

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the Library, 251 South "A" Street and the City Clerk's Office, 305 West Third Street during customary business hours. Any materials to be presented at this meeting will be made available electronically 24 hours prior to the meeting, at the end of this agenda. The agenda reports are on the City of Oxnard web site at www.ci.oxnard.ca.us.



AGENDA

OXNARD CITY COUNCIL

*OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY

OXNARD FINANCING AUTHORITY

OXNARD HOUSING AUTHORITY

Regular Meetings

City Council Chambers, 305 West Third Street, Oxnard

October 28, 2014

4:30 P.M. – Closed Session

A. ROLL CALL/POSTING OF AGENDA

*** The Oxnard Community Development Commission Successor Agency will not meet because there are no items requiring consideration on this date.**

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

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

C. CLOSED SESSION – (Please see Page 6 for a description of closed session items)

D. OPENING CEREMONIES – 6:00 P.M.

Pledge of allegiance to the flag of the United States.

E. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of Proclamation Designating November, 2014 as "Oxnard Recycles Month"

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (30 Minutes)

At this time, the legislative body will consider public comments for a maximum of thirty 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. A person not able to address the legislative body at this time because the thirty minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the City Manager/ Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing. The presiding officer shall limit public comments to three minutes.

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

City of Oxnard internet address: www.ci.oxnard.ca.us.

G. TRANSMITTAL OF INFORMATION ONLY ITEMSH. INFORMATION/CONSENT PUBLIC HEARINGSI. PUBLIC HEARINGSHousing Department

1. SUBJECT: Public Housing Flat Rents. (001)

RECOMMENDATION: Approve the amendment to the Annual Plan to update the flat rent policies as required by the U.S. Department of Housing and Urban Development ("HUD").

Legislative Body: HA

Contact: Jesus Andrade

Phone: 385-5830

J. APPOINTMENT ITEMS - 6:30 p.m.City Manager Department

1. SUBJECT: Memorandum of Understanding (MOU) Between the City of Oxnard and the Channel Islands YMCA (CIYMCA). (007)

RECOMMENDATION: Receive a report and approve and authorize the City Manager to execute a Memorandum of Understanding (MOU) between the City of Oxnard and the Channel Islands YMCA (CIYMCA) (6934-14-CM) for the potential siting of a facility in Oxnard.

Legislative Body: CC

Contact: Karen Burnham

Phone: 385-7450

Finance Department

2. SUBJECT: Wastewater Revenue Refunding Bonds, Series 2014. (015)

RECOMMENDATION: 1) That City Council adopt a resolution authorizing the sale, issuance and delivery of not more than \$90,000,000 in City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 ("2014 Bonds"), and approving certain documents and authorizing certain actions in connection therewith; and 2) That the City of Oxnard Financing Authority adopt a resolution authorizing the sale, issuance and delivery of not more than \$90,000,000 of its Wastewater Revenue Refunding Bonds, Series 2014, and approving certain documents and authorizing certain actions in connection therewith.

Legislative Body: CC/FA

Contact: Rena Bassett

Phone: 385-7472

City Attorney Department

3. SUBJECT: Verbal Report on Local Hire Options for Public Works Contracts.

RECOMMENDATION: Receive verbal report.

Legislative Body: CC

Contact: Stephen M. Fischer

Phone: 385-7492

K. REPORTS

Community Development Department

1. **SUBJECT:** California Home Energy Renovation Opportunity "HERO" Energy Program. (231)
RECOMMENDATION: Adopt a Resolution approving an Amendment to the Western Riverside Council of Governments ("WRCOG") Joint Powers Agreement to add the City as an Associate Member in order to authorize the City's participation in the California HERO Program, which will enable property owners to finance permanently fixed renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their properties.
Legislative Body: CC Contact: Kymberly Horner Phone: 385-7407

Police Department

2. SUBJECT: Bicycle Safety.
RECOMMENDATION: Receive a verbal presentation of citywide efforts on bicycle safety and City of Oxnard Bicycle Master Plan.
Legislative Body: CC Contact: Miguel Lopez Phone: 385-7631
3. SUBJECT: Police Community Survey. (243)
RECOMMENDATION: Accept the results of our 2014 Community Survey.
Legislative Body: CC Contact: Jeri Williams Phone: 385-7624

L. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

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

M. CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY
BUSINESS/COMMITTEE REPORTS

City Attorney Department

1. **SUBJECT:** Ordinance Forming a Cultural Arts Commission. (Ramirez/Padilla) (245)
RECOMMENDATION: Approve the first reading by title only and subsequent adoption of an ordinance establishing a Cultural Arts Commission.
Legislative Body: CC **Contact:** Stephen M. Fischer **Phone:** 385-7492

Development Services Department

2. **SUBJECT:** "One Stop" Permit Center Update. (249)
RECOMMENDATION: Receive a report on the initial results of the permit/process business tax certificate community and focus group meetings.
 Legislative Body: CC Contact: Matthew Winegar Phone: 385-7877

N. PUBLIC COMMENTS ON REPORTS

At this time, a person may address the legislative body only on matters appearing on the reports. The presiding officer shall permit a person to address the legislative body after the staff presentation on the report and before the consideration of the report by the legislative body. The presiding officer shall limit public comments to three minutes.

O. PUBLIC COMMENTS ON STUDY SESSION

At this time, a person may address the legislative body only on matters appearing on the study session agenda. The presiding officer shall permit a person to address the legislative body after the staff presentation on the item and before the consideration of the item by the legislative body. The presiding officer shall limit public comments to three minutes.

P. STUDY SESSION**Q. REVIEW OF INFORMATION/CONSENT AGENDA**

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

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

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

S. INFORMATION/CONSENT AGENDA**City Attorney Department**

1. **SUBJECT:** Third Amendment to Attorney Services Agreement with Gibbs Giden Locher, Turner, Senet & Wittbrodt, LLP Relating to South Oxnard Library Litigation. (259)

RECOMMENDATION: Approve and authorize the Mayor to execute the Third Amendment to the Attorney Services Agreement with Gibbs Giden Locher Turner, Senet & Wittbrodt, LLP ("Gibbs Giden") (5333-11-CA) to increase the amount by \$225,000 for a total of \$350,000 for litigation services relating to design and construction defects at the South Oxnard Library and extend the contract expiration date to June 30, 2015.

Legislative Body: CC

Contact: Stephen M. Fischer

Phone: 385-7483

City Clerk Department

2. **SUBJECT:** Minutes of the Regular Meetings of the Oxnard City Council for October 7, 2014; and Minutes of the Regular Meetings of the Oxnard Housing Authority for June 3, 10, 17, 24; July 1, 8, 15, and 22; September 9, 16, and 23, 2014; and Minutes of the Special Meeting of the Oxnard Housing Authority for July 29, 2014. (261)

RECOMMENDATION: Approve.

Legislative Body: CC/HA

Contact: Daniel Martinez

Phone: 385-7803

City Manager Department

3. SUBJECT: Agreements for City Council Review. (283)

RECOMMENDATION: Pursuant to Ordinance 2835 and Resolution 13,932, approve and authorize the City Manager, to execute the attached agreements/contracts and change orders/amendments in amounts more than \$25,000 but no more than \$250,000, which are described on the attached list.

Legislative Body: CC

Contact: Greg Nyhoff

Phone: 385-7430

Development Services Department

4. SUBJECT: Planning & Zoning Permit No. 14-300-01 (Tentative Parcel Map for Condominium Purposes), The Colonial House Mixed-Use Project, Located at 705 N. Oxnard Boulevard (southwest corner of Oxnard Boulevard and Roderick Avenue). Filed by Huitt-Zollars Inc. on behalf of Oxnard Pacific Associates. (287)

RECOMMENDATION: Adopt a resolution approving Tentative Parcel Map No. 14-300-01 dividing an existing parcel into two parcels, subject to certain findings and conditions, located at 705 N. Oxnard Boulevard.

Legislative Body: CC

Contact: James Combs

Phone: 385-7952

Finance Department

5. SUBJECT: Budget Appropriation for Improvements to Audio Visual Systems and Accessibility of City Council Chamber. (293)

RECOMMENDATION: Approve a budget appropriation in the amount of \$60,000 from the PEG Fee Capital Improvement Fund.

Legislative Body: CC

Contact: James Cameron

Phone: 385-7461

General Services Department

6. SUBJECT: Agreement with Safety Striping Service, Inc. for Street Striping and Marking Services. (295)

RECOMMENDATION: Approve and authorize the Mayor to execute Agreement with Safety Striping Service, Inc. (A-7716) to increase Purchase Order No. 4603 from \$150,000 to \$300,000 and extend the expiration date to September 18, 2015 for street striping and marking services.

Legislative Body: CC

Contact: Phillip Gregoire

Phone: 385-7909

C. CLOSED SESSION – Continued from Page 1

1. **CONFERENCE WITH LABOR NEGOTIATORS.**

CC Agency designated representatives: Greg Nyhoff, City Manager; Dania Torres Wong, and Burke Dunphy, City's labor attorneys.

Employee organizations: the International Association of Firefighters, AFL-CIO (IAFF), Local No. 1684; the Oxnard Peace Officers' Association (OPOA); the Service Employees International Union CTW, CLC, Local 721(SEIU Local 721); the International Union of Operating Engineers AFL-CIO, Local No. 501 (IUOE Local 501); the Oxnard Public Safety Management Employees' Association (Police Unit); the Oxnard Public Safety Management Employees' Association (Fire Unit); the Oxnard Mid-Managers' Association; Department Directors; Confidential Mid-Managers; and Confidential Employees.

The City Manager requested that this item be discussed in closed session pursuant to Government Code section 54957.6. The purpose of the closed session is for the City Council to review the status of negotiations and to provide instructions to the City's negotiators regarding salaries, salary schedules and compensation paid in form of fringe benefits for employees represented by the employee organizations identified above and for employees unrepresented, and other matters within the scope of representation for represented employees.

T. ADJOURNMENT



ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☒ Public Hearing
☐ Other _____	☐ Other _____

Prepared By: Jesus Andrade  Agenda Item No. I-1

Reviewed By: City Manager  City Attorney PT Finance RSH Other (Specify) _____

DATE: October 14, 2014

TO: Housing Authority Board of Commissioners

FROM: Carrie Sabatini, Interim Housing Director 
Housing Authority

SUBJECT: Public Housing Flat Rents

RECOMMENDATION

That Housing Authority Board of Commissioners approve the amendment to the Annual Plan to update the flat rent policies as required by the U.S. Department of Housing and Urban Development ("HUD").

DISCUSSION

On May 19, 2014, HUD issued PIH Notice 2014-12 "Changes to Flat Rent Requirements-2014 Appropriations Act," which provided implementation guidance for the Consolidated Appropriations Act of 2014 as it relates to required changes in the flat rent structure in Public Housing.

Residents of public housing have two options for the calculation of their rent: the resident can pay rent based upon their income (typically 30% of their adjusted gross income); or the resident can opt to pay a predetermined flat rent in accordance with the flat rent schedule. The governing requirements for flat rents are contained in 24 CFR 960.253. A flat rent in the public housing program is a fixed amount of rent based on the market rent for a comparable unit in the private unassisted market. The regulation states that "the flat rent is designed to encourage self-sufficiency and to avoid creating disincentives for continued residency by families who are attempting to become self-sufficient."

With the passing of the Appropriations Act by Congress, the guidance now provides that a housing authority must set the flat rent at market rate, but no less than 80 percent of the applicable Fair Market Rent ("FMR") for the area. The FMRs are gross rent estimates that cover the shelter rent plus the cost of necessary utilities and are established by HUD on an annual basis. The analysis performed in accordance with the guidelines set forth in the PIH Notice 2014-12 include comparing current flat rents to the 80% of the FMR and to the current market rent. In our analysis, the market rents varied across the City, but were consistently at or about the 90% of FMRs. Therefore, to provide a stable benchmark, the proposed flat rents are set at 90% of FMRs, adjusted for the utilities paid by the resident at each public housing project.

After arriving at the proposed flat rent, the HUD guidance further requires that any increase is limited to 35% during the initial year of implementation. If the proposed rent exceeds the 35% increase in the initial year, the increase must be phased-in over multiple years, but not to exceed three years.

The flat rents proposed in the attached schedule contain phase-in requirements for the two-bedroom units and five-bedroom units. The proposal is to implement 35% of the increase in the initial year with the remainder in the following year. The reasoning being that the increases in other bedroom sizes approach 35%, however those would not be eligible for phase-in.

Currently, there are 54 families paying the flat rent under the existing flat rent schedule. Under the proposed flat rents, it is estimated, based on the current family income and composition, 34 of the families would choose to convert to paying the income based rent (30% of adjusted gross income). That leaves 20 families that would likely choose to continue to pay flat rent (i.e. 30% of their income would continue to be higher than the flat rent). The families will continue to be able to select whether they choose to pay the income based rent or flat rent.

Staff has met with the Resident Advisory Board (RAB) to review the increase in the flat rent schedule. Although they were generally opposed to the flat rent increases, no specific objection has been raised at this time.

FINANCIAL IMPACT

The increase in flat rents will increase tenant rent, however, with the increase of tenant rents, the operating subsidy will be decreased by HUD. It is anticipated that the amounts will offset each other.

Attachment #1 Proposed flat rent significant amendment
Attachment #2- Proposed flat rent schedules

Flat Rent Significant Amendment

The Oxnard Housing Authority hereby amends its flat rent policies to comply with the statutory changes contained within, Public Law 113 – 76, the Fiscal Year 2014 Appropriation Act.

