	Police officer	POLICE OFFICER II		5/3/2020	\$	4,883.62			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CAMACHO, RAUL	Police officer	POLICE OFFICER I		5/3/2020	\$	4,554.35			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CAREY, RYAN	Police officer	POLICE OFFICER II		5/3/2020	\$	4,311.60			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CARRILL, CHAD	Firefighter	FIRE ENGINEER		5/3/2020	\$	4,584.20			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASSE, DANIEL	Police officer	POLICE OFFICER II		5/3/2020	\$	3,889.04			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASSON, DANIELI	Police officer	POLICE OFFICER II		5/3/2020	\$	3,393.00			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLANO, LEAH	Police officer	POLICE OFFICER I		5/3/2020	\$	2,584.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLANO, ULGER	Firefighter	FIREFIGHTER		5/3/2020	\$	3,584.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLON, RUBEN	Firefighter	FIREFIGHTER		5/3/2020	\$	3,584.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CASTON, ROBERT	Police officer	POLICE OFFICER II		5/3/2020	\$	3,584.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CLARK, MORGAN	Firefighter	FIREFIGHTER		5/3/2020	\$	3,195.00			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CLARKE, JOSEPH A.	Police officer	POLICE OFFICER I		5/3/2020	\$	4,309.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CDE, SCOTT	Police officer	POLICE SERGEANT		5/3/2020	\$	4,596.35			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	COLE, MICHAEL C.	Police officer	POLICE OFFICER I		5/3/2020	\$	3,041.82			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	COLEMAN, JASON	Police officer	POLICE OFFICER II		5/3/2020	\$	3,360.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	COLLET, CODY J.	Police officer	POLICE OFFICER II		5/3/2020	\$	3,718.48			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	COOK, NATHAN	Police officer	POLICE SERGEANT		5/3/2020	\$	4,309.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CORONEL, IGNACIO	Police officer	POLICE OFFICER I		5/3/2020	\$	3,584.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CRANS, BRADLEY	Firefighter	FIREFIGHTER		5/3/2020	\$	3,765.88			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	CUMMINGS, PAUL D.	Police officer	POLICE SERGEANT		5/3/2020	\$	3,765.88			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	DEPPH, JEFFREY	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,808.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	DEAZ, EL JONE	Police officer	Police Officer II		5/3/2020	\$	3,584.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	DUNBAR, GRAHAM	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,059.04			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	DURAN, ANSELCA	Police officer	POLICE OFFICER I		5/3/2020	\$	3,868.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	DYORIN, MARSHALL	Firefighter	FIREFIGHTER		5/3/2020	\$	3,903.94			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	EDMAN, STEVE	Police officer	POLICE OFFICER I		5/3/2020	\$	4,032.30			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	EGUN, TWOTHY E.	Police officer	POLICE OFFICER I		5/3/2020	\$	4,152.89			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	EHRLHARDT, DONALD	Police officer	POLICE OFFICER II		5/3/2020	\$	4,058.01			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ESCALANTE, ERICA J.	Police officer	POLICE OFFICER II		5/3/2020	\$	3,864.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ESPINOSA-BARRIAS, FERNAN	Police officer	POLICE OFFICER I		5/3/2020	\$	3,034.99			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	ESTRADA, HENRI F.	Police officer	POLICE OFFICER II		5/3/2020	\$	3,360.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	EVERHART, CARY	Police officer	POLICE OFFICER II		5/3/2020	\$	3,864.75			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	FERNANDEZ, EDGAR	Police officer	POLICE SERGEANT		5/3/2020	\$	3,360.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	FERNANDEZ, JON	Police officer	POLICE OFFICER I		5/3/2020	\$	4,303.56			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	FLANNERY, SHEYAN	Police officer	POLICE OFFICER II		5/3/2020	\$	3,584.07			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	FLORES, PHILIP R.	Police officer	POLICE OFFICER II		5/3/2020	\$	3,360.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	FOURTEEN, CHRISTOPHER	Firefighter	FIREFIGHTER		5/3/2020	\$	2,894.16			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	GAILLY, SHANE	Firefighter	FIREFIGHTER		5/3/2020	\$	3,553.05			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	GAULD, MASON	Police officer	POLICE OFFICER II		5/3/2020	\$	4,408.08			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	GAMIZ, ALVARADO	Firefighter	FIRE ENGINEER		5/3/2020	\$	3,385.00			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, ARNULFO	Police officer	POLICE OFFICER I		5/3/2020	\$	3,584.06			Oxnard	\$
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, IVAN	Police officer	POLICE OFFICER I		5/3/2020	\$	4,408.06			Oxnard	\$

(Item D2)

Exhibit B - City Expenditure Plan

NOTE: Please complete the expenditure plan detailing expected usage of your city's County allocation of Coronavirus Relief Fund (CRF) funds for eligible expenses as outlined in the Department of Treasury CRF Guidance and FAQ.

Insert additional lines as necessary. Expenses must be net of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