The Oxnard Housing Authority will set the flat rental amount for each public housing unit that complies with the requirement that all flat rents be set at no less than 80 percent of the applicable Fair Market Rent (FMR) adjusted, if necessary, to account for reasonable utilities costs. The new flat rental amount will apply to all new program admissions effective October 31, 2014. For current program participants that pay the flat rental amount, the new flat rental amount will be offered, as well as the income-based rental amount, at the next annual rental option.

The Oxnard Housing Authority will place a cap on any increase in a family's rental payment that exceeds 35 percent, and is a result of changes to the flat rental amount as follows:

- Multiply the existing flat rental payment by 1.35 and compare that to the updated flat rental amount;
- The PHA will present two rent options to the family as follows:
 - the lower of the product of the calculation and the updated flat rental amount; and
 - the income-based rent.

Flat Rent Update 2014

31-1	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
FY 2014 FMR	\$1,102	\$1,479	\$2,043	\$2,364
Current Flat	\$871	\$915	\$1,440	\$1,580
New Flat Rent	\$1,059	\$1,281	\$1,781	\$2,064
\$ Difference	\$188	\$366	\$341	\$484
% Increase	22%	40%	24%	31%
Increase of 35%	NO	YES	NO	NO
Phase-in Required	NO	YES	NO	NO
Phase-in Flat Rent (Year 1)	N/A	\$1,225	N/A	N/A

31-2	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
FY 2014 FMR	\$1,479	\$2,043	\$2,364	\$2,719
Current Flat	\$915	\$1,440	\$1,580	\$1,680
New Flat Rent	\$1,286	\$1,787	\$2,071	\$2,382
\$ Difference	\$371	\$347	\$491	\$702
% Increase	41%	24%	31%	42%
Increase of 35%	YES	NO	NO	YES
Phase-in Required	YES	NO	NO	YES
Phase-in Flat Rent (Year 1)	\$1,225	N/A	N/A	\$2,250

31-3	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
FY 2014 FMR	\$1,479	\$2,043	\$2,364	\$2,719
Current Flat	\$915	\$1,440	\$1,580	\$1,680
New Flat Rent	\$1,286	\$1,787	\$2,071	\$2,382
\$ Difference	\$371	\$347	\$491	\$702
% Increase	41%	24%	31%	42%
Increase of 35%	YES	NO	NO	YES
Phase-in Required	YES	NO	NO	YES
Phase-in Flat Rent (Year 1)	\$1,225	N/A	N/A	\$2,250

Flat Rent Update 2014

31-4	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
FY 2014 FMR	\$1,102	\$1,479	\$2,043	\$2,364	\$2,719
Current Flat	\$871	\$915	\$1,440	\$1,580	\$1,680
New Flat Rent	\$1,063	\$1,284	\$1,785	\$2,069	\$2,379
\$ Difference	\$192	\$369	\$345	\$489	\$699
% Increase	22%	40%	24%	31%	42%
Increase of 35%	NO	YES	NO	NO	YES
Phase-in Required	NO	YES	NO	NO	YES
Phase-in Flat Rent (Year 1)	N/A	\$1,225	N/A	N/A	\$2,250

31-5	Efficiency	1 Bedroom
FY 2014 FMR	\$922	\$1,102
Current Flat	\$853	\$871
New Flat Rent	\$922	\$1,102
\$ Difference	\$69	\$231
% Increase	8%	27%
Increase of 35%	NO	NO
Phase-in Required	NO	NO
Phase-in Flat Rent (Year 1)	N/A	N/A

31-7	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
FY 2014 FMR	\$1,102	\$1,479	\$2,043	\$2,364	\$2,719
Current Flat	\$871	\$915	\$1,440	\$1,580	\$1,680
New Flat Rent	\$1,063	\$1,284	\$1,785	\$2,069	\$2,379
\$ Difference	\$192	\$369	\$345	\$489	\$699
% Increase	22%	40%	24%	31%	42%
Increase of 35%	NO	YES	NO	NO	YES
Phase-in Required	NO	YES	NO	NO	YES
Phase-in Flat Rent (Year 1)	N/A	\$1,225	N/A	N/A	\$2,250

31-8	Efficiency	1 Bedroom
FY 2014 FMR	\$922	\$1,102
Current Flat	\$853	\$871
New Flat Rent	\$922	\$1,102
\$ Difference	\$69	\$231
% Increase	8%	27%
Increase of 35%	NO	NO
Phase-in Required	NO	NO
Phase-in Flat Rent (Year 1)	N/A	N/A

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☒ Other Appt. Item

Prepared By: Karen R. Burnham, Assistant City Manager

Agenda Item No. J-1

Reviewed By: City Manager JM

City Attorney FT

Finance QC

Other (Specify) _____

DATE: October 15, 2014

TO: City Council

FROM: Greg Nyhoff, City Manager
City Manager's Office

SUBJECT: Memorandum of Understanding (MOU) Between the City of Oxnard and the Channel Islands YMCA (CIYMCA)

RECOMMENDATION

That City Council receive a report and approve and authorize the City Manager to execute a Memorandum of Understanding (MOU) between the City of Oxnard and the Channel Islands YMCA (CIYMCA) for the potential siting of a facility in Oxnard.

DISCUSSION

The Channel Islands YMCA (CIYMCA) includes seven branches which cover Ventura and Santa Barbara Counties, providing programs encompassing youth to seniors. The current branches are located in Santa Barbara (2 branches), Camarillo, Lompoc, Montecito, Santa Ynez and Ventura.

The concept of the City of Oxnard partnering with the CIYMCA has been discussed previously for the past several years, with the CIYMCA recognizing the need to enhance service for Oxnard residents. Preliminary assessments also found that Oxnard families comprised a significant number of memberships at the Ventura and Camarillo branches.

The CIYMCA is now seeking to perform a market study to assess the feasibility and opportunities for siting a new Oxnard family YMCA in collaboration with the City of Oxnard. The market study will "test" two sites within Oxnard and staff will return to City Council with the results and further recommendations of the CIYMCA completed study.

The CIYMCA is requesting that the City of Oxnard approve a MOU to confirm the City's interest in partnering with the CIYMCA and to allow the CIYMCA to engage a marketing research firm to conduct the study. The scope of the marketing study will provide critical information for future planning programs and services, location assessment and comparison, marketplace and pricing, partnerships and social impacts.

Subject : MOU with CIYMCA
October 15, 2015
Page Two

FINANCIAL IMPACT

The CIYMCA will fund the market study at a cost of \$25,000. Approval for the MOU requires no financial commitment from the City.

Attachment #1- MOU with Channel Islands YMCA

KRB:cbk

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this ____ day of _____, 2014 by and between the City of Oxnard ("City") and the Channel Islands YMCA ("YMCA") with reference to the following facts:

Recitals

WHEREAS, the City has a population of more than 200,000 residents, many of whom rely on City services for recreational opportunities; and

WHEREAS, the City has a long history of providing recreational and social opportunities to its residents; and

WHEREAS, the City believes in the importance of furthering these recreational and social opportunities to the residents, but has limited funds available for the expansion of these resources; and

WHEREAS, the YMCA is a nonprofit agency experienced in providing programs to men, women, and children of all ages, races, religious beliefs, and economic status, which develop and enrich the spirit, mind, and body; and

WHEREAS, the YMCA is interested in developing such a recreational facility and providing such programs to the residents of the City; and

WHEREAS, the City has identified several City owned undeveloped properties, which are described more fully in Exhibit A attached hereto, which could be appropriate for development of a recreational facility; and

WHEREAS, the City and the YMCA have both participated in public/nonprofit partnerships in the past and believe a similar arrangement would be successful in this instance; and

WHEREAS, the parties are interested in pursuing the identification of a site for potential development of this facility, subject to the following terms and conditions.

NOW, THEREFORE, the parties declare as follows:

1. The City and the YMCA will work together to refine and clarify the conceptual viability of the sites identified in Exhibit A for the purpose of developing a community facility as described above.

2. The YMCA will proceed diligently with marketing studies, facility space allocations, and fundraising studies to determine the viability of construction of such a facility on

preliminary proposal describing the size of the facility, nature of the improvements to be included, and potential programs to be offered.

3. The parties will work cooperatively (a) to determine the most appropriate means of complying with any conditions imposed by the City (including but not limited to zoning compliance, building code issues, parking requirements, and other planning restrictions or conditions) (b) to define the terms under which the property development may occur, and (3) to estimate the time needed for any required planning or design review approvals (for example, determining whether a rezoning, conditional use permit or other special use permit is required, identifying the level of design review required, etc.).

4. The parties will reach mutually agreeable decisions regarding the following issues prior to entering into a development agreement for the chosen site:

a. The costs of development, excluding construction costs, but specifically including fees and exactions (traffic mitigation fees, school impact fees, capital improvement fees, park fees, etc.).

b. The condition of the title of the property at the commencement of construction, including any encumbrances or reversionary interests in the event the YMCA is unable to complete the development.

c. The physical improvements which the City will install (if any) prior to commencement of construction, including the installation of utilities to the site (stub-outs to the property for domestic water, irrigation, fire protection, sewer, and storm drains) as well as provision for dry utilities (gas, electric, telephone, television, and data) and the completion of any required offsite infrastructure improvements required as a condition of the development (curb and gutter, street lights, sidewalks, streets, etc.).

5. The YMCA reserves the right, at its own cost, to conduct appraisals, phase one environmental studies, preliminary title investigations, and any other due diligence the YMCA feels is necessary before entering into a development agreement with the City.

6. The parties agree that, once the above described details regarding the timing and nature of the development are understood and accepted by both parties, that this MOU will be replaced with a development agreement detailing the specifics of the project and binding the parties to the transaction. In the event that such details have not been agreed upon by November 1, 2015, this MOU shall be null and void and of no further force and effect. Should the MOU expire without the parties entering into a development agreement, the parties agree that each shall be responsible for their own costs incurred up to the time of expiration of this MOU, and that the parties shall have no further obligations or liabilities to one another after that point.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties executed this MOU on the date first written above.

CITY OF OXNARD

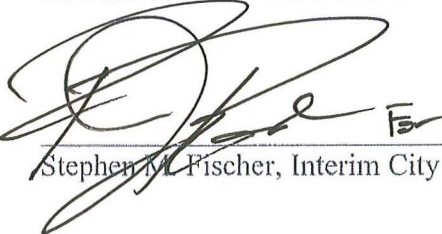
CHANNEL ISLANDS YMCA

Greg Nyhoff, City Manager



Salvador Cisneros, President and CEO

APPROVED AS TO FORM



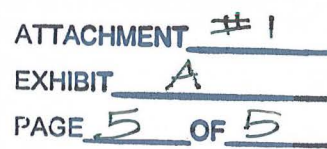
Stephen M. Fischer, Interim City Attorney

APPROVED AS TO CONTENT



Karen R. Burnham, Assistant City Manager







Meeting Date: 10/28/2014

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☒ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Rena Bassett, Financial Analyst

Agenda Item No. J-2

Reviewed By: City Manager

City Attorney

Finance

Other (Specify)

DATE: October 22, 2014**TO:** City Council
City of Oxnard Financing Authority**FROM:** James Cameron, Chief Financial Officer
Finance Department**SUBJECT:** Wastewater Revenue Refunding Bonds, Series 2014**RECOMMENDATION**

That City Council adopt a resolution authorizing the sale, issuance and delivery of not more than \$90,000,000 in City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 ("2014 Bonds"), and approving certain documents and authorizing certain actions in connection therewith.

That the City of Oxnard Financing Authority adopt a resolution authorizing the sale, issuance and delivery of not more than \$90,000,000 of its Wastewater Revenue Refunding Bonds, Series 2014, and approving certain documents and authorizing certain actions in connection therewith.

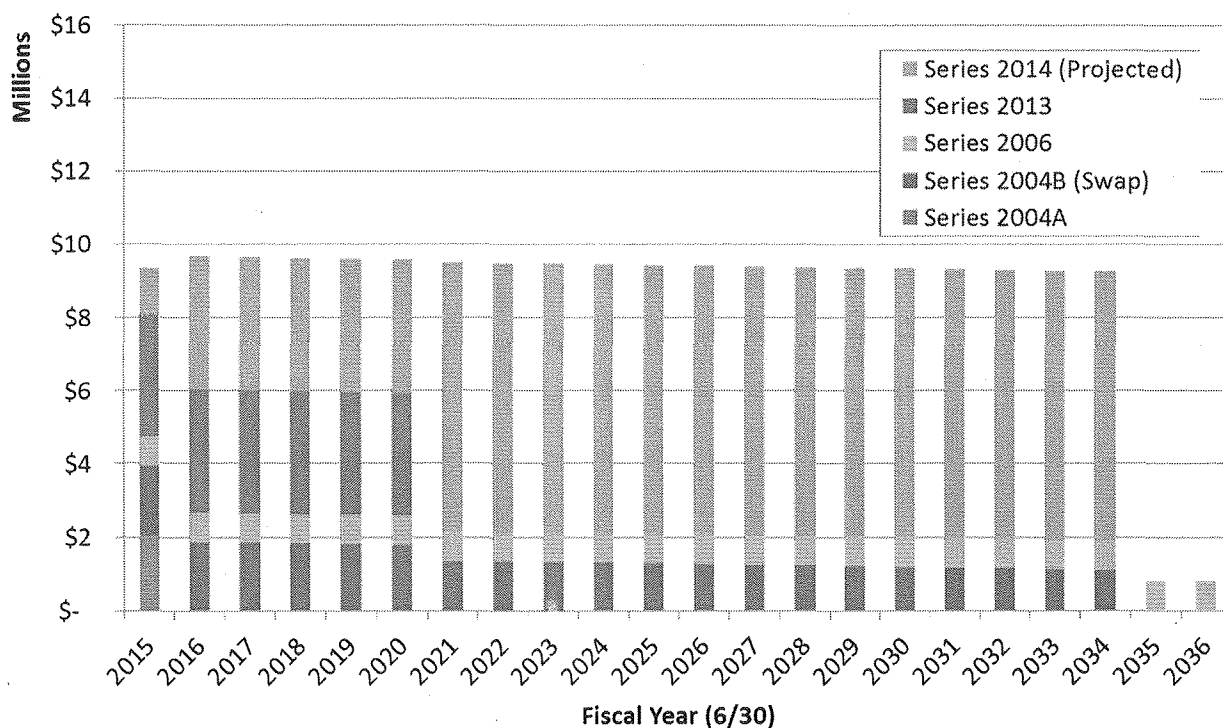
DISCUSSION

On September 23, 2014, the City Council heard a presentation on the refunding of the Wastewater Revenue Bonds, 2004 Series A ("the 2004A Bonds"). That presentation and discussion included the financing structure and the anticipated savings, selection of the underwriter, and the timeline. Tonight's item is to formalize the authorization for the issuance of the refunding bonds.

On June 22, 2004 the City of Oxnard Financing Authority (COFA) issued its \$80,000,000 of the 2004A Bonds to finance capital improvements to the City's wastewater system including the Redwood Trunk and the Headworks projects. The 2004A Bonds have a principal balance in the amount of \$80,000,000 with maturities ranging from June 1, 2021 through June 1, 2034. Due to the current interest rate environment, the 2004A Bonds can be refinanced at an estimated savings of \$9,250,000 to the Wastewater Fund.

The 2004A Bonds were structured to provide level annual debt service payments for all the Wastewater bonds in total. As a result, principal payments do not begin until FY 2020-21. The proposed refunding will continue that same structure.

This level debt service structure is shown in the following graph:



The not-to exceed bond issuance amount of \$90,000,000 is detailed as follows:

Escrow Deposit/Bond Payment Fund	\$80,000,000
Cost of Issuance	340,000
Bond Insurance	740,000
Reserve Fund	8,000,000
Contingency for Market Conditions (Estimate)	920,000
Total	\$90,000,000

The 2004A Bonds were issued with a reserve policy through Financial Guaranty to meet the requirements for a debt service reserve fund. While the City will pursue a similar reserve policy for the 2014 refunding bonds, there is no assurance that this will be beneficial at the time the City is ready to issue the bonds. For that reason, \$8 million has been included in the total potential issuance. If the cost of the reserve policy is justified by the benefit of not having to set aside a reserve fund, the bond issue will be reduced by \$8 million net of the cost of the policy of no more than \$200,000.

Under the terms of the 2004 Bonds, the net revenues of the wastewater fund are pledged in accordance with the terms of an installment purchase agreement between the City and COFA. COFA, which was established by the City pursuant to the Marks-Roos Local Bond Pooling Act of 1985, will issue the refunding bonds on behalf of the City. The 2014 Bonds will be also be secured by a similar net revenue pledge and installment purchase agreement.

The City's objectives for refunding the 2004A Bonds are to (1) maximize equal annual cash flow savings through the final maturity date of June 1, 2034 and (2) redeem the outstanding 2004A Bonds on December 1, 2014, the next available call date. The final maturity of the 2014 Bonds will remain consistent with the 2004A Bonds of June 1, 2034. Debt service payments are anticipated to be \$3.6 million through FY 2019-20 and \$7.3 million thereafter.

In conjunction with its financial advisor, First Southwest Company, a Request for Proposals (RFP) was issued to the City's investment banking pool to submit refinancing alternatives for refunding the 2004A Bonds. The City received proposals from J.P. Morgan, Citi, Morgan Stanley, Piper Jaffray, Stifel, and RBC Capital Markets. RBC Capital Markets offered the lowest cost based on fees of \$2.15 per \$1,000 bond. The following table is a comparison proposed fees:

**Wastewater Revenue Refunding Bonds, Series 2014
Proposal Summary**

<u>Underwriter</u>	<u>Total Fees</u>
RBC Capital Markets	\$ 2.15 Awarded this Financing
Piper Jaffray	\$ 2.92
JPMorgan	\$ 3.00
Stifel	\$ 3.76
Citi	\$ 3.93
Morgan Stanley	\$ 4.39

The attached resolutions accomplish the following:

- Approve the form of the following documents:
 - Installment Purchase Agreement (Attachment No. 3)
 - Contract of Purchase (Attachment No. 4)
 - Preliminary Official Statement(Attachment No. 5)
 - Continuing Disclosure Agreement (Appendix E to Attachment 5)
 - Escrow Agreement (Attachment No. 6)
 - Indenture (Attachment No. 7)
- For the Authority, authorizes the Chairman, the Vice Chairman, the Controller, and the Secretary to execute and deliver the above documents, and such other documents and certifications that may be necessary to consummate the transaction.
- For the City, authorizes the Mayor, the Mayor Pro Tem, the City Clerk, and the Chief Financial Officer to execute and deliver the above documents, and such other documents and certifications that may be necessary to consummate the transaction.

FINANCIAL IMPACT

The approval of the attached documents will result in the refinancing of the 2004A Bonds at an estimated net present value savings to the Wastewater Fund of \$9,250,000, or 11.56%. Annual debt service savings are estimated to range from \$450,000 in FY 2015-16 to \$825,000 beginning in FY 2020-21. Savings are net of all financing costs. The estimated cost of issuance of \$340,000 includes fees charged by RBC Capital Markets as well as fees charged by Bond Council, Financial Advisor, and trustee. The City anticipates purchasing bond insurance at an estimated cost of \$740,000 to reduce interest rates on the refunding bonds and increase savings to the City. Annual principal payments will begin June 1, 2021, and semi-annual interest payments (December 1 and June 1) will begin June 1, 2015 consistent with the structure of the 2004A Bonds. The interest rate (including all costs) on the refunding bonds is estimated at 3.9% compared to an average interest rate of 5.1% on the outstanding 2014A Bonds.

- Attachment #1 - City Resolution
#2 - COFA Resolution
#3 - Installment Purchase Agreement
#4 - Contract of Purchase
#5 - Preliminary Official Statement
#6 - Escrow Agreement
#7 - Indenture

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE
THAN \$90,000,000 IN PRINCIPAL AMOUNT OF CITY OF OXNARD
FINANCING AUTHORITY WASTEWATER REVENUE REFUNDING
BONDS, SERIES 2014, AND APPROVING CERTAIN DOCUMENTS AND
AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, the Authority has issued, pursuant to an Indenture, dated as of June 1, 2004 (the "2004 Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee, \$80,000,000 in original principal amount of its Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A (the "2004 Bonds"), of which \$80,000,000 in principal amount is currently outstanding; and

WHEREAS, the 2004 Bonds are secured by the installment payments to be made by the City from the Net System Revenues (as defined in that certain Installment Purchase Agreement, dated as of June 1, 2004 (the "2004 Installment Purchase Agreement"), by and between the City and the Authority) pursuant to the 2004 Installment Purchase Agreement; and

WHEREAS, in order to reduce the installment payments payable by the City under the 2004 Installment Purchase Agreement, the City proposes that the Authority refund, on a current refunding basis, the 2004 Bonds and that the City and the Authority enter into an Amended and Restated Installment Purchase Agreement (the "Installment Purchase Agreement"), which will amend and restate in its entirety the 2004 Installment Purchase Agreement; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Refunding Law") and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act"), the Authority is authorized to issue refunding bonds to refund the 2004 Bonds and to sell the Bonds at public sale, at private sale, or on a negotiated sale basis; and

WHEREAS, the City proposes that the Authority enter into an Indenture (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), to provide for the issuance of not more than \$90,000,000 in aggregate principal amount of City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (the "Bonds"), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2004 Bonds on a current refunding basis, (2) provide for the reserve fund with

respect to the Bonds, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the Bonds will be secured by certain installment payments (the "2014 Installment Payments") to be made by the City from the Net System Revenues (as defined in the Installment Purchase Agreement) pursuant to the Installment Purchase Agreement, which 2014 Installment Payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

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

WHEREAS, this City Council has determined that because of the need for flexibility in timing the sale of the Bonds in order to achieve maximum interest cost savings, it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, RBC Capital Markets, LLC, as underwriter (the "Underwriter"), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the "Purchase Contract") by and among the Authority, the City, and the Underwriter; and

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

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

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

WHEREAS, the City proposes that the Authority enter into an Escrow Agreement (the "Escrow Agreement") by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), to provide for the payment and redemption of all outstanding 2004 Bonds on December 1, 2014; and

WHEREAS, the forms of the following documents are on file with the City Clerk of the City (the "City Clerk") and have been submitted to this City Council, and the Chief Financial Officer of the City, acting as such on behalf of the City (the "Chief Financial Officer") and

acting as the Controller of the Authority on behalf of the Authority (the "Controller"), in consultation with the Underwriter, Bond Counsel, and the Financial Advisor, has examined and approved each document and has recommended that this City Council direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

- (a) the Purchase Contract;
- (b) the Preliminary Official Statement;
- (c) the Installment Purchase Agreement;
- (d) the Indenture;
- (e) the Escrow Agreement; and
- (f) the Continuing Disclosure Agreement;

NOW, THEREFORE, the City Council of the City of Oxnard does hereby find, determine, resolve and order as follows:

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

SECTION 2. The Installment Purchase Agreement is approved in substantially the form on file with the City Clerk. The Mayor of the City (the "Mayor") and the City Clerk are hereby authorized and directed, for and in the name of the City, to execute and deliver the Installment Purchase Agreement with such changes, insertions, and omissions as the Chief Financial Officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The City understands, acknowledges and agrees that the Indenture, the Escrow Agreement, and the Continuing Disclosure Agreement, in the forms on file with the City Clerk, are subject to such changes, insertions, and omissions as the Controller shall require or approve.

SECTION 4. The Purchase Contract is approved in substantially the form on file with the City Clerk. The Chief Financial Officer is authorized and directed, for and in the name of the City, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Chief Financial Officer or the Financial Advisor shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed \$90,000,000, the interest rates or yields to maturity on the Bonds are such that the true interest cost does not exceed four and three-quarters of one percent (4.750%), and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed one-quarter of one percent (0.25%), excluding any original issue discount or premium.

SECTION 5. The Preliminary Official Statement is approved in substantially the form on file with the City Clerk, with such modifications to the Preliminary Official Statement, whether by corrections or additions thereto or by supplement or amendment thereof, as shall be approved by Disclosure Counsel and by the Controller. The Underwriter is authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of the final Official Statement to all

actual initial purchasers of the Bonds. Such final Official Statement shall be in the form of the Preliminary Official Statement with such changes, insertions, and omissions as may be approved by the Controller.

SECTION 6. The Bonds, in an aggregate principal amount not to exceed \$90,000,000 (which amount shall be finally determined by the Chief Financial Officer, acting as the Controller), designated "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014," are hereby authorized to be issued, sold, and delivered by the Authority in accordance with the terms and provisions of the Indenture and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and the Escrow Agreement.

SECTION 7. The City understands, acknowledges, and agrees that the Controller has been or will be authorized by the Governing Board of the Authority (a) to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance, and (b) if the Controller determines that it is in the best interest of the Authority to obtain a surety bond or similar instrument, as permitted under the Indenture, for all or a portion of the Reserve Requirement (as defined in the Indenture), to enter into an agreement with a surety provider selected by the Controller.

SECTION 8. The Mayor, the Mayor Pro-Tem of the City (the "Mayor Pro-Tem"), the City Manager of the City (the "City Manager"), the City Clerk, the Chief Financial Officer, the City Attorney of the City, and any other proper officer of the City are each authorized and directed to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, the Indenture, the Purchase Contract, the Escrow Agreement, the Continuing Disclosure Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, and tax certificates, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 9. Any document the execution of which by the Mayor is authorized by this Resolution shall, in the absence or inability to act of the Mayor, be executed by the Mayor Pro-Tem or by any authorized designee of the Mayor or the Mayor Pro-Tem. Any document the execution of which by the City Clerk is authorized by this Resolution shall, in the absence or inability to act of the City Clerk, be executed by any person so designated in writing by the City Clerk or by any other proper officer of the City acting on behalf of the City Clerk. Any document the execution of which by the Chief Financial Officer is authorized by this Resolution shall, in the absence or inability to act of the Chief Financial Officer, be executed by the Financial Services Manager of the City or, in the absence or inability to act of such Financial Services Manager, by any person so designated in writing by the Chief Financial Officer or by any other proper officer of the City acting on behalf of the Chief Financial Officer.

SECTION 10. All actions previously taken by this City Council and by the officers and staff of the City with respect to the matters addressed by this Resolution hereby are approved, ratified, and confirmed.