City Name: City of Oxnard												
Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org												
CATEGORY	(Include Details Under Each Category; Add Additional Lines if Necessary)	VENDOR / PAYEE NAME	ELIGIBLE POSITION CATEGORY (CHOOSE ONE)	POSITION/TITLE	INVOICE / CONTRACT #	INVOICE / CONTRACT DATE	INVOICE / CONTRACT AMOUNT	SALARY	BENEFITS	DESCRIPTION	LOCATION	EXPENDITURE AMOUNT
Payroll for Public Safety Employees (Substantially Dedicated)		GARCIA, MANUEL	Police officer	POLICE OFFICER I		5/6/2020	\$	4,161.00			Oxnard	\$ 4,161.00
Payroll for Public Safety Employees (Substantially Dedicated)		GARCIA, ROGER	Police officer	POLICE OFFICER II		5/6/2020	\$	3,684.07			Oxnard	\$ 3,684.07
Payroll for Public Safety Employees (Substantially Dedicated)		GENS, MICHAEL J	Police officer	POLICE OFFICER II		5/6/2020	\$	3,684.75			Oxnard	\$ 3,684.75
Payroll for Public Safety Employees (Substantially Dedicated)		GONZALEZ, RANDALL	Police officer	POLICE OFFICER I		5/6/2020	\$	2,894.36			Oxnard	\$ 2,894.36
Payroll for Public Safety Employees (Substantially Dedicated)		GONZALEZ, MAYRA	Police officer	POLICE OFFICER I		5/6/2020	\$	4,271.48			Oxnard	\$ 4,271.48
Payroll for Public Safety Employees (Substantially Dedicated)		GONZALEZ, KEVIN	Police officer	POLICE OFFICER II		5/6/2020	\$	3,684.75			Oxnard	\$ 3,684.75
Payroll for Public Safety Employees (Substantially Dedicated)		GRANDE, ANDREW	Police officer	POLICE OFFICER I		5/6/2020	\$	4,107.50			Oxnard	\$ 4,107.50
Payroll for Public Safety Employees (Substantially Dedicated)		GRAY, ERIC	Police officer	POLICE OFFICER I		5/6/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)		GREGSON, MICHAEL R	Police officer	POLICE SERGEANT		5/6/2020	\$	3,454.03			Oxnard	\$ 3,454.03
Payroll for Public Safety Employees (Substantially Dedicated)		GREY, MATTHEW J	Police officer	POLICE OFFICER I		5/6/2020	\$	3,544.10			Oxnard	\$ 3,544.10
Payroll for Public Safety Employees (Substantially Dedicated)		HAMES, CORBIN L	Police officer	POLICE OFFICER I		5/6/2020	\$	4,851.87			Oxnard	\$ 4,851.87
Payroll for Public Safety Employees (Substantially Dedicated)		HARASYNOWICZ, GREGORY	Police officer	POLICE SERGEANT		5/6/2020	\$	3,959.00			Oxnard	\$ 3,959.00
Payroll for Public Safety Employees (Substantially Dedicated)		HARTMAN, ANDREAS	Police officer	POLICE OFFICER I		5/6/2020	\$	3,360.04			Oxnard	\$ 3,360.04
Payroll for Public Safety Employees (Substantially Dedicated)		HARTSON, GUY	Police officer	POLICE OFFICER II		5/6/2020	\$	3,854.08			Oxnard	\$ 3,854.08
Payroll for Public Safety Employees (Substantially Dedicated)		HAWK, JUSTIN	Firefighter	FIREFIGHTER		5/6/2020	\$	2,886.08			Oxnard	\$ 2,886.08
Payroll for Public Safety Employees (Substantially Dedicated)		HAWN, BRENDEN	Police officer	POLICE OFFICER I		5/6/2020	\$	3,587.29			Oxnard	\$ 3,587.29
Payroll for Public Safety Employees (Substantially Dedicated)		HEARST, GREGORY E	Police officer	POLICE OFFICER II		5/6/2020	\$	4,556.52			Oxnard	\$ 4,556.52
Payroll for Public Safety Employees (Substantially Dedicated)		HERNANDEZ, EDUARDO	Police officer	POLICE OFFICER I		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		HILL, ADAM	Firefighter	FIREFIGHTER		5/6/2020	\$	4,451.90			Oxnard	\$ 4,451.90
Payroll for Public Safety Employees (Substantially Dedicated)		HIGLEY, JUSTIN	Police officer	POLICE OFFICER I		5/6/2020	\$	2,738.00			Oxnard	\$ 2,738.00
Payroll for Public Safety Employees (Substantially Dedicated)		HIGLEY, CHRIS	Police officer	POLICE SERGEANT		5/6/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)		IZAGUIRRE, ALBERTO, LOPEZ	Police officer	POLICE OFFICER I		5/6/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)		JOHNSON, MICHAEL	Police officer	POLICE SERGEANT		5/6/2020	\$	4,356.32			Oxnard	\$ 4,356.32
Payroll for Public Safety Employees (Substantially Dedicated)		JOHNSON, TODD	Police officer	POLICE OFFICER II		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		KASABA, EDWARD	Police officer	POLICE OFFICER II		5/6/2020	\$	3,868.75			Oxnard	\$ 3,868.75
Payroll for Public Safety Employees (Substantially Dedicated)		KAY, JEFFREY	Police officer	POLICE OFFICER II		5/6/2020	\$	3,029.07			Oxnard	\$ 3,029.07
Payroll for Public Safety Employees (Substantially Dedicated)		KELLEY, JON	Police officer	POLICE SERGEANT		5/6/2020	\$	3,079.55			Oxnard	\$ 3,079.55
Payroll for Public Safety Employees (Substantially Dedicated)		KELLEY, TIMOTHY S	Police officer	POLICE SERGEANT		5/6/2020	\$	4,161.00			Oxnard	\$ 4,161.00
Payroll for Public Safety Employees (Substantially Dedicated)		KERMAN, BRADLEY	Firefighter	FIRE ENGINEER		5/6/2020	\$	3,079.55			Oxnard	\$ 3,079.55
Payroll for Public Safety Employees (Substantially Dedicated)		KETTELSEDER, NICHOLAS	Firefighter	FIREFIGHTER		5/6/2020	\$	4,596.32			Oxnard	\$ 4,596.32
Payroll for Public Safety Employees (Substantially Dedicated)		KIFKA, JAMES	Police officer	POLICE OFFICER I		5/6/2020	\$	4,596.36			Oxnard	\$ 4,596.36
Payroll for Public Safety Employees (Substantially Dedicated)		KNAFF, PAUL W	Police officer	POLICE OFFICER II		5/6/2020	\$	3,860.06			Oxnard	\$ 3,860.06
Payroll for Public Safety Employees (Substantially Dedicated)		KOHN, MICHAEL	Police officer	POLICE OFFICER II		5/6/2020	\$	3,079.55			Oxnard	\$ 3,079.55
Payroll for Public Safety Employees (Substantially Dedicated)		LANDIS, DANIEL	Firefighter	FIRE ENGINEER		5/6/2020	\$	3,260.06			Oxnard	\$ 3,260.06
Payroll for Public Safety Employees (Substantially Dedicated)		LANDSVERK, DAVID E	Police officer	POLICE OFFICER II		5/6/2020	\$	4,107.50			Oxnard	\$ 4,107.50
Payroll for Public Safety Employees (Substantially Dedicated)		LEE, CHRISTOPHER	Firefighter	FIREFIGHTER		5/6/2020	\$	3,854.08			Oxnard	\$ 3,854.08
Payroll for Public Safety Employees (Substantially Dedicated)		LOCKNER, RYAN A	Police officer	POLICE OFFICER II		5/6/2020	\$	3,923.38			Oxnard	\$ 3,923.38
Payroll for Public Safety Employees (Substantially Dedicated)		LONG, JEFFREY	Police officer	POLICE SERGEANT		5/6/2020	\$	3,260.06			Oxnard	\$ 3,260.06
Payroll for Public Safety Employees (Substantially Dedicated)		MAGANA, DAMIAN	Police officer	POLICE OFFICER I		5/6/2020	\$	3,041.82			Oxnard	\$ 3,041.82
Payroll for Public Safety Employees (Substantially Dedicated)		MARONIA, LUIS	Police officer	POLICE SERGEANT		5/6/2020	\$	3,260.06			Oxnard	\$ 3,260.06
Payroll for Public Safety Employees (Substantially Dedicated)		MAROSTICA, MIKE E	Police officer	POLICE OFFICER II		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		MARQUEZ, RICHARD	Police officer	POLICE SERGEANT		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		MARQUEZ, ROGER	Police officer	POLICE SERGEANT		5/6/2020	\$	2,684.08			Oxnard	\$ 2,684.08
Payroll for Public Safety Employees (Substantially Dedicated)		MARTIN, THOMAS	Police officer	POLICE OFFICER II		5/6/2020	\$	3,860.06			Oxnard	\$ 3,860.06
Payroll for Public Safety Employees (Substantially Dedicated)		MARTINEZ, MOSES	Police officer	POLICE OFFICER I		5/6/2020	\$	3,584.10			Oxnard	\$ 3,584.10
Payroll for Public Safety Employees (Substantially Dedicated)		MASCOCCO, BRANDON	Police officer	POLICE OFFICER I		5/6/2020	\$	4,121.70			Oxnard	\$ 4,121.70
Payroll for Public Safety Employees (Substantially Dedicated)		MC ALPINE, DALE	Police officer	POLICE SERGEANT		5/6/2020	\$	3,380.06			Oxnard	\$ 3,380.06
Payroll for Public Safety Employees (Substantially Dedicated)		MC GRATH, MARY	Police officer	POLICE OFFICER I		5/6/2020	\$	3,864.75			Oxnard	\$ 3,864.75
Payroll for Public Safety Employees (Substantially Dedicated)		MCPHURIE, DAVID	Police officer	POLICE OFFICER II		5/6/2020	\$	3,808.10			Oxnard	\$ 3,808.10
Payroll for Public Safety Employees (Substantially Dedicated)		MCPHURIE, JOHN	Police officer	POLICE OFFICER II		5/6/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)		MCCASLIN, COLBY	Firefighter	FIREFIGHTER		5/6/2020	\$	4,196.10			Oxnard	\$ 4,196.10
Payroll for Public Safety Employees (Substantially Dedicated)		MCCANAMARA, MICHAEL	Police officer	POLICE OFFICER II		5/6/2020	\$	3,868.75			Oxnard	\$ 3,868.75
Payroll for Public Safety Employees (Substantially Dedicated)		MENDOZA, NORMA A	Police officer	POLICE OFFICER I		5/6/2020	\$	3,077.71			Oxnard	\$ 3,077.71
Payroll for Public Safety Employees (Substantially Dedicated)		MIRANDA, ANNE A	Police officer	POLICE OFFICER II		5/6/2020	\$	3,079.55			Oxnard	\$ 3,079.55
Payroll for Public Safety Employees (Substantially Dedicated)		MORA, ANDREA E	Police officer	POLICE OFFICER I		5/6/2020	\$	3,067.11			Oxnard	\$ 3,067.11
Payroll for Public Safety Employees (Substantially Dedicated)		MORA, JOHN G	Police officer	POLICE OFFICER I		5/6/2020	\$	3,410.71			Oxnard	\$ 3,410.71
Payroll for Public Safety Employees (Substantially Dedicated)		MORALES, JUAN	Police officer	POLICE OFFICER II		5/6/2020	\$	3,785.64			Oxnard	\$ 3,785.64
Payroll for Public Safety Employees (Substantially Dedicated)		MORALES, CATHERINE	Police officer	POLICE OFFICER II		5/6/2020	\$	3,910.04			Oxnard	\$ 3,910.04
Payroll for Public Safety Employees (Substantially Dedicated)		MUZZIN, JEFFREY A	Firefighter	FIRE ENGINEER		5/6/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)		MYERS, BARAKI A	Police officer	POLICE SERGEANT		5/6/2020	\$	3,244.81			Oxnard	\$ 3,244.81
Payroll for Public Safety Employees (Substantially Dedicated)		NAVARRO, DAGOBERTO	Police officer	POLICE OFFICER I		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		NAVARRO, HAYLEY	Police officer	POLICE OFFICER I		5/6/2020	\$	2,753.70			Oxnard	\$ 2,753.70
Payroll for Public Safety Employees (Substantially Dedicated)		NICHOLS, JONATHAN	Firefighter	FIRE ENGINEER		5/6/2020	\$	2,584.28			Oxnard	\$ 2,584.28
Payroll for Public Safety Employees (Substantially Dedicated)		NUÑEZ, ALEXANDER	Police officer	POLICE OFFICER I		5/6/2020	\$	3,273.51			Oxnard	\$ 3,273.51
Payroll for Public Safety Employees (Substantially Dedicated)		OLANDREA, KATHY	Police officer	POLICE OFFICER I		5/6/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		O'LEARY, PATRICK	Firefighter	FIRE ENGINEER		5/6/2020	\$	3,285.00			Oxnard	\$ 3,285.00
Payroll for Public Safety Employees (Substantially Dedicated)		OLUPE, MARISOL	Police officer	POLICE OFFICER I		5/6/2020	\$	2,794.70			Oxnard	\$ 2,794.70
Payroll for Public Safety Employees (Substantially Dedicated)		ONCEA, DANIEL	Police officer	POLICE OFFICER I		5/6/2020	\$	3,560.06			Oxnard	\$ 3,560.06
Payroll for Public Safety Employees (Substantially Dedicated)		ORDINA, JOSEPH	Firefighter	FIRE ENGINEER		5/6/2020	\$	2,794.70			Oxnard	\$ 2,794.70
Payroll for Public Safety Employees (Substantially Dedicated)		PALMER, PHILIP	Firefighter	FIRE ENGINEER		5/6/2020	\$	3,085.00			Oxnard	\$ 3,085.00
Payroll for Public Safety Employees (Substantially Dedicated)		PAYNE, THOMAS	Police officer	POLICE OFFICER II		5/6/2020	\$	3,244.81			Oxnard	\$ 3,244.81
Payroll for Public Safety Employees (Substantially Dedicated)		PAZ, CESAR	Firefighter	FIRE ENGINEER		5/6/2020	\$	2,753.70			Oxnard	\$ 2,753.70
Payroll for Public Safety Employees (Substantially Dedicated)		PEACOCK, CHRISTOPHER	Firefighter	FIREFIGHTER		5/6/2020	\$	3,087.11			Oxnard	\$ 3,087.11