SECTION 11. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 28th day of October, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn,
Mayor of the City of Oxnard

ATTEST:

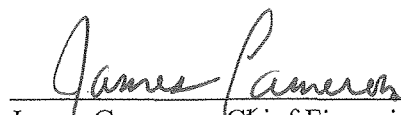
Daniel Martinez,
City Clerk of the City of Oxnard

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

APPROVED AS TO CONTENT:



James Cameron, Chief Financial Officer

RESOLUTION NO. ____

RESOLUTION OF THE GOVERNING BOARD OF THE CITY OF OXNARD
FINANCING AUTHORITY AUTHORIZING THE SALE, ISSUANCE, AND
DELIVERY OF NOT MORE THAN \$90,000,000 IN PRINCIPAL AMOUNT
OF ITS WASTEWATER REVENUE REFUNDING BONDS, SERIES 2014,
AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING
CERTAIN ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, the Authority has issued, pursuant to an Indenture, dated as of June 1, 2004 (the "2004 Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee, \$80,000,000 in original principal amount of its Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A (the "2004 Bonds"), of which \$80,000,000 in principal amount is currently outstanding; and

WHEREAS, the 2004 Bonds are secured by the installment payments to be made by the City from the Net System Revenues (as defined in that certain Installment Purchase Agreement, dated as of June 1, 2004 (the "2004 Installment Purchase Agreement"), by and between the City and the Authority) pursuant to the 2004 Installment Purchase Agreement; and

WHEREAS, in order to reduce the installment payments payable by the City under the 2004 Installment Purchase Agreement, the Authority proposes to refund, on a current refunding basis, the 2004 Bonds and to enter into an Amended and Restated Installment Purchase Agreement (the "Installment Purchase Agreement") with the City, which Installment Purchase Agreement will amend and restate in its entirety the 2004 Installment Purchase Agreement; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "Refunding Law") and the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act"), the Authority is authorized to issue refunding bonds to refund the 2004 Bonds and to sell the Bonds at public sale, at private sale, or on a negotiated sale basis; and

WHEREAS, the Authority proposes to enter into an Indenture (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), to provide for the issuance of not more than \$90,000,000 in aggregate principal amount of City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (the "Bonds"), the proceeds of which Bonds will be used to finance the costs to (1) refund the 2004 Bonds on a current refunding basis, (2) provide for the reserve fund with respect to the Bonds, and (3) pay costs incurred in connection with the issuance, sale, and delivery of the Bonds; and

WHEREAS, the Bonds will be secured by certain installment payments (the "2014 Installment Payments") to be made by the City from the Net System Revenues (as defined in the Installment Purchase Agreement) pursuant to the Installment Purchase Agreement, which 2014 Installment Payments will be sufficient to provide the amount necessary to pay the principal of and interest on the Bonds; and

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

WHEREAS, this Board has determined that because of the need for flexibility in timing the sale of the Bonds in order to achieve maximum interest cost savings, it is desirable to sell the Bonds on a negotiated sale basis; and

WHEREAS, to effectuate such negotiated sale, RBC Capital Markets, LLC, as underwriter (the "Underwriter"), has agreed to purchase the Bonds pursuant to a Contract of Purchase (the "Purchase Contract") by and among the Authority, the City, and the Underwriter; and

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

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

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

WHEREAS, the Authority proposes to enter into an Escrow Agreement (the "Escrow Agreement") by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), to provide for the payment and redemption of all outstanding 2004 Bonds on December 1, 2014; and

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

- (a) the Purchase Contract;
- (b) the Preliminary Official Statement;
- (c) the Installment Purchase Agreement;
- (d) the Indenture;
- (e) the Escrow Agreement; and
- (f) the Continuing Disclosure Agreement;

NOW, THEREFORE, the Governing Board of the City of Oxnard Financing Authority does hereby find, determine, resolve and order as follows:

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

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

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

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

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

SECTION 6. The Purchase Contract is approved in substantially the form on file with the Secretary. The Controller is authorized and directed, for and in the name of the Authority, upon receipt of a complete Purchase Contract from the Underwriter, to execute and deliver the Purchase Contract with such changes, insertions, and omissions as the Controller or the Financial Advisor shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal amount of the Bonds shall not exceed \$90,000,000, the interest rates or yields to maturity on the Bonds are such that the true interest cost does not exceed four and three-quarters of one percent (4.750%), and the underwriting fee payable to the Underwriter with respect to the Bonds does not exceed one-quarter of one percent (0.25%), excluding any original issue discount or premium.

SECTION 7. (a) The Preliminary Official Statement is approved and authorized in substantially the form on file with the Secretary. The Preliminary Official Statement shall be deemed final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate denominational amount and maturity value, denominational amount and maturity value per maturity, delivery date, rating(s), and other terms of the Bonds that depend upon the foregoing as provided in and pursuant to the Rule, and the Controller, as the Authority officer to be authorized and directed to execute the final Official Statement for the Bonds, is authorized to execute and deliver a certificate in the customary form respecting such finality.

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

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

SECTION 8. The Bonds, in an aggregate principal amount not to exceed \$90,000,000 (which amount shall be finally determined by the Controller), designated "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014," are hereby authorized to be issued, sold, and delivered in accordance with the terms and provisions of the Indenture and the Purchase Contract. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and the Escrow Agreement. The Chairman and the Secretary are authorized and directed, for and in the name of the Authority, to execute (manually or by facsimile) and deliver the Bonds with such changes, insertions, and omissions as the Controller shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. The Controller is hereby authorized and directed to give or cause to be given notice of redemption of the 2004 Bonds, pursuant to the terms of the 2004 Indenture and the Escrow Agreement.

SECTION 10. Wells Fargo Bank, National Association, is hereby appointed as Trustee under and pursuant to the Indenture, as Escrow Agent under the Escrow Agreement, and as Dissemination Agent under the Continuing Disclosure Agreement, with the respective powers and duties of each of said office as set forth therein: The Trustee is hereby requested and directed to execute and deliver the Bonds to the Underwriter in accordance with written instructions to be executed on behalf of the Authority by the Controller.

SECTION 11. The Controller is authorized to select a municipal bond insurer to insure payments of principal and interest with respect to the Bonds if the Controller determines that a municipal bond insurance policy issued by such insurer will result in a lower interest rate or yield to maturity with respect to the Bonds and to undertake all acts necessary to obtain such insurance. If the Controller determines that it is in the best interest of the Authority to obtain a surety bond or similar instrument, as permitted under the Indenture, for all or a portion of the Reserve Requirement (as defined in the Indenture), the Controller may enter into an agreement with a surety provider selected by the Controller.

SECTION 12. The Chairman, the Vice Chairman of this Board (the "Vice Chairman"), the Secretary, the Controller, and any other proper officer of the Authority are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Installment Purchase Agreement, the Indenture, the Purchase Contract, the Escrow Agreement, the Continuing Disclosure Agreement, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, and tax certificates, necessary and desirable to accomplish the transactions described in such documents or as set forth above.

SECTION 13. Any document the execution of which by the Chairman is authorized by this Resolution shall, in the absence or inability to act of the Chairman, be executed by the Vice Chairman or by any authorized designee of the Chairman or the Vice Chairman. Any document the execution of which by the Secretary is authorized by this Resolution shall, in the absence or inability to act of the Secretary, be executed by any person so designated in writing by the Secretary or by any other proper officer of the Authority acting on behalf of the Secretary. Any document the execution of which by the Controller is authorized by this Resolution shall, in the absence or inability to act of the Controller, be executed by the Assistant Controller of the Authority or, in the absence or inability to act of such Assistant Controller, by any other person so designated in writing by the Controller or by any other proper officer of the Authority acting on behalf of the Controller.

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

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

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

APPROVED AND ADOPTED this 28th day of October, 2014, by the following vote:

AYES:

NOES:

ABSENT:

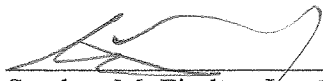
ABSTAIN:

Tim Flynn, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:



Stephen M. Fischer, Interim General Counsel

APPROVED AS TO CONTENT:



James Cameron, Authority Controller

AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT

by and between

CITY OF OXNARD

and the

CITY OF OXNARD FINANCING AUTHORITY

Dated as of November 1, 2014

RELATING TO

\$(PRINCIPAL AMOUNT)

CITY OF OXNARD FINANCING AUTHORITY

WASTEWATER REVENUE REFUNDING BONDS, SERIES 2014

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	2
SECTION 1.1 Definitions.....	2
ARTICLE II REPRESENTATIONS AND WARRANTIES	7
SECTION 2.1 Representations by the City	7
SECTION 2.2 Representations and Warranties by the Authority	8
ARTICLE III PURCHASE AND SALE OF THE 2004 PROJECT	8
SECTION 3.1 Representations and Warranties Regarding the 2004 Project.....	8
SECTION 3.2 Purchase and Sale of 2004 Project.....	8
SECTION 3.3 Access to 2004 Project.....	9
ARTICLE IV INSTALLMENT PAYMENTS.....	9
SECTION 4.1 Purchase Price	9
SECTION 4.2 Installment Payments	9
ARTICLE V SYSTEM REVENUES	10
SECTION 5.1 Pledge of the Net System Revenues	10
SECTION 5.2 Allocation of System Revenues	10
SECTION 5.3 Additional Obligations.....	11
ARTICLE VI COVENANTS OF THE CITY	12
SECTION 6.1 Compliance with Installment Purchase Agreement.....	12
SECTION 6.2 Against Encumbrances.....	13
SECTION 6.3 Reserve Fund.....	13
SECTION 6.4 Against Sale or Other Disposition of Property	13
SECTION 6.5 Against Competitive Facilities.....	13
SECTION 6.6 Maintenance and Operation of the Wastewater System; Budgets	14
SECTION 6.7 Amount of Rates and Charges, Operating Reserves	14
SECTION 6.8 Payment of Claims	14
SECTION 6.9 Compliance with Contracts.....	14
SECTION 6.10 Insurance	14
SECTION 6.11 Accounting Records; Financial Statements and Other Reports	15
SECTION 6.12 Protection of Security and Rights of the Authority.....	16
SECTION 6.13 Payment of Taxes and Compliance with Governmental Regulations.....	16
SECTION 6.14 Collection of Rates and Charges, No Free Service.....	16

SECTION 6.15 Eminent Domain Proceeds.....	16
SECTION 6.16 Tax Covenants.....	16
SECTION 6.17 Further Assurances.....	17
SECTION 6.18 Operate Wastewater System	17
ARTICLE VII RIGHT TO REDEEM	18
SECTION 7.1 Right to Redeem.....	18
SECTION 7.2 Notice.....	18
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY	18
SECTION 8.1 Events of Default and Acceleration of Maturities	18
SECTION 8.2 Application of Net System Revenues upon Acceleration.....	19
SECTION 8.3 Other Remedies of the Authority	19
SECTION 8.4 Non-Waiver.....	19
SECTION 8.5 Remedies Not Exclusive	20
ARTICLE IX DISCHARGE OF OBLIGATIONS.....	20
SECTION 9.1 Discharge of Obligations	20
ARTICLE X MISCELLANEOUS	20
SECTION 10.1 Liability of City Limited to System Revenues.....	20
SECTION 10.2 Benefits of Installment Purchase Agreement Limited to Parties	21
SECTION 10.3 Amendments	21
SECTION 10.4 Successor Is Deemed Included in all References to Predecessor	22
SECTION 10.5 Waiver of Personal Liability	22
SECTION 10.6 Article and Section Headings, Gender, and References	22
SECTION 10.7 Partial Invalidity.....	22
SECTION 10.8 Assignment.....	22
SECTION 10.9 Net Contract	22
SECTION 10.10 California Law	23
SECTION 10.11 Notices	23
SECTION 10.12 Effective Date	23
SECTION 10.13 Execution in Counterparts.....	23
EXHIBIT A DESCRIPTION OF 2004 PROJECT.....	A-1
EXHIBIT B INSTALLMENT PAYMENTS	B-1

AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT

This AMENDED AND RESTATED INSTALLMENT PURCHASE AGREEMENT, made and entered into as of November 1, 2014 (this "**Installment Purchase Agreement**"), by and between the CITY OF OXNARD, a municipal corporation organized and existing under the laws of the State of California (the "**City**"), and the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "**Authority**"), amends and restates in its entirety that certain Installment Purchase Agreement, dated as of June 1, 2004 (the "**2004 Installment Purchase Agreement**"), by and between the City and the Authority.

WITNESSETH:

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

WHEREAS, on June 22, 2004, the Authority issued its Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A, in the aggregate principal amount of \$80,000,000 (the "**2004 Bonds**"), pursuant to an Indenture, dated as of June 1, 2004 (the "**2004 Indenture**"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "**2004 Trustee**"), to finance the construction, acquisition, and improvement of certain trunk sewer facilities and a portion of a headworks project (collectively, the "**2004 Project**"); and

WHEREAS, the 2004 Bonds were secured by the payments to be made by the City from the Net System Revenues (as defined in the 2004 Installment Purchase Agreement) pursuant to the 2004 Installment Purchase Agreement; and

WHEREAS, the City and the Authority desire to refund the 2004 Bonds on a current refunding basis; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "**Law**"), the Authority is authorized to issue refunding bonds to refund the 2004 Bonds; and

WHEREAS, to refund the 2004 Bonds, the Authority will issue its Wastewater Revenue Refunding Bonds, Series 2014 (the "**Bonds**"), in the aggregate original principal amount of \$[PRINCIPAL AMOUNT]; and

WHEREAS, the Bonds will be secured by the installment payments to be made by the City from the Net System Revenues (as defined in this Installment Purchase Agreement) pursuant to this Installment Purchase Agreement; and

WHEREAS, all acts and proceedings required by law necessary to constitute this Installment Purchase Agreement 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 Installment Purchase Agreement has been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. Except as otherwise herein defined and unless the context otherwise requires, each of the capitalized terms used but not defined in this Installment Purchase Agreement shall have the same meaning set forth for such term in the Indenture. With respect to any defined term that is given a different meaning under this Installment Purchase Agreement than under the Indenture, as used herein it shall have the meaning described herein. Unless the context otherwise requires, the terms defined in this Section or in the Indenture, as applicable, 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 or in the Indenture, as applicable, with such definitions to be equally applicable to both the singular and plural forms of any such defined terms:

“Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

“Act” means the Marks-Roos Local Bond Pooling Act of 1985, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

“Additional Obligations” means Obligations other than the Installment Payments.

“Administrative Costs” means the ordinary and necessary administrative costs and incidental expenses related to the Bonds, the Indenture, this Installment Purchase Agreement, and any Additional Obligations, including, but not limited to Trustee fees (including any fees and expenses of its counsel) and indemnification payable by the Authority pursuant to the Indenture and fees incurred in connection with the calculation of arbitrage rebate due to the federal government with respect to the Bonds.

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

“Authorized City Representative” means the Treasurer (or his or her designee) of the City or the Chief Financial Officer (or his or her designee) of the City or such other officer or employee of the City or other person who has been designated as such representative by resolution of the City Council of the City.

“Bond Counsel” means a firm of attorneys that are nationally recognized as experts in the area of municipal finance.

“Bonds” means the City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014, issued under and pursuant to the Indenture.

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

“City Bonds” means all revenue bonds or notes of the City 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 System Revenues and that 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.

“Consultant” means the consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant, or accounting firm retained by the City to perform the acts and carry out the duties provided for such consultant in this Installment Purchase Agreement. Such consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant, or accounting firm shall be recognized within its profession for work of the character required.

“Contract Payment Date” means any date on which Contract Payments are scheduled to be paid by the City under and pursuant to any Contract.

“Contract Payments” means the Installment Payments due and payable under this Installment Purchase Agreement or the 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 City under and pursuant to the Contracts.

“Contracts” means this 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 installment or lease payments under which are payable from the Net System Revenues on a parity with the Installment Payments.

“Corporation” means the City of Oxnard Public Facilities Corporation.

“Debt Service” means, for any Fiscal Year or other period, the sum of (i) the interest payable during such Fiscal Year or other 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 that falls in such Fiscal Year or other period, (3) that portion of the principal amount of all outstanding term City Bonds required to be redeemed or paid on any redemption date that falls in such Fiscal Year or other period (together with the redemption premiums, if any, thereon), and (4) that portion of the Contract Payments required to be made in such Fiscal Year or other period. For purposes of calculating Debt Service, the following assumptions shall be used:

(a) in determining the principal amount due in each Fiscal Year or other period, payment shall be assumed to be made in accordance with any amortization schedule established for such Obligations, including any scheduled payment at maturity or mandatory redemption or

prepayment of Obligations on the basis of value, and for such purpose, the scheduled payment at maturity or redemption payment or prepayment shall be deemed a principal payment;

(b) in determining the interest due in each Fiscal Year or other period, interest payable at a fixed rate shall be assumed to be made at such fixed rate and on the required payment dates;

(c) if any outstanding Obligations constitute Variable Rate Indebtedness, the interest rate on such Obligations shall be assumed to be one hundred ten percent (110%) of the greater of (i) the daily average interest rate on such Obligations during the twelve (12) calendar months ending with the month preceding the date of calculation, or (ii) the rate of interest on such Obligations on the date of calculation;

(d) in the event that the City shall issue Additional Obligations that bear interest at a variable rate, such Additional Obligations shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation or, if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities plus fifty (50) basis points.

Notwithstanding the foregoing, for purposes of any rate covenant 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;

(e) if moneys or Permitted Investments have been deposited by the City into a separate fund or account or are otherwise held by the City or by a fiduciary to be used to pay Debt Service on specified Obligations, and such Obligations are discharged, or no longer outstanding, pursuant to the terms of the instrument under which they are issued or arise, then the Debt Service to be paid from such moneys or Permitted Investments, or from the earnings thereon, shall be disregarded and not included in calculating Debt Service;

(f) 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 Obligations for which such debt service reserve fund was established and in each preceding year until such amount is exhausted; and

(g) with respect to Contract Payments, including the Installment Payments, that are not comprised of separate payments of interest and principal but that, rather, are required pursuant to the instrument under which they arise to be paid in amounts sufficient to pay principal and interest on bonds, notes, or other obligations of an entity other than the City, for purposes of calculating Debt Service, interest payments and principal payment (whether at maturity or by redemption or prepayment) with respect to such bonds, notes, or other obligations shall be deemed to be interest payments and principal payments with respect to such Contract

Payments; provided, however, that for purposes of such calculation, the Contract Payment Dates applicable to such Contract Payments shall be used, whether or not such Contract Payment Dates coincide with the dates on which such Contract Payments are to be applied to the payment of interest and principal with respect to such bonds, notes, or other obligations.

“Engineer’s Report” means a report signed by an Independent Engineer.

“Event of Default” means an event described in Section 8.1 hereof.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period selected and designated as the official Fiscal Year of the City.

“Indenture” means the Indenture, dated as of November 1, 2014, by and between 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 firm of certified public accountants appointed by the City, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Engineer” means any registered engineer or firm of registered engineers generally recognized to be well qualified in engineering matters relating to systems, appointed and paid by the City.

“Installment Payment Date” means each June 1 and December 1, commencing June 1, 2015.

“Installment Payments” means the Installment Payments scheduled to be paid by the City under and pursuant to this Installment Purchase Agreement as set forth in Exhibit B hereto.

“Installment Purchase Agreement” means this Amended and Restated Installment Purchase Agreement, dated as of November 1, 2014, by and between the City and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

“Law” means Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code).

“Maintenance and Operations Costs of the Wastewater System” means, for any Fiscal Year or other period, the reasonable and necessary costs spent or incurred by the City for maintaining and operating the Wastewater System, calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Wastewater System in good repair and working order, and including Administrative Costs, salaries and wages of employees, payments to employee retirement systems (to the extent paid from System Revenues), 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 required to be paid by it to comply with the terms of the Bonds, this Installment Purchase Agreement, or any Additional Obligations, including any amounts required to be deposited in the Rebate Fund pursuant to the Tax Certificate, but excluding in all cases (i) depreciation and replacement and obsolescence charges or reserves therefor, (ii) amortization of intangibles or other bookkeeping entries of a similar nature, (iii) costs of capital additions, replacements, betterments, extensions, or improvements to the Wastewater System, which under generally accepted accounting principles are chargeable to a capital account or to a reserve for depreciation, (iv) charges for the payment of principal and interest on any general obligation bond heretofore or hereafter issued for Wastewater System purposes, and (v) charges for the payment of any debt service on the Obligations or on any obligation subordinate to the Obligations.

“Maximum Annual Debt Service” means, at any point in time, with respect to Obligations then outstanding, the maximum amount of Debt Service on the Obligations in the then current or any future Fiscal Year or other period, calculated by the City or by an Independent Certified Public Accountant and provided to the Trustee.

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

“Net System Revenues” means System Revenues less the Maintenance and Operation Costs of the Wastewater System.

“Obligations” means City Bonds and Contract Payments.

“Purchase Price” means the amount to be paid by the City to the Authority for the purchase of the 2004 Project under the terms hereof, as provided in Section 4.1 hereof.

“System Revenues” means, for any Fiscal Year or other period, all rates, fees, and charges received for, and all other income and receipts derived by the City from, the operation of the Wastewater System or arising from the Wastewater System, determined in accordance with generally accepted accounting principles, including all proceeds of insurance covering business interruption loss relating to the Wastewater System, investment earnings on such amounts, and all other money howsoever derived by the City from the operation of the Wastewater System or arising from the Wastewater System; provided, however, that System Revenues shall include fees and charges collected during such Fiscal Year or other period, but only to the extent that such fees and charges could be properly expended on a Wastewater System Project for which the proceeds were used or are available to be used.

“2004 Bonds” means the \$80,000,000 in original principal amount of the City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Project), 2004 Series A.

“2004 Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of June 1, 2004, by and between the City and the Authority

“2004 Project” means the construction, acquisition, and improvement of certain trunk sewer facilities and a portion of the headworks project financed with the proceeds of the 2004 Bonds, as described in Exhibit A hereto.

“Variable Rate Indebtedness” means any portion of any Obligations the interest rate on which is not fixed at the time of issuance of such Obligations and has not, at some subsequent date, been fixed at a rate that is not subject to fluctuation or subsequent adjustment.

“Wastewater Revenue Fund” means the fund established by the City into which the City will deposit System Revenues as provided in Section 5.2 hereof.

“Wastewater System” means the entire wastewater system of the City, including without limitation all improvements, works, or facilities owned, controlled, or operated by the City to provide wastewater service as such improvements, works, or facilities now exist, together with all additions to improvements of and extensions to said wastewater system later constructed or organized.

“Wastewater System Project” means any additions, betterments, extensions, or improvements to the Wastewater System.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1 Representations by the City. The City makes the following representations:

(a) The City is a municipal corporation organized and existing under the laws of the State of California.

(b) The City has full legal right, power, and authority to enter into this Installment Purchase Agreement and carry out its obligations hereunder, to carry out and consummate all transactions contemplated by this Installment Purchase Agreement, and the City has complied with the applicable provisions of the laws of the State of California in all matters relating to such transactions.

(c) By proper action, the City has duly authorized the execution, delivery, and due performance of this Installment Purchase Agreement, and this Installment Purchase Agreement constitutes a legal, valid, and binding obligation of the City enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting creditors' remedies generally or the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

(d) The execution and delivery of this Installment Purchase 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 City 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 City.

(e) The City has determined that it is necessary and proper for City uses and purposes that the City acquire the 2004 Project in the manner provided for in this Installment Purchase Agreement, in order to provide essential services and facilities to the persons residing in the City.

(f) The City has further determined that it is in the best interest of the City to provide for the payments for the 2004 Project pursuant to the terms and conditions of this Installment Purchase Agreement.

SECTION 2.2 Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers entity organized and existing under the laws of the State of California.

(b) The Authority has full legal right, power, and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions contemplated by this Installment Purchase Agreement, and the Authority has complied with the provisions of the Act in all matters relating to such transactions.

(c) By proper action, the Authority has duly authorized the execution, delivery, and due performance of this Installment Purchase Agreement, and this Installment Purchase Agreement constitutes a legal, valid, and binding obligation of the Authority enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, or other laws affecting creditors' remedies generally or the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

(d) The execution and delivery of this Installment Purchase 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.

ARTICLE III

PURCHASE AND SALE OF THE 2004 PROJECT

SECTION 3.1 Representations and Warranties Regarding the 2004 Project. The Authority represents and warrants that it has title to the 2004 Project.

SECTION 3.2 Purchase and Sale of 2004 Project. The City hereby purchases from the Authority, and the Authority hereby sells to the City, for the Purchase Price, the 2004 Project

in accordance with the provisions of this Installment Purchase Agreement. All right, title, and interest in the 2004 Project sold to the City by the Authority shall immediately vest in the City on the Closing Date without further action on the part of the City or the Authority.

SECTION 3.3 Access to 2004 Project. The Trustee [CONFIRM GLOBALLY:] [and the Bond Insurer] shall have the right to examine and inspect the 2004 Project during reasonable business hours. The Trustee shall have no duty to examine or inspect the 2004 Project.

ARTICLE IV

INSTALLMENT PAYMENTS

SECTION 4.1 Purchase Price. The Purchase Price to be paid by the City hereunder to the Authority, solely from Net System Revenues and from no other sources, is the aggregate amount of debt service scheduled to be paid on the Bonds, subject to prepayment as provided in Article VII hereof.

SECTION 4.2 Installment Payments.

(a) The City shall, subject to any rights of prepayment provided in Article VII hereof, pay to the Authority, solely from Net System Revenues and from no other sources, the Purchase Price in Installment Payments to June 1, 2034, in the amounts and on the Installment Payment Dates as set forth in Exhibit B hereto. Pursuant to the Indenture, the Installment Payments are to be applied to the payment of the principal of and interest on the Bonds and Installment Payments shall be made in amounts that are sufficient, but no more than sufficient, to pay the scheduled payments of principal of and interest on the Outstanding Bonds. If and to the extent that, on any Installment Payment Date, there are amounts on deposit in the Payment Fund established under the Indenture, which amounts are not being held for the payment of specific Bonds, said amounts shall be credited against the Installment Payment due on such date. If all or a portion of the Bonds are no longer Outstanding as a result of redemption or defeasance of such Bonds, the schedule of Installment Payments set forth in Exhibit B hereto shall be deemed to have been modified so that the Installment Payments are sufficient, but no more than sufficient, to pay the scheduled payments of principal of and interest on the Outstanding Bonds. Upon any such redemption or defeasance, the City shall recalculate Installment Payments and shall provide the Trustee with a modified schedule of Installment Payments.