Exhibit 3 - City Expenditure Plan

NOTE: Please complete the expenditure plan detailing expected usage of your city's County allocation of Coronavirus Relief Fund (CRF) funds for eligible expenses as outlined in the [Department of Treasury CRF Guidelines](#)

and [CRF](#).

Insert additional lines as necessary. Expenses must be net of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

City Name: City of Oxnard													
Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org													
CATEGORY	(Include Details Under Each Category; Add Additional Lines If Necessary)	ELIGIBLE POSITION CATEGORY (CHOOSE ONE)	POSITION/TITLE	INVOICE / CONTRACT #	INVOICE / CONTRACT DATE	INVOICE / CONTRACT AMOUNT	SALARY	BENEFITS	DESCRIPTION	LOCATION	EXPENDITURE AMOUNT		
Payroll for Public Safety Employees (Substantially Dedicated)		POSA, MARIA E	Police officer	POLICE OFFICER II		5/8/2020	\$	2,330.20		Oxnard	\$	2,330.20	
Payroll for Public Safety Employees (Substantially Dedicated)		POSA, NICHOLAS	Police officer	POLICE OFFICER I		5/8/2020	\$	2,087.11		Oxnard	\$	2,087.11	
Payroll for Public Safety Employees (Substantially Dedicated)		PEREZ EL MANUEL	Police officer	POLICE OFFICER I		5/8/2020	\$	2,519.92		Oxnard	\$	2,519.92	
Payroll for Public Safety Employees (Substantially Dedicated)		PEREZ, MANUEL	Police officer	POLICE OFFICER II		5/8/2020	\$	2,768.89		Oxnard	\$	2,768.89	
Payroll for Public Safety Employees (Substantially Dedicated)		PETERS, DANIEL	Freight	FIREFIGHTER		5/8/2020	\$	2,716.00		Oxnard	\$	2,716.00	
Payroll for Public Safety Employees (Substantially Dedicated)		PITRE, DOMINIQUE L	Police officer	POLICE OFFICER I		5/8/2020	\$	2,880.00		Oxnard	\$	2,880.00	
Payroll for Public Safety Employees (Substantially Dedicated)		PULIDO, ALVARO	Police officer	POLICE OFFICER II		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		QUINCE, ISMAEL	Police officer	POLICE OFFICER I		5/8/2020	\$	2,894.16		Oxnard	\$	2,894.16	
Payroll for Public Safety Employees (Substantially Dedicated)		RAADCLIFFE, JASON	Police officer	POLICE OFFICER II		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMAREZ, DANIEL	Freight	FIREFIGHTER		5/8/2020	\$	2,170.90		Oxnard	\$	2,170.90	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMAREZ, JEFFREY	Police officer	POLICE OFFICER I		5/8/2020	\$	2,584.07		Oxnard	\$	2,584.07	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMAREZ, JESUS	Police officer	POLICE OFFICER I		5/8/2020	\$	2,868.75		Oxnard	\$	2,868.75	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMIREZ, ROGER	Police officer	POLICE OFFICER II		5/8/2020	\$	2,868.75		Oxnard	\$	2,868.75	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMOS, WILMINE F	Police officer	POLICE OFFICER I		5/8/2020	\$	2,559.32		Oxnard	\$	2,559.32	
Payroll for Public Safety Employees (Substantially Dedicated)		RAMEY, DAVID C	Police officer	POLICE OFFICER I		5/8/2020	\$	2,160.06		Oxnard	\$	2,160.06	
Payroll for Public Safety Employees (Substantially Dedicated)		RAWINGS, THOMAS	Police officer	POLICE OFFICER II		5/8/2020	\$	2,808.08		Oxnard	\$	2,808.08	
Payroll for Public Safety Employees (Substantially Dedicated)		REBIOLLA, ELI	Police officer	POLICE OFFICER I		5/8/2020	\$	2,716.00		Oxnard	\$	2,716.00	
Payroll for Public Safety Employees (Substantially Dedicated)		REED, BRETT	Freight	FIREFIGHTER		5/8/2020	\$	2,596.32		Oxnard	\$	2,596.32	
Payroll for Public Safety Employees (Substantially Dedicated)		REGAN, BENJAMIN P	Freight	FIREFIGHTER		5/8/2020	\$	2,055.36		Oxnard	\$	2,055.36	
Payroll for Public Safety Employees (Substantially Dedicated)		REYNOLDS, ALEXANDER	Police officer	POLICE OFFICER I		5/8/2020	\$	2,766.80		Oxnard	\$	2,766.80	
Payroll for Public Safety Employees (Substantially Dedicated)		RIVAS, ALDO A	Police officer	POLICE OFFICER I		5/8/2020	\$	2,160.08		Oxnard	\$	2,160.08	
Payroll for Public Safety Employees (Substantially Dedicated)		RIVERA, ROCHE	Police officer	POLICE OFFICER II		5/8/2020	\$	2,406.84		Oxnard	\$	2,406.84	
Payroll for Public Safety Employees (Substantially Dedicated)		ROBERTS, BRANDI	Police officer	POLICE OFFICER I		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		ROBERTS, TIAOTHY	Police officer	POLICE OFFICER I		5/8/2020	\$	2,997.58		Oxnard	\$	2,997.58	
Payroll for Public Safety Employees (Substantially Dedicated)		ROBIN, TIAOTHY J	Freight	FIREFIGHTER		5/8/2020	\$	2,620.08		Oxnard	\$	2,620.08	
Payroll for Public Safety Employees (Substantially Dedicated)		RODRIGUEZ, BRANDON	Police officer	POLICE OFFICER II		5/8/2020	\$	2,626.87		Oxnard	\$	2,626.87	
Payroll for Public Safety Employees (Substantially Dedicated)		RODRIGUEZ, JOSE	Police officer	POLICE OFFICER I		5/8/2020	\$	2,584.07		Oxnard	\$	2,584.07	
Payroll for Public Safety Employees (Substantially Dedicated)		RODAN, ROBERT	Police officer	POLICE OFFICER II		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	
Payroll for Public Safety Employees (Substantially Dedicated)		ROSE, MATTHEW	Police officer	POLICE OFFICER II		5/8/2020	\$	2,795.67		Oxnard	\$	2,795.67	
Payroll for Public Safety Employees (Substantially Dedicated)		SALVIO, CHRISTOPHER	Police officer	POLICE OFFICER I		5/8/2020	\$	2,125.20		Oxnard	\$	2,125.20	
Payroll for Public Safety Employees (Substantially Dedicated)		SANCHEZ, WAN A	Police officer	POLICE OFFICER I		5/8/2020	\$	2,255.97		Oxnard	\$	2,255.97	
Payroll for Public Safety Employees (Substantially Dedicated)		SANTANA, COOL R	Police officer	POLICE OFFICER I		5/8/2020	\$	2,959.04		Oxnard	\$	2,959.04	
Payroll for Public Safety Employees (Substantially Dedicated)		SANTOS, ALEXUS L	Police officer	POLICE OFFICER I		5/8/2020	\$	2,567.29		Oxnard	\$	2,567.29	
Payroll for Public Safety Employees (Substantially Dedicated)		SCHACER, JARED	Police officer	POLICE OFFICER I		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	
Payroll for Public Safety Employees (Substantially Dedicated)		SCHMELTZER, JARED	Police officer	POLICE OFFICER II		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		SOHNABAUER, JOSE	Police officer	POLICE OFFICER I		5/8/2020	\$	2,959.04		Oxnard	\$	2,959.04	
Payroll for Public Safety Employees (Substantially Dedicated)		DEHRAOT, MIGUEL	Police officer	POLICE SERGEANT		5/8/2020	\$	2,794.75		Oxnard	\$	2,794.75	
Payroll for Public Safety Employees (Substantially Dedicated)		SHIRUBI, DANIEL E	Police officer	POLICE SERGEANT		5/8/2020	\$	2,584.07		Oxnard	\$	2,584.07	
Payroll for Public Safety Employees (Substantially Dedicated)		SILVA, ALFONSO R	Police officer	POLICE OFFICER I		5/8/2020	\$	2,410.30		Oxnard	\$	2,410.30	
Payroll for Public Safety Employees (Substantially Dedicated)		SILVA, JOSE	Police officer	POLICE OFFICER II		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		SARTH, ALEX	Police officer	POLICE OFFICER I		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	
Payroll for Public Safety Employees (Substantially Dedicated)		SARTH, GRATTY A	Police officer	POLICE SERGEANT		5/8/2020	\$	2,917.39		Oxnard	\$	2,917.39	
Payroll for Public Safety Employees (Substantially Dedicated)		SARTH, KYLE J	Police officer	POLICE OFFICER I		5/8/2020	\$	2,087.11		Oxnard	\$	2,087.11	
Payroll for Public Safety Employees (Substantially Dedicated)		SONGER, JUSTIN	Police officer	POLICE OFFICER I		5/8/2020	\$	2,560.06		Oxnard	\$	2,560.06	
Payroll for Public Safety Employees (Substantially Dedicated)		STEPHERS, DENIS	Police officer	POLICE OFFICER II		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		STILES, ZACK	Police officer	POLICE OFFICER II		5/8/2020	\$	2,087.11		Oxnard	\$	2,087.11	
Payroll for Public Safety Employees (Substantially Dedicated)		STRONG, ADAM	Freight	TIRE ENGINEER		5/8/2020	\$	2,205.40		Oxnard	\$	2,205.40	
Payroll for Public Safety Employees (Substantially Dedicated)		SUAREZ, KIANITA	Police officer	POLICE OFFICER II		5/8/2020	\$	2,491.00		Oxnard	\$	2,491.00	
Payroll for Public Safety Employees (Substantially Dedicated)		SUNIA, JOHN	Police officer	POLICE OFFICER II		5/8/2020	\$	2,380.00		Oxnard	\$	2,380.00	
Payroll for Public Safety Employees (Substantially Dedicated)		THOMAS, MICHAEL	Police officer	POLICE SERGEANT		5/8/2020	\$	2,894.18		Oxnard	\$	2,894.18	
Payroll for Public Safety Employees (Substantially Dedicated)		THOMAS, WILL	Freight	FIREFIGHTER		5/8/2020	\$	2,879.69		Oxnard	\$	2,879.69	
Payroll for Public Safety Employees (Substantially Dedicated)		THOMPSON, KEITH	Freight	FIRE ENGINEER		5/8/2020	\$	2,584.07		Oxnard	\$	2,584.07	
Payroll for Public Safety Employees (Substantially Dedicated)		THOMPSON, KEVIN D	Police officer	POLICE OFFICER II		5/8/2020	\$	2,486.32		Oxnard	\$	2,486.32	
Payroll for Public Safety Employees (Substantially Dedicated)		TORREY, MEGAN	Police officer	POLICE OFFICER II		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	
Payroll for Public Safety Employees (Substantially Dedicated)		TORAY, OSCAR G	Police officer	POLICE OFFICER I		5/8/2020	\$	2,794.88		Oxnard	\$	2,794.88	
Payroll for Public Safety Employees (Substantially Dedicated)		TORRES, LUIS	Police officer	POLICE OFFICER I		5/8/2020	\$	2,808.08		Oxnard	\$	2,808.08	
Payroll for Public Safety Employees (Substantially Dedicated)		TOUGAS, KENNETH W	Police officer	POLICE OFFICER II		5/8/2020	\$	2,584.07		Oxnard	\$	2,584.07	
Payroll for Public Safety Employees (Substantially Dedicated)		TRICKLE, STEVE	Police officer	POLICE SERGEANT		5/8/2020	\$	2,047.82		Oxnard	\$	2,047.82	
Payroll for Public Safety Employees (Substantially Dedicated)		UTTER, GREGORY	Police officer	POLICE OFFICER I		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	
Payroll for Public Safety Employees (Substantially Dedicated)		VALDIVINOS, JUAN M	Police officer	POLICE OFFICER I		5/8/2020	\$	2,085.00		Oxnard	\$	2,085.00	
Payroll for Public Safety Employees (Substantially Dedicated)		VALENZUELA, ROBERT	Police officer	POLICE OFFICER II		5/8/2020	\$	2,716.00		Oxnard	\$	2,716.00	
Payroll for Public Safety Employees (Substantially Dedicated)		VANZUELA, LUISA	Police officer	POLICE OFFICER I		5/8/2020	\$	2,610.80		Oxnard	\$	2,610.80	
Payroll for Public Safety Employees (Substantially Dedicated)		VANZUELA, RICARDO	Police officer	POLICE SERGEANT		5/8/2020	\$	2,087.11		Oxnard	\$	2,087.11	
Payroll for Public Safety Employees (Substantially Dedicated)		VEGA, RICARDO	Police officer	POLICE OFFICER II		5/8/2020	\$	2,679.68		Oxnard	\$	2,679.68	
Payroll for Public Safety Employees (Substantially Dedicated)		VELAZQUEZ, MICHAEL	Police officer	POLICE OFFICER II		5/8/2020	\$	2,244.64		Oxnard	\$	2,244.64	
Payroll for Public Safety Employees (Substantially Dedicated)		VELAZQUEZ, JOSE	Police officer	POLICE OFFICER II		5/8/2020	\$	2,768.71		Oxnard	\$	2,768.71	
Payroll for Public Safety Employees (Substantially Dedicated)		VILLA, JAIME	Public Safety supervisor	SYSTEMS COORDINATOR		5/8/2020	\$	2,087.11		Oxnard	\$	2,087.11	
Payroll for Public Safety Employees (Substantially Dedicated)		VINOS, RANDI	Police officer	POLICE OFFICER I		5/8/2020	\$	2,852.88		Oxnard	\$	2,852.88	
Payroll for Public Safety Employees (Substantially Dedicated)		VONDRAN, KYLE	Freight	TIRE ENGINEER		5/8/2020	\$	2,079.55		Oxnard	\$	2,079.55	
Payroll for Public Safety Employees (Substantially Dedicated)		WALKER, CRYSTAL	Police officer	POLICE OFFICER II		5/8/2020	\$	2,917.39		Oxnard	\$	2,917.39	
Payroll for Public Safety Employees (Substantially Dedicated)		WATKINS, JASON	Freight	TIRE ENGINEER		5/8/2020	\$	2,506.35		Oxnard	\$	2,506.35	
Payroll for Public Safety Employees (Substantially Dedicated)		WEBER, JUSTIN M	Freight	FIREFIGHTER		5/8/2020	\$	2,752.70		Oxnard	\$	2,752.70	
Payroll for Public Safety Employees (Substantially Dedicated)		WHITMER, DANIEL	Police officer	POLICE SERGEANT		5/8/2020	\$	2,584.08		Oxnard	\$	2,584.08	

Exhibit 3- City Expenditure Plan

NOTE: Please complete the expenditure plan detailing expected usage of your city's County allocation of Coronavirus Relief Fund (CRF) funds for eligible expenses as outlined in the [Department of Treasury CRF Guidance](#) and [FAQs](#).