(b) Each Installment Payment shall be paid to the Trustee, as assignee of the Authority, no later than one (1) Business Day prior to the applicable Installment Payment Date, in lawful money of the United States of America, in funds that will be immediately available following payment. In the event the City 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 City until such amount shall have been fully paid.

(c) The City shall, on or before June 30 of each Fiscal Year, deposit or cause to be deposited, solely from Net System Revenues, in the Reserve Fund such amounts as are necessary to increase the amount on deposit therein to the Reserve Requirement for the Bond Year in which such June 30 occurs. Furthermore, in the event that the Trustee at any time notifies the

City that the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall deposit or cause to be deposited, solely from Net System Revenues, in the Reserve Fund such amounts as are necessary to increase the amount on deposit therein to the Reserve Requirement. [CONFIRM:] The foregoing deposits by the City shall include, without limitation, the repayment of any drawings under the Reserve Fund Surety Bond.

(d) The obligation of the City to make the Installment Payments solely from Net System Revenues is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX hereof), the City shall not discontinue or suspend any Installment Payments required to be made by it under this Section when due, whether or not the 2004 Project 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 Installment Payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SYSTEM REVENUES

SECTION 5.1 Pledge of the Net System Revenues. All Net System Revenues are hereby pledged to the payment of the Obligations as provided herein, and the Net System Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided, however, that out of the Net System Revenues there may be apportioned such sums for such purposes as are expressly permitted by this Article. This pledge shall constitute a first lien on the Net System Revenues for the payment of the Obligations.

SECTION 5.2 Allocation of System Revenues.

(a) In order to carry out and effectuate the pledge contained in Section 5.1 hereof, the City agrees and covenants that all System Revenues shall be received by the City in trust and shall be deposited when and as received in the Wastewater Revenue Fund, which fund the City agrees and covenants to maintain so long as any Installment Payments remain unpaid, and all moneys in the Wastewater Revenue Fund shall be so held in trust and applied and used solely as provided herein. The City shall disburse System Revenues from the Wastewater Revenue Fund to pay, in the following order of priority, (i) all Maintenance and Operation Costs of the Wastewater System, (ii) to (x) the Trustee, as assignee of the Authority, the Installment Payments as and when due hereunder and (y) the appropriate entity, the Contract Payments (other than Installment Payments) and principal and interest payments on City Bonds as and when they become due and payable pursuant to the instrument under which they are issued or arise, and (iii) to (1) the Reserve Fund created under the Indenture, any amounts necessary to make up any deficiency in the Reserve Requirement and (2) the reserve fund created with respect to or for the benefit of any other Obligation, any amounts necessary to make up any deficiency in such fund. In the event there are insufficient Net System Revenues to make all of the payments contemplated by clause (ii) of this subsection (a), then said payments provided shall be made, as nearly as practicable, pro rata, based upon the respective principal amounts of the Installment Payments, City Bonds, and other Contract Payments then due and payable. In the event there are

insufficient Net System Revenues to make all of the payments contemplated by clause (iii) of this subsection (a), then said payments provided shall be made, as nearly as practicable, pro rata, based upon the respective deficient amounts in the applicable reserve funds.

(b) After all of the payments contemplated by the immediately preceding paragraph have been made, any System Revenues remaining in the Wastewater Revenue Fund may from time to time be used to pay for capital expenditures for the Wastewater System or any other Wastewater System purpose, including payments on account of subordinated debt, provided that, after any such payment, there will remain in the Wastewater Revenue Fund an amount at least equal to the amount reasonably estimated by the City to be needed to provide for the payment of all Maintenance and Operations Costs of the Wastewater System during the next forty-five (45) days.

SECTION 5.3 Additional Obligations. The City may at any time incur Additional Obligations payable on a parity with the payment by the City of the Installment Payments provided:

(a) there shall not have occurred and be continuing an Event of Default under the terms of this Installment Purchase Agreement or the Indenture; and

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

(i) the Net System Revenues as shown by the books of the City for the twelve (12) calendar months ending prior to the incurring of such Additional Obligations shall have amounted to at least the sum of (x) one hundred percent (100%) of Debt Service for such twelve (12) calendar month period, plus (y) the amount by which the amount on deposit in the Wastewater Revenue Fund on the date prior to the first day of such twelve (12) calendar month period was less than twenty-five percent (25%) of Maximum Annual Debt Service; for purposes of preparing the certificate or certificates described above, the Consultant or Consultants may rely upon financial statements prepared by the City, 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 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 Debt Service on all Obligations to be outstanding immediately after the incurring of such Additional Obligations; and

(iii) the amount on deposit in the Wastewater Revenue Fund on the date of incurring such Additional Obligations is at least equal to twenty-five percent (25%) of Maximum Annual Debt Service 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 System Revenues:

(i) may take into account any increases in rates and charges that relate to the Wastewater 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 System Revenues from any revenue producing additions to or improvements or extensions of the Wastewater 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 a Consultant;

(iii) for the period contemplated by clause (ii) above, Maintenance and Operation Costs of the Wastewater 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 Consultant, for any increased Maintenance and Operation Costs of the Wastewater System that are, in the judgment of the Consultant, essential to maintaining and operating the Wastewater System, including any additions or betterments thereto to be made with the proceeds of such Additional Obligations; and

(iv) **[CONFIRM:]** in the event that any amounts are owing and past due under the Reserve Fund Surety Bond to the Bond Insurer, the City shall not incur any Additional Obligations as provided in this Section 5.3 without the prior written consent of the Bond Insurer.

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 City Representative shall be delivered showing that Maximum Annual Debt Service on all outstanding Obligations 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.

ARTICLE VI

COVENANTS OF THE CITY

SECTION 6.1 Compliance with Installment Purchase Agreement. The City shall punctually pay the Installment Payments in strict conformity with the terms hereof, and shall faithfully observe and perform all the agreements, conditions, covenants, and terms contained herein required to be observed and performed by it, and shall not terminate this Installment Purchase 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 2004 Project, 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 City shall 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 Installment Purchase Agreement that, subject to Section 10.7 hereof, each of the agreements, conditions, covenants, and terms contained in each such contract and agreement is an essential and material term of the purchase of and payment for the 2004 Project by the City pursuant to, and in accordance with, and as authorized under the laws of the State of California.

SECTION 6.2 Against Encumbrances. The City shall not mortgage or otherwise encumber, pledge, or place any charge upon the Wastewater System or any part thereof, or upon any of the System Revenues, prior to or on a parity with the Obligations, other than the Obligations.

So long as any Obligations are outstanding, the City will not issue any bonds or incur obligations payable from System Revenues or secured by a pledge, lien, or charge upon the System Revenues prior to or on a parity with the Obligations, other than the Obligations.

Nothing in this Installment Purchase Agreement, and particularly nothing in the preceding two paragraphs, shall prevent the City from authorizing and issuing bonds, notes, warrants, certificates, or other obligations or evidences of indebtedness that as to principal or interest, or both, (i) are payable from System Revenues after and subordinate to the payment from System Revenues of the principal of and interest on the Obligations, or (ii) are payable from moneys that are not System Revenues.

SECTION 6.3 Reserve Fund. The City shall maintain or cause to be maintained the Reserve Fund at the Reserve Requirement. In the event the amount therein falls below the Reserve Requirement, the City shall replenish or cause to be replenished the Reserve Fund up to the Reserve Requirement from the first available Net System Revenues as provided in Section 4.2(c) hereof or as otherwise permitted under the Indenture.

SECTION 6.4 Against Sale or Other Disposition of Property. The City shall not sell, lease, or otherwise dispose of the Wastewater System or any part thereof essential to the proper operation of the Wastewater System or to the maintenance of the System Revenues, except as provided in Section 6.18 hereof. The City shall not enter into any agreement or lease that impairs the operation of the Wastewater System or any part thereof necessary to secure adequate Net System Revenues for the payment of the Obligations or that would otherwise impair the rights of the Authority with respect to the System Revenues or the operation of the Wastewater System. Any real or personal property that has become inoperative or that is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment that has become worn out, may be sold if such sale will not materially reduce the Net System Revenues and if the proceeds of such sale are deposited in the Wastewater Revenue Fund.

SECTION 6.5 Against Competitive Facilities. The City shall not, to the extent permitted by existing law, construct, acquire, maintain, or operate and shall not, to the extent

permitted by existing law and within the scope of its powers, permit any other public or private agency, authority, district, or political subdivision or any person whomsoever to acquire, construct, maintain, or operate within the City any system competitive with the Wastewater System.

SECTION 6.6 Maintenance and Operation of the Wastewater System; Budgets.

The City shall maintain and preserve the Wastewater System in good repair and working order at all times and shall operate or cause to be operated the Wastewater System in an efficient and economical manner and shall pay or cause to be paid all Maintenance and Operation Costs of the Wastewater System as they become due and payable. On or before August 1 of each Fiscal Year, commencing August 1, 2015, the City shall adopt, and, on or before three hundred (300) days after the beginning of the Fiscal Year, file with the Authority, the Bond Insurer, and the Trustee a budget approved by the City Council of the City that appropriates amounts for the payment of Obligations payable during such Fiscal Year.

SECTION 6.7 Amount of Rates and Charges, Operating Reserves. The City shall fix, prescribe, and collect fees, rates, and charges for the Wastewater System that will be at least sufficient to yield during each Fiscal Year Net 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 Bond Insurer under the Reserve Fund Surety Bond, plus (b) the amount by which the amount on deposit in the Wastewater 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 shall not reduce the rates and charges then in effect unless the Net System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this Section.

SECTION 6.8 Payment of Claims. The City shall pay and discharge any and all lawful claims for labor, materials, or supplies that, if unpaid, might become a lien on the Net System Revenues or any part thereof or on any funds in the hands of the City or the Trustee that might impair the security of the Installment Payments, but the City shall not be required to pay such claims if the validity thereof shall be contested in good faith.

SECTION 6.9 Compliance with Contracts. The City shall comply with, keep, observe, and perform all agreements, conditions, covenants, and terms, express or implied, required to be performed by it contained in all contracts for the use of the Wastewater System and all other contracts affecting or involving the Wastewater System to the extent that the City is a party thereto.

SECTION 6.10 Insurance.

(a) The City shall procure and maintain or cause to be procured and maintained insurance on the Wastewater System with responsible insurers, or provide self-insurance (which may be provided in the form of risk-sharing pools), in such amounts and against such risks (including accident to or destruction of the Wastewater System) as are usually covered in connection with systems similar to the Wastewater System, exclusive of earthquake and flood

insurance. In the event of any damage to or destruction of the Wastewater System caused by the perils covered by such insurance or self-insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair, or replacement of the damaged or destroyed portion of the Wastewater System. The City 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 Wastewater System shall be free and clear of all claims and liens unless the City determines that such property or facility is not necessary to the efficient or proper operation of the Wastewater System and therefore determines not to reconstruct, repair, or replace such project or facility. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds shall be deposited in the Wastewater Revenue Fund and be available for other proper uses of funds deposited in the Wastewater Revenue Fund.

(b) The City shall procure and maintain such other insurance that 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 systems similar to the Wastewater System; provided that any 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 systems similar to the Wastewater System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance required to be maintained herein shall, to extent reasonably obtainable, 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 City shall certify in a Certificate of an Authorized City Representative to the Trustee annually on or before July 1 of each Fiscal Year that it is in compliance with the insurance requirements hereunder, provided that the Trustee shall not be responsible for obtaining or maintaining insurance as herein required. If the City has elected to satisfy any insurance requirement hereunder through self-insurance, the City shall provide to the Trustee annually on or before July 1 of each Fiscal Year a certificate of an accredited actuary or an Authorized City Representative, at the option of the City, certifying in writing that such self-insurance is adequate to meet the particular requirements hereof.

SECTION 6.11 Accounting Records; Financial Statements and Other Reports.

(a) The City shall keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Wastewater System, which records shall be available for inspection by the Authority, the Bond Insurer, and the Trustee at reasonable hours and under reasonable conditions. The Trustee shall have no duty to inspect such records.

(b) The City shall prepare and file with the Authority and the Bond Insurer annually within three hundred (300) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2014) financial statements of the City for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon. Unless included in such financial statements of the City, the City

shall also prepare and file with the Authority and the Bond Insurer at the same time a calculation demonstrating compliance in such Fiscal Year with the rate covenant set forth in Section 6.7 hereof.

SECTION 6.12 Protection of Security and Rights of the Authority. The City shall preserve and protect the security hereof and the rights of the Authority to the Installment Payments hereunder and shall warrant and defend such rights against all claims and demands of all persons.

SECTION 6.13 Payment of Taxes and Compliance with Governmental Regulations. The City shall pay and discharge all taxes, assessments, and other governmental charges that may hereafter be lawfully imposed upon the Wastewater System or any part thereof or upon the System Revenues when the same shall become due. The City shall duly observe and comply with all valid regulations and requirements of any governmental authority relative to the operation of the Wastewater System or any part thereof, but the City 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 6.14 Collection of Rates and Charges, No Free Service. The City shall have in effect at all times rules and regulations for the payment of bills for Wastewater Services. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City may discontinue the service, and such premises shall not thereafter be reconnected to the service except in accordance with City operating rules and regulations governing such situations of delinquency. The City shall not permit any part of the Wastewater System or any facility thereof to be used or taken advantage of free of charge by any authority, firm, or person, or by any public agency (including the United States of America, the State of California, and any city, county, district, political subdivision, or public authority or agency of any thereof).