Insert additional lines as necessary. Expenses must be set of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

City Name: City of Oxnard

Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org

CATEGORY Details Under Each Category; Add Additional Lines if Necessary	VENDOR / PAYEE NAME	ELIGIBLE POSITION CATEGORY (CHOOSE ONE)	POSITION/TITLE	INVOICE / CONTRACT #	INVOICE / CONTRACT DATE	INVOICE / CONTRACT AMOUNT	SALARY	BENEFITS	DESCRIPTION	LOCATION	EXPENDITURE AMOUNT
Payroll for Public Safety Employees (Substantially Dedicated)	WOOD, MICHAEL	Police officer	POLICE OFFICER II		5/6/2020	\$	2,917.20			Oxnard	\$ 2,917.20
Payroll for Public Safety Employees (Substantially Dedicated)	WOODRUFF, CHARLES J	Police officer	POLICE SERGEANT		5/6/2020	\$	3,087.11			Oxnard	\$ 3,087.11
Payroll for Public Safety Employees (Substantially Dedicated)	WOODLEY, BRIAN P	Police officer	POLICE SERGEANT		5/6/2020	\$	4,309.08			Oxnard	\$ 4,309.08
Payroll for Public Safety Employees (Substantially Dedicated)	YESSNER, LUKE	Firefighter	FIREFIGHTER		5/6/2020	\$	3,783.58			Oxnard	\$ 3,783.58
Payroll for Public Safety Employees (Substantially Dedicated)	YI, DAVID	Firefighter	FIREFIGHTER		5/6/2020	\$	2,917.20			Oxnard	\$ 2,917.20
Payroll for Public Safety Employees (Substantially Dedicated)	ZEPP, NICHOLAS	Police officer	POLICE OFFICER II		5/6/2020	\$	2,458.84			Oxnard	\$ 2,458.84
Payroll for Public Safety Employees (Substantially Dedicated)	ADAM, KEVIN	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,795.08			Oxnard	\$ 3,795.08
Payroll for Public Safety Employees (Substantially Dedicated)	ADAMS, MICHAEL	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,898.75			Oxnard	\$ 3,898.75
Payroll for Public Safety Employees (Substantially Dedicated)	AGUIAR, ADAM	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.09			Oxnard	\$ 3,584.09
Payroll for Public Safety Employees (Substantially Dedicated)	AGUIAR, REMBERTO	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,898.75			Oxnard	\$ 3,898.75
Payroll for Public Safety Employees (Substantially Dedicated)	ALANI, ABEL	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	ALCANTAR, SHANE D	Firefighter	FIREFIGHTER		5/22/2020	\$	3,073.55			Oxnard	\$ 3,073.55
Payroll for Public Safety Employees (Substantially Dedicated)	ALDREY, CHRISTIAN	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,360.08			Oxnard	\$ 3,360.08
Payroll for Public Safety Employees (Substantially Dedicated)	ALNAYA, ERIC A	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)	ALVAREZ, ENRIQUE	Police Officer	POLICE OFFICER III		5/22/2020	\$	4,054.07			Oxnard	\$ 4,054.07
Payroll for Public Safety Employees (Substantially Dedicated)	ANDREWS, BRYAN	Firefighter	FIREFIGHTER		5/22/2020	\$	3,495.00			Oxnard	\$ 3,495.00
Payroll for Public Safety Employees (Substantially Dedicated)	ARELAND, ALEXIS L	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,917.20			Oxnard	\$ 2,917.20
Payroll for Public Safety Employees (Substantially Dedicated)	BAILEY, KRIS	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)	BALOW, KENNETH	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	BARNES, CLAY	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)	BASCO, JONATHAN, BRIAN	Firefighter	FIREFIGHTER		5/22/2020	\$	3,073.55			Oxnard	\$ 3,073.55
Payroll for Public Safety Employees (Substantially Dedicated)	BATILLA, JARED	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,830.48			Oxnard	\$ 3,830.48
Payroll for Public Safety Employees (Substantially Dedicated)	BEHRENS, ANDREW	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,495.00			Oxnard	\$ 3,495.00
Payroll for Public Safety Employees (Substantially Dedicated)	BELL, RICHARD	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,584.08			Oxnard	\$ 2,584.08
Payroll for Public Safety Employees (Substantially Dedicated)	BLANCHARD, MICHAEL E	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,830.48			Oxnard	\$ 3,830.48
Payroll for Public Safety Employees (Substantially Dedicated)	BLANCHE, PATRICK	Police Officer	POLICE OFFICER II		5/22/2020	\$	2,800.05			Oxnard	\$ 2,800.05
Payroll for Public Safety Employees (Substantially Dedicated)	BOWERS, LOREN	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,917.20			Oxnard	\$ 2,917.20
Payroll for Public Safety Employees (Substantially Dedicated)	BOYMAN, KAYA	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)	BREWER, SCOTT	Public Safety supervisory pers	EMERGENCY SERVICES MANAGER		5/22/2020	\$	4,955.56			Oxnard	\$ 4,955.56
Payroll for Public Safety Employees (Substantially Dedicated)	BRISSELMER, JOHN	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,156.90			Oxnard	\$ 4,156.90
Payroll for Public Safety Employees (Substantially Dedicated)	BROWN, JAMIE L	Police Officer	POLICE OFFICER II		5/22/2020	\$	5,874.84			Oxnard	\$ 5,874.84
Payroll for Public Safety Employees (Substantially Dedicated)	BRUNS, ERIN	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	BURGAN, CURTIS	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,827.13			Oxnard	\$ 2,827.13
Payroll for Public Safety Employees (Substantially Dedicated)	BUTTEL, CHARLES	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,855.04			Oxnard	\$ 3,855.04
Payroll for Public Safety Employees (Substantially Dedicated)	CAMADRID, RAUL	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,884.18			Oxnard	\$ 2,884.18
Payroll for Public Safety Employees (Substantially Dedicated)	CAREY, BRIAN	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,395.00			Oxnard	\$ 3,395.00
Payroll for Public Safety Employees (Substantially Dedicated)	CARROLL, CHAD	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,095.00			Oxnard	\$ 3,095.00
Payroll for Public Safety Employees (Substantially Dedicated)	CAUSE, DANIEL	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	CASSON, DANIELI	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,859.04			Oxnard	\$ 3,859.04
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLANO, LEAH	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,087.11			Oxnard	\$ 3,087.11
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLANOS, ULISES	Firefighter	FIREFIGHTER		5/22/2020	\$	3,895.00			Oxnard	\$ 3,895.00
Payroll for Public Safety Employees (Substantially Dedicated)	CASTELLON, RUBEN	Firefighter	FIREFIGHTER		5/22/2020	\$	2,073.55			Oxnard	\$ 2,073.55
Payroll for Public Safety Employees (Substantially Dedicated)	CASTON, ROBERT	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)	CLARK, MORGAN	Firefighter	FIREFIGHTER		5/22/2020	\$	2,073.55			Oxnard	\$ 2,073.55
Payroll for Public Safety Employees (Substantially Dedicated)	CLARKE, JOSEPH A	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,400.88			Oxnard	\$ 4,400.88
Payroll for Public Safety Employees (Substantially Dedicated)	COLE, MICHAEL C	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	COLEMAN, JASON	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,781.27			Oxnard	\$ 3,781.27
Payroll for Public Safety Employees (Substantially Dedicated)	COLLET, CODY J	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,855.04			Oxnard	\$ 3,855.04
Payroll for Public Safety Employees (Substantially Dedicated)	CORONEL, ISMAEL	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,809.47			Oxnard	\$ 3,809.47
Payroll for Public Safety Employees (Substantially Dedicated)	CRAIG, BRADLEY	Firefighter	FIREFIGHTER		5/22/2020	\$	2,728.00			Oxnard	\$ 2,728.00
Payroll for Public Safety Employees (Substantially Dedicated)	CRUICK, JEFFREY	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,866.75			Oxnard	\$ 3,866.75
Payroll for Public Safety Employees (Substantially Dedicated)	CUATE, JOSE	Police Officer	ANAL		5/22/2020	\$	3,766.90			Oxnard	\$ 3,766.90
Payroll for Public Safety Employees (Substantially Dedicated)	CUNSAN, GRAHAM	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,888.75			Oxnard	\$ 3,888.75
Payroll for Public Safety Employees (Substantially Dedicated)	CURAN, ANGELICA	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)	DONNAN, MARSHALL	Firefighter	FIREFIGHTER		5/22/2020	\$	3,885.00			Oxnard	\$ 3,885.00
Payroll for Public Safety Employees (Substantially Dedicated)	DOCKMAN, STEVE	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,880.48			Oxnard	\$ 3,880.48
Payroll for Public Safety Employees (Substantially Dedicated)	DOLIN, TIMOTHY E	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,880.48			Oxnard	\$ 3,880.48
Payroll for Public Safety Employees (Substantially Dedicated)	DONNARDY, DONALD	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,855.04			Oxnard	\$ 3,855.04
Payroll for Public Safety Employees (Substantially Dedicated)	ESCALANTE, ERICA J	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,855.04			Oxnard	\$ 3,855.04
Payroll for Public Safety Employees (Substantially Dedicated)	ESPINOZA-BARRIAS, FERNANDA	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,440.00			Oxnard	\$ 3,440.00
Payroll for Public Safety Employees (Substantially Dedicated)	ESTRADA, HANNAH L	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,855.00			Oxnard	\$ 3,855.00
Payroll for Public Safety Employees (Substantially Dedicated)	EVERHART, CAREY	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,852.89			Oxnard	\$ 3,852.89
Payroll for Public Safety Employees (Substantially Dedicated)	FERNANDEZ, JON	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	FLANNERY, STEPHAN	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	FLORES, PHILIP G	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	FOURMEL, CHRISTOPHER	Firefighter	FIREFIGHTER		5/22/2020	\$	3,138.99			Oxnard	\$ 3,138.99
Payroll for Public Safety Employees (Substantially Dedicated)	GALEY, SHANE	Firefighter	FIREFIGHTER		5/22/2020	\$	2,073.55			Oxnard	\$ 2,073.55
Payroll for Public Safety Employees (Substantially Dedicated)	GALINDO, MASON	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,360.08			Oxnard	\$ 3,360.08
Payroll for Public Safety Employees (Substantially Dedicated)	GAMEZ, ALEJANDRO	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,898.75			Oxnard	\$ 3,898.75
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, ANILUFO	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, IVAN	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, MANUEL	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,894.16			Oxnard	\$ 2,894.16
Payroll for Public Safety Employees (Substantially Dedicated)	GARCIA, ROGELIO	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,872.80			Oxnard	\$ 4,872.80

(Item D2)

Exhibit 3 - City Expenditure Plan

Insert additional lines as necessary. Expenses must be net of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org

(Item D2)

Exhibit 3 - City Expenditure Plan

NOTE: Please complete the expenditure plan detailing expected usage of your city's County allocation of Coronavirus Relief Fund (CRF) funds for eligible expenses as outlined in the [Department of Treasury CRF Guidelines](#) and [FAQs](#).
Insert additional lines as necessary. Expenses must be net of any reimbursements you may have received or are anticipating and may not duplicate County efforts and must be expended by October 31, 2020.

City Name: City of Oxnard												
Preparer Name and E-mail: Casey Clay, casey.clay@oxnard.org												
CATEGORY	(Include Details Under Each Category; Add Additional Lines If Necessary)	VENDOR / PAYEE NAME	ELIGIBLE POSITION CATEGORY (CHOOSE ONE)	POSITION/TITLE	INVOICE / CONTRACT #	INVOICE / CONTRACT DATE	INVOICE / CONTRACT AMOUNT	SALARY	BENEFITS	DESCRIPTION	LOCATION	EXPENDITURE AMOUNT
Payroll for Public Safety Employees (Substantially Dedicated)		RAWLINGS, THOMAS	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		REBOLLAR, ELI	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,894.14			Oxnard	\$ 2,894.14
Payroll for Public Safety Employees (Substantially Dedicated)		REED, BRETT	Firefighter	FIREFIGHTER		5/22/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)		REGAN, BRIANNE P	Firefighter	FIREFIGHTER		5/22/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)		REYNOLDS, ALEXANDER	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,753.70			Oxnard	\$ 2,753.70
Payroll for Public Safety Employees (Substantially Dedicated)		RIVAS, AUCIA A	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,754.75			Oxnard	\$ 2,754.75
Payroll for Public Safety Employees (Substantially Dedicated)		RIVERA, ROSA J	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,820.48			Oxnard	\$ 3,820.48
Payroll for Public Safety Employees (Substantially Dedicated)		ROBERTS, BRANDI	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,087.11			Oxnard	\$ 3,087.11
Payroll for Public Safety Employees (Substantially Dedicated)		ROBERTS, TIMOTHY	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,560.08			Oxnard	\$ 3,560.08
Payroll for Public Safety Employees (Substantially Dedicated)		ROBIN, TIMOTHY J	Firefighter	FIREFIGHTER		5/22/2020	\$	2,454.84			Oxnard	\$ 2,454.84
Payroll for Public Safety Employees (Substantially Dedicated)		RODRIGUEZ, BRANDON	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)		RODRIGUEZ, JOSE	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,087.11			Oxnard	\$ 3,087.11
Payroll for Public Safety Employees (Substantially Dedicated)		ROLDAN, ROBERT	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		ROSE, MATTHEW	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,531.08			Oxnard	\$ 3,531.08
Payroll for Public Safety Employees (Substantially Dedicated)		SALVO, CHRISTOPHER	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,041.82			Oxnard	\$ 3,041.82
Payroll for Public Safety Employees (Substantially Dedicated)		SANCHEZ, IVAN B	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,753.70			Oxnard	\$ 2,753.70
Payroll for Public Safety Employees (Substantially Dedicated)		SANTANA, COO K	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,620.08			Oxnard	\$ 2,620.08
Payroll for Public Safety Employees (Substantially Dedicated)		SANTOS, ALEXUS L	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,620.08			Oxnard	\$ 2,620.08
Payroll for Public Safety Employees (Substantially Dedicated)		SCHACER, JARED	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,784.26			Oxnard	\$ 3,784.26
Payroll for Public Safety Employees (Substantially Dedicated)		SCHMELTER, JARED	Police Officer	POLICE OFFICER II		5/22/2020	\$	448.01			Oxnard	\$ 448.01
Payroll for Public Safety Employees (Substantially Dedicated)		SCHWABER, JOSH	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.07			Oxnard	\$ 3,584.07
Payroll for Public Safety Employees (Substantially Dedicated)		SILVA, ALFONSO R	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,880.07			Oxnard	\$ 3,880.07
Payroll for Public Safety Employees (Substantially Dedicated)		SILVA, JENI	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,154.36			Oxnard	\$ 4,154.36
Payroll for Public Safety Employees (Substantially Dedicated)		SMITH, ALEX	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,830.48			Oxnard	\$ 3,830.48
Payroll for Public Safety Employees (Substantially Dedicated)		SMITH, EYLEE J	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,430.11			Oxnard	\$ 3,430.11
Payroll for Public Safety Employees (Substantially Dedicated)		SONDER, AUSTIN	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		STEPHENS, DENIA	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		STILES, JACK	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		STRONG, ADAM	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,068.75			Oxnard	\$ 3,068.75
Payroll for Public Safety Employees (Substantially Dedicated)		SUAREZ, JUANITA	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,959.04			Oxnard	\$ 3,959.04
Payroll for Public Safety Employees (Substantially Dedicated)		SUMAS, JOHN	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,959.04			Oxnard	\$ 3,959.04
Payroll for Public Safety Employees (Substantially Dedicated)		THOMAS, WILL	Firefighter	FIREFIGHTER		5/22/2020	\$	3,108.59			Oxnard	\$ 3,108.59
Payroll for Public Safety Employees (Substantially Dedicated)		THOMPSON, KEITH	Firefighter	FIRE ENGINEER		5/22/2020	\$	2,715.00			Oxnard	\$ 2,715.00
Payroll for Public Safety Employees (Substantially Dedicated)		THOMPSON, KEVIN D	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,496.48			Oxnard	\$ 3,496.48
Payroll for Public Safety Employees (Substantially Dedicated)		TOBEY, NEALAN	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,142.54			Oxnard	\$ 4,142.54
Payroll for Public Safety Employees (Substantially Dedicated)		TOKAYA, OSCAR G	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,246.61			Oxnard	\$ 3,246.61
Payroll for Public Safety Employees (Substantially Dedicated)		TORRES, LUIS	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,360.08			Oxnard	\$ 3,360.08
Payroll for Public Safety Employees (Substantially Dedicated)		TOULAC, KENNETH W	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,910.04			Oxnard	\$ 3,910.04
Payroll for Public Safety Employees (Substantially Dedicated)		UTTER, GREGORY	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,584.08			Oxnard	\$ 3,584.08
Payroll for Public Safety Employees (Substantially Dedicated)		VALDIVINOS, JUAN M	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,753.70			Oxnard	\$ 2,753.70
Payroll for Public Safety Employees (Substantially Dedicated)		WALINDUELA, ROBERT	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,143.58			Oxnard	\$ 4,143.58
Payroll for Public Safety Employees (Substantially Dedicated)		WAZDEZ, LUIS	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,894.14			Oxnard	\$ 2,894.14
Payroll for Public Safety Employees (Substantially Dedicated)		VEGA, RICARDO	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,241.72			Oxnard	\$ 3,241.72
Payroll for Public Safety Employees (Substantially Dedicated)		VELAZQUEZ, MICHAEL	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,761.28			Oxnard	\$ 3,761.28
Payroll for Public Safety Employees (Substantially Dedicated)		VELAZQUEZ, JONI	Police Officer	POLICE OFFICER II		5/22/2020	\$	4,151.00			Oxnard	\$ 4,151.00
Payroll for Public Safety Employees (Substantially Dedicated)		VILLA, JAMIE	Public Safety Assistant per	EMS COORDINATOR		5/22/2020	\$	4,371.68			Oxnard	\$ 4,371.68
Payroll for Public Safety Employees (Substantially Dedicated)		VINES, RANDI	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,241.47			Oxnard	\$ 3,241.47
Payroll for Public Safety Employees (Substantially Dedicated)		VONDRAK, KYLE	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)		WALKER, CRYSTAL	Police Officer	POLICE OFFICER II		5/22/2020	\$	3,959.04			Oxnard	\$ 3,959.04
Payroll for Public Safety Employees (Substantially Dedicated)		WATKINS, JASON	Firefighter	FIRE ENGINEER		5/22/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)		WEKER, GUSTIN M	Firefighter	FIREFIGHTER		5/22/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)		WIDDO, MICHAEL	Police Officer	POLICE OFFICER I		5/22/2020	\$	3,897.68			Oxnard	\$ 3,897.68
Payroll for Public Safety Employees (Substantially Dedicated)		WESSNER, LUKE	Firefighter	FIREFIGHTER		5/22/2020	\$	3,186.39			Oxnard	\$ 3,186.39
Payroll for Public Safety Employees (Substantially Dedicated)		WILSON, DAVID	Firefighter	FIREFIGHTER		5/22/2020	\$	2,584.28			Oxnard	\$ 2,584.28
Payroll for Public Safety Employees (Substantially Dedicated)		WYNN, NICHOLAS	Police Officer	POLICE OFFICER I		5/22/2020	\$	2,894.14			Oxnard	\$ 2,894.14
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER I		5/6/2020	\$	3,860.08			Oxnard	\$ 3,860.08
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER I		5/6/2020	\$	3,959.03			Oxnard	\$ 3,959.03
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE SERGEANT		5/6/2020	\$	3,087.11			Oxnard	\$ 3,087.11
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER II		5/6/2020	\$	3,795.48			Oxnard	\$ 3,795.48
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER II		5/6/2020	\$	3,073.53			Oxnard	\$ 3,073.53
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER I		5/22/2020	\$	3,246.61			Oxnard	\$ 3,246.61
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER I		5/22/2020	\$	3,667.14			Oxnard	\$ 3,667.14
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER II		5/22/2020	\$	3,706.59			Oxnard	\$ 3,706.59
Payroll for Public Safety Employees (Substantially Dedicated)			Police Officer	POLICE OFFICER II		5/22/2020	\$	3,959.04			Oxnard	\$ 3,959.04
TOTALS (check formulas if additional lines are added)							\$	1,508,543.80	\$		\$ 1,508,543.80	