SECTION 6.15 Eminent Domain Proceeds. If all or any part of the Wastewater System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied to the replacement of the property or facilities so taken, unless the City determines that such property or facility is not necessary to the efficient or proper operation of the Wastewater System and therefore determines not to replace such property or facilities. Any Net Proceeds of such award not applied to replacement or remaining after such work has been completed shall be deposited in the Wastewater Revenue Fund and be available for other proper uses of funds deposited in the Wastewater Revenue Fund.

SECTION 6.16 Tax Covenants. The City shall contest by court action or otherwise any assertion by the United States of America or any department or agency thereof that the interest received by the Owners is includable in gross income of such recipients under federal income tax laws. Notwithstanding any other provision of this Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds will not be adversely affected for federal income tax purposes, the City shall comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and the City specifically covenants, without limiting the generality of the foregoing, as follows:

1. **Private Activity.** The City shall take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other moneys or property that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

2. **Arbitrage.** The City shall make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action that will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

3. **Federal Guaranty.** The City shall make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

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

5. **Hedge Bonds.** The City shall make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

6. **Miscellaneous.** The City shall take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the City in connection with the issuance of the Bonds and shall comply with the covenants and requirements stated therein and incorporated by reference herein.

SECTION 6.17 Further Assurances. The City shall 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 6.18 Operate Wastewater System. The City shall operate the Wastewater System in an efficient and economical manner, provided that the City may remove from service on a temporary or permanent basis such part or parts of the Wastewater System, so long as the City shall have filed with the Trustee an Engineer’s Report stating that such removal will not materially adversely affect Net System Revenues. Notwithstanding the foregoing, the City may contract with one or more public or private operators to operate and maintain all or any portion of the Wastewater System; provided that said operation is under the supervision of the City and all revenue derived from the operation of the Wastewater System will be deposited in the Wastewater Revenue Fund.

ARTICLE VII

RIGHT TO REDEEM

SECTION 7.1 Right to Redeem. On or after June 1, 20__, the City shall have the right to cause Bonds to be redeemed in accordance with Section 3.01(a) of the Indenture, by providing the Trustee with funds sufficient for such purpose (which funds may be derived by the City from any source) and giving notice as provided in Section 7.2 hereof. Any such redemption of Bonds shall cause a recalculation of the schedule of Installment Payments set forth in Exhibit B hereto as provided in Section 4.2(a) hereof.

SECTION 7.2 Notice. Before exercising its right to cause Bonds to be redeemed pursuant to Section 7.1 hereof, the City shall give written notice to the Trustee and the Bond Insurer providing the Bond Insurance Policy with respect to such Bonds of its intention to exercise such right, specifying the date on which such redemption shall be made, which written notice shall be given not less than ten (10) days prior to the last date upon which the Trustee is permitted to give notice to the Owners of Bonds of such redemption on such redemption date in accordance with Section 3.03 of the Indenture, and which notice shall specify the amounts and maturities of Bonds to be redeemed.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

SECTION 8.1 Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen, that is to say —

(i) if default shall be made in the due and punctual payment of or on account of any Obligation as the same shall become due and payable;

(ii) if default shall be made by the City in the performance of any of the agreements or covenants required herein to be performed by it (other than as specified in (i) above), and such default shall have continued for a period of sixty (60) days after the City shall have been given notice in writing of such default by the Authority;

(iii) if any Event of Default shall have occurred under the Indenture and shall be continuing; or

(iv) if the City 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 City 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 City 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 the Authority shall upon the written request of the Owners of twenty-five percent (25%) or more of the aggregate Obligations outstanding, by notice in writing to the City, declare the entire principal amount of the unpaid 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 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 City shall deposit with the Authority a sum sufficient to pay the unpaid principal amount of the Installment Payments or the unpaid payment of any other Contract or City Bond referred to in clause (i) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable thereto 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 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 City, 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 8.2 Application of Net System Revenues upon Acceleration. All Net System Revenues received after the date of the declaration of acceleration by the Authority as provided in Section 8.1 hereof shall be applied as provided in Section 9.09 of the Indenture.

SECTION 8.3 Other Remedies of the Authority.

The Authority shall have the right, subject to receipt of consent from the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any councilmember, officer, or employee thereof, and to compel the City or any such councilmember, officer, or employee to perform and carry out its or his duties under 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

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

SECTION 8.4 Non-Waiver. Nothing in this Article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the

Installment Payments to the Authority at the respective due dates from the Net System Revenues and the other funds herein committed 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 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 City 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 8.5 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Authority 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 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 law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

SECTION 9.1 Discharge of Obligations.

If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon or if all Outstanding Bonds shall be deemed to have been paid at the times and in the manner stipulated in the Indenture, and if all amounts under the Surety Bond owing to the Bond Insurer shall have been paid, then all agreements, covenants, and other obligations of the City hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Liability of City Limited to System Revenues. Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Net System Revenues and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or

covenants required to be performed by it contained herein. The City may, however, but in no event shall be obligated to, 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 City for such purpose.

The obligation of the City to make the Installment Payments is a special obligation of the City payable solely from such Net System Revenues and other funds provided for herein, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

SECTION 10.2 Benefits of Installment Purchase Agreement Limited to Parties.

Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Authority, the Bond Insurer, or the assigns of 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 City or the Authority shall be for the sole and exclusive benefit of the other party, the Bond Insurer, or the assigns of the Authority.

SECTION 10.3 Amendments. This Installment Purchase Agreement may be amended in writing as may be mutually agreed by the City and the Authority, with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding pursuant to the Indenture, provided that no such amendment shall (a) extend the payment date of any Installment Payment, or reduce the amount of any Installment Payment without the prior written consent of the Owner of each Bond so affected, (b) reduce the percentage of principal amount of Bonds the consent of the Owners of which is required for the execution of any amendment of this Installment Purchase Agreement, or (c) amend the provisions of Section 6.16 hereof without an unqualified opinion of Bond Counsel to the effect that such amendment does not materially adversely affect the exclusion of interest on the Bonds received by the Owners from gross income for federal income tax purposes.

This Installment Purchase Agreement and the rights and obligations of the City and the Authority hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution by the City and the Authority, without the written consent of any Owners of the Bonds or the Bond Insurer, but with notice to the Bond Insurer, but only to the extent permitted by law and only upon receipt of an unqualified opinion of Bond Counsel selected by the City and approved by the Authority to the effect that such amendment or supplement is permitted by the provisions of this Installment Purchase Agreement and is not inconsistent with this Installment Purchase Agreement and does not adversely affect the exclusion of interest on the Bonds received by the Owners thereof from gross income for federal income tax purposes, and only for any one or more of the following purposes —

- (i) to add to the covenants and agreements of the Authority or the City contained in this Installment Purchase 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 City, and that shall not materially adversely affect the interests of the Owners of the Bonds;

(ii) to cure, correct, or supplement any ambiguous or defective provision contained in this Installment Purchase Agreement or in regard to questions arising under this Installment Purchase Agreement, as the Authority or the City may deem necessary or desirable and that shall not materially adversely affect the interests of the Owners of the Bonds; or

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

SECTION 10.4 Successor Is Deemed Included in all References to Predecessor.

Whenever either the City 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 City or the Authority, and all agreements and covenants required hereby to be performed by or on behalf of the City or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10.5 Waiver of Personal Liability. No official, officer, or employee of the City shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any official, officer, or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

SECTION 10.6 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," "hereunder," and other words of similar import refer to this Installment Purchase Agreement as a whole and not to any particular article, section, subdivision, or clause hereof.

SECTION 10.7 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 City 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.

SECTION 10.8 Assignment. This Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the City. The assignment of this Installment Purchase Agreement to the Trustee is solely in its capacity as Trustee under the Indenture and the duties, powers, and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, the provisions of Article VII thereof.

SECTION 10.9 Net Contract. This Installment Purchase Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during the term hereof

the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution, or setoff whatsoever.

SECTION 10.10 California Law. This Installment Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 10.11 Notices. All notices, requests, demands, and other communications under this Installment Purchase Agreement by any person shall be in writing (unless otherwise specified herein) and shall be given, at the times, in the forms, via the delivery methods, to the parties, and at the addresses and otherwise as set forth in and in accordance with Section 11.13 of the Indenture.

SECTION 10.12 Effective Date. This Installment Purchase Agreement shall become effective as of the Closing Date; provided that the Indenture is signed and delivered contemporaneously with this Installment Purchase Agreement. This Installment Purchase Agreement shall terminate when the Purchase Price shall have been fully paid or when there are no longer any Bonds Outstanding.

SECTION 10.13 Execution in Counterparts. This Installment Purchase 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.

[The remainder of this page is intentionally left blank.]

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: _____
Tim Flynn, Mayor

Attest:

Daniel Martinez, City Clerk

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Tim Flynn, Chairman

Attest:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

Stephen M. Fischer, Interim City Attorney and
Interim Authority General Counsel

APPROVED AS TO CONTENT:

James Cameron, City Chief Financial Officer
and Authority Controller

EXHIBIT A

DESCRIPTION OF 2004 PROJECT

The 2004 Project consists of the construction, acquisition, and improvement of (1) the Redwood Trunk Sewer Project, which generally includes (a) approximately 18,000 feet of new 48-inch to 60-inch diameter gravity sewer line (from Redwood Street and Ventura Road to the new Headworks Project (generally described below) at the Wastewater Treatment Plant and in Ventura Road from Redwood Street to Hemlock Street); (b) approximately 27,000 feet of new 36-inch to 42-inch diameter gravity sewer line (in Gonzales Road from Ventura Road to Oxnard Boulevard); (c) approximately 3,500 feet of new 39-inch to 42-inch diameter gravity sewer line and 3,500 feet of new 33-inch to 39-inch diameter force main (in Hemlock Street); and (d) upgrade or replacement of the Hemlock/Patterson Street Pump Station; and (2) the Headworks Project, which generally includes (a) new headworks area; (b) new mechanical bar screen facilities; (c) new grit removal and dewatering facilities; (d) influent pump station; and (e) new odor control facilities and support facilities; and (3) appurtenances and appurtenant work relating to the foregoing projects, including right of way acquisition.

EXHIBIT B
INSTALLMENT PAYMENTS

Period Ending	Principal	Interest	Debt Service
June 1, 2015	\$	\$	\$
December 1, 2015			
June 1, 2016			
December 1, 2016			
June 1, 2017			
December 1, 2017			
June 1, 2018			
December 1, 2018			
June 1, 2019			
December 1, 2019			
June 1, 2020			
December 1, 2020			
June 1, 2021			
December 1, 2021			
June 1, 2022			
December 1, 2022			
June 1, 2023			
December 1, 2023			
June 1, 2024			
December 1, 2024			
June 1, 2025			
December 1, 2025			
June 1, 2026			
December 1, 2026			
June 1, 2027			
December 1, 2027			
June 1, 2028			
December 1, 2028			
June 1, 2029			
December 1, 2029			
June 1, 2030			
December 1, 2030			
June 1, 2031			
December 1, 2031			
June 1, 2032			
December 1, 2032			
June 1, 2033			
December 1, 2033			
June 1, 2034			
Totals	\$(PRINCIPAL AMOUNT)	\$	\$

\$[PRINCIPAL AMOUNT]
City of Oxnard Financing Authority
Wastewater Revenue Refunding Bonds, Series 2014

November __, 2014

CONTRACT OF PURCHASE

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

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

Ladies and Gentlemen:

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

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

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for reoffering to the public, and the Authority hereby agrees to sell to the

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

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

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

4. The Authority hereby authorizes the use by the Underwriter of (i) the Indenture, (ii) the Installment Purchase Agreement, (iii) the Escrow Agreement, dated as of November 1, 2014 (the “**Escrow Agreement**”), by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the “**Escrow Agent**”), relating to the City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Project), Series 2004, (iv) the Continuing Disclosure Agreement, dated as of the Closing Date (the “**Continuing**

Disclosure Agreement”), by and between the Authority and the Trustee, as dissemination agent, (v) [**CONFIRM GLOBALLY:**] [the Insurance Agreement, dated November __, 2014 (the **“Insurance Agreement”**)], by and between the Authority and _____, a _____ insurance company (the **“Bond Insurer”**), with respect to the provision by the Bond Insurer of a Municipal Bond Debt Service Reserve Insurance Policy (the **“Reserve Policy”**) with respect to the Reserve Fund for the Bonds,] and (vi) the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Bonds. The Authority consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

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

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

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

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

(B) The Authority has the legal right and power to issue and deliver the Bonds and to execute and deliver, and to perform its obligations under, the Indenture, the Installment Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, the Insurance Agreement, and this Purchase Contract (collectively, the **“Authority Documents”**). The Authority has duly authorized the issuance and delivery of the Bonds and the execution and delivery of, and performance of its obligations under,

the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the application of equitable principles relating to or affecting creditors' rights generally, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(C) The Bonds are special limited obligations of the Authority and are payable, as to principal, premium (if any), and interest thereon, from a pledge of and lien on the Revenues.

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

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

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

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

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

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

(J) The Authority is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, consent, or other agreement to which the Authority is a party, including, the Installment Purchase Agreement dated as of June 1, 2004, the Installment Purchase Agreement dated as of November 1, 2004, the Installment Purchase Agreement dated as of May 1, 2006, and the Amended and Restated Installment Purchase Agreement dated as of October 1, 2013 (collectively, the “**Other Installment Purchase Agreements**”), each by and between the Authority and the City, and the Indenture dated as of June 1, 2004, the Amended and Restated Indenture dated as of August 1, 2008, the Indenture dated as of May 1, 2006, and or the Indenture dated as of October 1, 2013, each by and between the Authority and the Trustee, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any of the foregoing.