LABOR COSTS

(Item D2)



Exhibit 3

SIGNATURES & CERTIFICATION

City Expenditure Plan

1. I hereby certify that I have the authority and approval from the governing body on behalf of the applying city to submit this City Expenditure Plan ("form") and request reimbursement of eligible expenditures from Ventura County from its allocation of the Coronavirus Relief Fund through the Ventura County COVID-19 Cities Assistance
2. I understand a Subaward Agreement will need to be executed between Ventura County and the city.
3. I understand Ventura County will rely on this certification as a material representation in reviewing and potentially approving this form.
4. I certify the use of funds submitted in this form for reimbursement from the Coronavirus Relief Fund were or will be used only to cover those costs that:
 - a. Are limited to unreimbursed COVID-19-related costs for non-labor (services and supplies) expenses, payroll costs for public health and public safety employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, and payroll costs for other staff whose services are directly related to the COVID-19 public health emergency;
 - b. Were not accounted for in the budget most recently approved as of March 27, 2020;
 - c. Were incurred during the period of March 1, 2020, through October 31, 2020.
5. I understand any award of funds pursuant to this form must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. I have reviewed the guidance established by U.S. Department of the Treasury and certify the costs meet the required guidance. Any funds expended by the city in any manner that does not adhere to official federal guidance shall be returned to Ventura County.
6. I understand any funds provided pursuant to this form and certification cannot be used as a revenue replacement for lower than expected tax or other revenue collections.
7. I understand funds received pursuant to this form and certification cannot be used for expenditures for which the city has received any other emergency COVID-19 supplemental funding (whether state, federal or private in nature) for that same expense.

I certify that I have read the above certification and my statements contained herein and in the City Expenditure Plan are true and correct to the best of my knowledge.

Kevin Ripper
FINANCE LIASON (SIGNATURE)

CFO
TITLE

Nov. 3, 2020
DATE

Kevin Ripper
FINANCE LIASON (PRINTED)

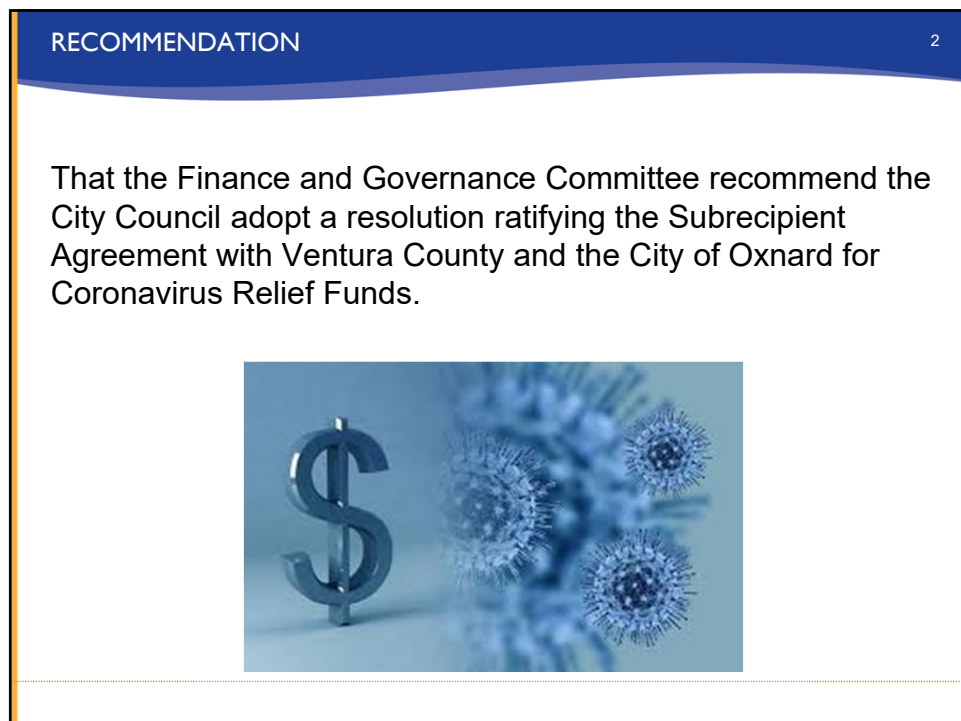
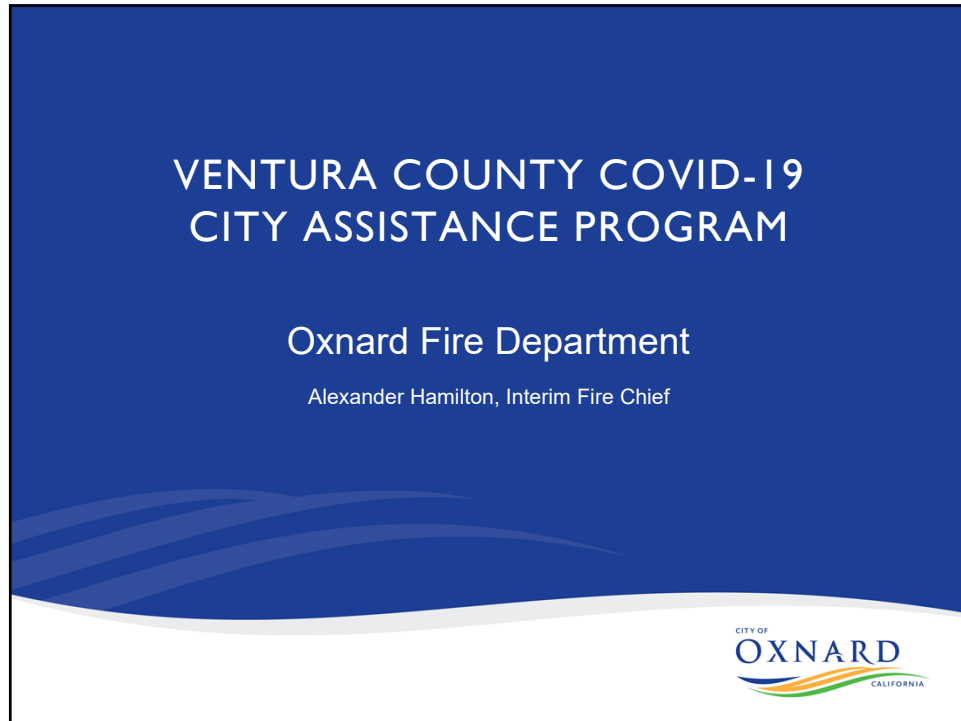
[Signature]
ORGANIZATION HEAD (SIGNATURE)

CITY MANAGER
TITLE

NOV 03, 2020
DATE

ALEXANDER NGUYEN
ORGANIZATION HEAD (PRINTED)

11/3/2020



11/3/2020

BACKGROUND

3

October 20, 2020: Ventura County Board of Supervisors approved \$5,000,000 of Coronavirus Relief Funds to be distributed to Cities based on population.

The City of Oxnard's allocation is \$1,379,570.



BACKGROUND

4

Expenses from March 27 – October 30, 2020 eligible for reimbursement are limited to:

1. Non-labor related eligible costs (Services and Supplies)
2. Labor costs related to substantially dedicated public health and public safety
3. Business Ambassador program

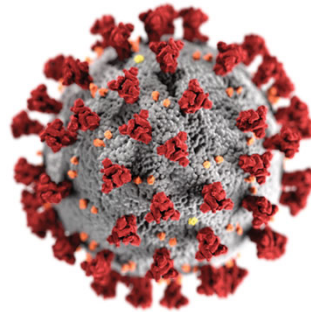
11/3/2020

BACKGROUND

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Subrecipient Agreement deadline of November 6, 2020 required City Manager Nguyen to submit prior to Council approval.

The resolution to ratify the agreement will be presented at City Council on November 17.



FISCAL IMPACT

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County CRF does not require a local match.

Funds will be used to offset the cost of necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) between March 27, 2020 and October 30, 2020.



11/3/2020





FINANCE AND GOVERNANCE COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.3

DATE: November 10, 2020

TO: Finance & Governance Committee

FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org

SUBJECT: Contract for On-Call Internal Auditing Services (10/10/5)

RECOMMENDATION

That the Finance and Governance Committee recommend the Council approve a \$25,000 contract for on-call internal auditing services with Vasquez & Company LLP.

BACKGROUND

On January 28, 2020, staff came to the Finance and Governance Committee to discuss the Internal Audit Program framework. In that presentation, staff recommended a thorough performance evaluation of each department in the City once every six years. On September 22, 2020, staff advised the Finance and Governance Committee that, until the City locates a source of funding for this comprehensive Internal Audit Program, staff is putting out a request for proposals (RFP) for an internal auditor contract for \$25,000. As explained in the RFP, this firm would be used when the majority of the Finance and Governance Committee or a majority of the City Council (or the City Manager or the City Attorney pursuant to their delegated powers) determine that a performance or forensic audit is required, other than for the annual full-City financial audit (completed by the City's external auditors).

DISCUSSION

Staff received seven proposals for the internal auditor as of the deadline of September 30, 2020: Moss Adams LLP, Plante & Moran PLLC, Price Paige & Company, TAP Financials, The Pun Group, Vasquez & Company LLP, and Municipal Auditing Services. One of the firms provided an incomplete proposal and was thus automatically eliminated. The evaluation committee, which was comprised of Councilmember Bert Perello, Councilwoman Gabriela Basua, Assistant CFO Donna Ventura, and Controller Tonya Cheng, scored the remaining six written proposals and requested that three firms return for (virtual) interviews. In the interview process, each firm had 15 minutes for a short presentation and then answered a series of questions. The four evaluators then scored the firms once more.

The evaluation committee recommends that Council award a contract to Vasquez & Company LLP. This firm focuses on the governmental sector, and, according to one of our evaluators, seems to be balanced between internal control, performance, forensic and contract audits and external financial audits. The proposed team has a "Big 4" background, meaning they are highly competent. The client list includes many California cities, and Vasquez provided many good examples of work done for various agencies including three examples of internal

control reviews; two performance audits; two special studies; a forensic audit, contract compliance audits; and financial and compliance audits. The proposed team from Vasquez offered to train the Council on how to read audits.

Staff is working on the proposed contract with the firm, and it will be attached to the Council agenda.

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:

Objective 1b. Establish an Internal Audit Program to complete performance audits of identified programs to ensure compliance with state and federal law and that Council policy is adhered to.

Objective 1c. Develop written procedures to address Internal Control recommendations from Auditor.

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

FINANCIAL IMPACT

Funding for the Internal Audit Services Program in the amount of \$25,000 is available in the non-departmental budget for FY 20-21.

Prepared by: Shiri Klima, Deputy City Manager

ATTACHMENTS

1. 11.10.20 Internal Auditor Contract Presentation

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CONTRACT FOR ON-CALL INTERNAL AUDITING SERVICES

Presentation to Finance and Governance Committee

Shiri Klima, Deputy City Manager

November 10, 2020



RECOMMENDATION

That the Finance and Governance Committee recommend the Council approve a \$25,000 contract for on-call internal auditing services with Vasquez & Company LLC

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ON-CALL INTERNAL AUDITOR--\$25,000*

RFP Schedule

Date	Activity
Sept. 30	Submission of all proposals due
Oct. 5	Review of proposals
Oct. 12	Proposer presentations (if necessary)
Oct. 19	Agreement development/ negotiations
Oct. 27	Finance & Governance Committee
Nov. 17	City Council
Nov. 18	Contracted work begins

*Price Paige is continuing to operate the whistleblower hotline services

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THE PROCESS

- Received 7 proposals:
 1. Moss Adams LLP
 2. Plante & Moran PLLC
 3. Price Paige & Company
 4. TAP Financials
 5. The Pun Group
 6. Vasquez & Company LLP
 7. Municipal Auditing Services
- One firm eliminated due to incomplete proposal
- Evaluation committee invites 3 firms to interview

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VASQUEZ & COMPANY LLP

- Focuses on the governmental sector
- One of our evaluators said seems to be balanced between internal control, performance, forensic and contract audits and external financial audits
- Proposed team has a “Big 4” background, meaning they are highly competent
- Client list includes many California cities
- Provided many good examples of work done for various agencies including three examples of internal control reviews; two examples of performance audits; two examples of special studies; a forensic audit, contract compliance audits; and financial and compliance audits
- Proposed team offered to train the Council on how to read audits

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RECOMMENDATION

That the Finance and Governance Committee recommend the Council approve a \$25,000 contract for on-call internal auditing services with Vasquez & Company LLC

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Questions



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