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

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

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

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

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

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

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

(A) The City is a municipal corporation of the State duly organized and validly existing under and by virtue of the Constitution and laws of the State and has the legal

right and power to execute, deliver, and perform its obligations under the Installment Purchase Agreement, and this Purchase Contract (collectively, the “City Documents”).

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

(C) The Installment Payments (as defined in the Installment Purchase Agreement) are special limited obligations of the City and are payable from a pledge of and lien on Net System Revenues (as defined in the Installment Purchase Agreement) and which payments have been duly and validly authorized pursuant to applicable law.

(D) The Bonds will be issued in accordance with the Indenture and will conform in all material respects to the descriptions thereof contained in the Official Statement.

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

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

(G) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any

governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds.

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

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

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

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

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

(M) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of the City, threatened (i) in any way questioning the existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the City Documents, or the payment or collection of any

amounts pledged or to be pledged to pay the Installment Payments or the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or any proceeding of the City taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the City and its authority to pledge the Net System Revenues; (iii) that may result in any material adverse change relating to the City that will materially adversely affect the City's ability to pay the Installment Payments when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

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

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

obligations under this Purchase Contract are and shall be subject to the following further conditions:

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

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

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

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

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

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

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

(ii) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or the President of the United States of America shall have committed the armed forces of the United States of America to combat so as to adversely affect the financial markets in the United States of America and that, in the reasonable opinion of the Underwriter (after consultation with, and receipt of advice from, the City or its financial advisor), materially adversely affects the market for the Bonds; or

(iii) there shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium shall have been declared by Federal, California, or New York authorities having jurisdiction and being in force; or

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

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

(vi) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation, or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale

of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) to the best knowledge of such counsel, the Official Statement (excluding therefrom financial statements and other statistical data included in the Official Statement, and any information with respect to DTC, the book-entry only

system, the Bond Insurer, the Bond Insurance Policy, and the Reserve Policy, as to which no view need be expressed) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

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

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

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

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

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

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

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

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

(vi) except as otherwise disclosed in the Official Statement, to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding, inquiry, or investigation at law or in equity, before or by any court, regulatory agency, or public board or body, pending or, to the best knowledge of such counsel, threatened (a) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices, (b) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the Authority Documents, or the payment or collection of any amounts pledged or to be pledged to pay the Installment Payments or the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby or any proceeding of the Authority taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to make the pledges set forth in the Indenture, (c) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority’s ability to perform its obligations under the Authority Documents, or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to

state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

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

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

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

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

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

(iii) the Installment Purchase Agreement is being entered into for the purpose of refunding the 2004 Installment Purchase Agreement; and

(iv) Maximum Annual Debt Service on all outstanding City Bonds or Contracts after the incurring of the obligations under the Installment Purchase Agreement will not exceed Maximum Annual Debt Service on all City Bonds or Contracts outstanding prior to the incurring of such obligations;

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

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

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

(8) a certificate, dated the date of the Preliminary Official Statement, from the Authority addressed to the Underwriter, in the form attached hereto as Exhibit B;

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

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

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

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

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

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

(vi) the execution, delivery and performance of the Bank Documents by the Bank and the consummation of the transactions contemplated thereby do not and will not (a) to the knowledge of such counsel, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Bank is a party or by which the Bank is bound or to which any of the property or assets of the Bank or any of its subsidiaries is

subject, (b) result in any violation of the provisions of the charter, articles of association, by-laws, or applicable resolutions of the Bank, or (c) to the knowledge of such counsel, result in any violation of any statute or any order, rule, or regulation of any court or government agency or body having jurisdiction over the Bank or any of its properties or assets; and

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

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

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

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

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

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

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

(vi) the execution and delivery by the Bank of the Bank Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Bank is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction

over the Bank or any of its activities or properties (except that no representation, warranty, or agreement need be made with respect to any federal or State securities or blue sky laws or regulations);

(vii) the Bank's action in executing and delivering the Bank Documents will not contravene the articles or bylaws of the Bank and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Bank is a party or any administrative or judicial decision by which the Bank is bound; and

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

(11) an opinion from Jones Hall, San Francisco, California, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the Closing Date, addressed to the Underwriter, to the effect that:

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

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

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

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

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

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

(16) evidence satisfactory to the Underwriter that the Reserve Policy shall have been issued by the Bond Insurer;

(17) one or more opinions of counsel to the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy and the Reserve Policy;

(18) one or more certificates of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy and the Reserve Policy;

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

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

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

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

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

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

If the City or the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall

terminate and none of the City, the Authority, or the Underwriter shall have any further obligation hereunder.

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

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

11. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City of Oxnard, 300 West Third Street, Oxnard, California 93030, Attention: Chief Financial Officer, or to such other person as the Chief Financial Officer may designate in writing. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the City of Oxnard Financing Authority, 300 West Third Street, Oxnard, California 93030, Attention: Controller, or to such other person as the Controller may designate in writing. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to RBC Capital Markets, LLC, 345 California Street, 28th Floor, San Francisco, California 94104, Attention: Robert L. Williams, Jr. The approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority.

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

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

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

14. This Purchase Contract when accepted by the Authority and the City in writing shall constitute the entire agreement among the City, the Authority, and the Underwriter and is made solely for the benefit of the City, the Authority, and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By: _____
Robert L. Williams, Jr.
Managing Director

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

CITY OF OXNARD FINANCING AUTHORITY

James Cameron
Controller

CITY OF OXNARD

James Cameron
Chief Financial Officer

EXHIBIT A

**\$(PRINCIPAL AMOUNT)
City of Oxnard Financing Authority
Wastewater Revenue Refunding Bonds, Series 2014**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price
2015	\$	%	%	
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
Total				

EXHIBIT B
“DEEMED FINAL CERTIFICATE”
FOR
PRELIMINARY OFFICIAL STATEMENT

[POS DATE], 2014

RBC Capital Markets, LLC
345 California Street, 28th Floor
San Francisco, California 94104
Attention: Robert L. Williams, Jr.

Re: City of Oxnard Financing Authority
Wastewater Revenue Refunding Bonds, Series 2014

Ladies and Gentlemen:

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

CITY OF OXNARD FINANCING AUTHORITY

James Cameron, Controller

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

\$ _____
CITY OF OXNARD FINANCING AUTHORITY
WASTEWATER REVENUE REFUNDING BONDS
SERIES 2014

Dated: Date of Delivery

Due: June 1, as shown on the inside cover

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

The City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (the “Bonds”), are being issued in the aggregate principal amount of \$ _____ by the City of Oxnard Financing Authority (the “Authority”) pursuant to (i) the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code), (ii) Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and (iii) the provisions of an Indenture, dated as of November 1, 2014 (the “Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions.”

A portion of the proceeds from the sale of the Bonds will be used to refund, on a current refunding basis, all of the outstanding City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A (the “2004 Bonds”), which 2004 Bonds were previously issued in the aggregate principal amount of \$80,000,000 and are currently outstanding in the aggregate principal amount of \$80,000,000. A portion of the proceeds from the sale of the Bonds will also be used to fund a reserve fund established for the Bonds under the Indenture, and to pay certain costs related to the issuance of the Bonds. The proceeds from the 2004 Bonds were used to finance the cost of certain capital improvements to the City’s Wastewater System (as defined herein). See “THE REFUNDING PLAN,” “THE BONDS – Estimated Sources and Uses of Bond Proceeds,” and “SECURITY FOR THE BONDS – Reserve Fund.”

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

Payments of interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent dispersal to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2015, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the designated corporate office of the Trustee upon maturity or the earlier redemption thereof.

The Bonds are subject to optional and mandatory sinking account redemption prior to the stated maturities thereof, as described herein. See “THE BONDS – Redemption of Bonds.”

The Bonds are limited obligations of the Authority, payable from certain installment payments (the “Installment Payments”) to be received by the Authority pursuant to an Amended and Restated Installment Purchase Agreement, dated as of November 1, 2014 (the “Installment Purchase Agreement”), by and between the Authority and the City, which Installment Purchase Agreement amends and restates in its entirety that certain Installment Purchase Agreement, dated as of June 1, 2004, by and between the City and the Authority (the “2004 Installment Purchase Agreement”). Pursuant to the Installment Sale Agreement, the Installment Payments are assigned by the Authority to the Trustee for the benefit of the Bond owners. The Bonds are further secured by certain amounts on deposit in funds and accounts held under the Indenture. See “SECURITY FOR THE BONDS.”

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REVENUES PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF VENTURA (THE “COUNTY”), THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE INSTALLMENT PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[Maturity Schedule set forth on inside cover]

The Bonds are offered when, as, and if delivered to and received by the Underwriter, subject to the approval of legality by Goodwin Procter LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by the Interim City Attorney and by Goodwin Procter LLP, Los Angeles, California, as Disclosure Counsel, and for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California, as Underwriter’s Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York on or about November ____, 2014.

RBC CAPITAL MARKETS

Dated: November ____, 2014

* Preliminary; subject to change.

Preliminary Official Statement - Oxnard 2014 Wastewater Refunding Bonds (3).DOC

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE

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

\$ _____ % Term Bond Due June 1, 20__ – Yield: _____ % (CUSIP ⁽¹⁾ No. _____)

\$ _____ % Term Bond Due June 1, 2034 – Yield: _____ % (CUSIP ⁽¹⁾ No. _____)

- (1) CUSIP® is a registered trademark of the American Bankers Association. Copyright© 1999-2014 American Bankers Association. All rights reserved. CUSIP® data are provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. These data are not intended to create a database and do not serve in any way as a substitute for CUSIP Global Services. CUSIP® numbers are provided for convenience of reference only. Neither the Authority nor the City takes any responsibility for the accuracy of such numbers.

CITY OF OXNARD, CALIFORNIA

MAYOR AND CITY COUNCIL

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

GOVERNING BOARD OF THE AUTHORITY

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

CITY OFFICIALS

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

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Goodwin Procter LLP
Los Angeles, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

Financial Advisor

First Southwest Company
Santa Monica, California

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

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

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

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

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS, AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	3
General	3
The City and the Wastewater System	3
Authorization	3
Purpose of Issuance	4
Registration, Date, and Maturity of Bonds	4
Payment of the Bonds	4
Redemption of Bonds	4
Security for the Bonds	5
Bond Insurance	5
Rate Covenant	6
Continuing Disclosure	6
Limited Obligations	6
Forward-Looking Statements	6
References Qualified	7
Additional Information	7
THE REFUNDING PLAN	7
THE BONDS	8
Authorization and Payment of Bonds	8
Redemption of Bonds	8
Notice of Redemption of Bonds; Effect of Notice	9
Book-Entry Only System	9
Estimated Sources and Uses of Bond Proceeds	11
Debt Service on Bonds and Parity Obligations	12
SECURITY FOR THE BONDS	12
Installment Payments	12
Net System Revenues	13
Rate Covenant	15
Reserve Fund	15
Limitations Regarding Additional Obligations	16
Insurance	17
Action On Default	17
Investment of Moneys	17
RISK FACTORS	18
Bonds are Limited Obligations	18
System Demand	18
Increased Regulations	18
Increased System Expenses	18
Seismic Activity; Flood Plain; Limited Insurance	19
Limited Recourse on Default	19
Limitations on Available Remedies	19
Absence of Market for the Bonds	20
Constitutional Limitations	20
Loss of Tax Exemption	20
Economic, Political, Social, and Environmental Conditions	20
CONSTITUTIONAL PROVISIONS AFFECTING WASTEWATER SYSTEM REVENUES AND	
EXPENDITURES	21
California Constitution Article XIII B Limitations	21
California Constitution Article XIII C and Article XIII D Limitations	21
Future Initiatives	23
THE AUTHORITY	23

THE 2004 PROJECT.....	24
Redwood Trunk Sewer Project.....	24
The Headworks Project	24
THE WASTEWATER SYSTEM.....	25
Background and Organization	25
Service Area	26
Sources of Wastewater System Revenues	27
Wastewater Rates and Charges.....	27
Wastewater Connection Fees.....	29
Actual and Projected Operating Results.....	31
Fiscal Year 2014-15 Wastewater System Budget.....	33
Outstanding Debt.....	33
Plans For Future Indebtedness.....	34
TAX MATTERS	34
Bond Counsel Opinion	34
Risk of Audit by Internal Revenue Service	35
Original Issue Discount and Premium	35
Information Reporting and Backup Withholding	36
RATING	36
CONTINUING DISCLOSURE.....	36
UNDERWRITING	37
FINANCIAL ADVISOR.....	37
LITIGATION	37
CERTAIN LEGAL MATTERS	38
MISCELLANEOUS.....	38
APPENDIX A	SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS.A-1
APPENDIX B	GENERAL INFORMATION CONCERNING THE CITY OF OXNARDB-1
APPENDIX C	CITY OF OXNARD COMPREHENSIVE ANNUAL FINANCIAL REPORT, FISCAL YEAR ENDED JUNE 30, 2013 C-1
APPENDIX D	FORM OF BOND COUNSEL OPINIOND-1
APPENDIX E	FORM OF CONTINUING DISCLOSURE AGREEMENT E-1

OFFICIAL STATEMENT
\$ _____*
CITY OF OXNARD FINANCING AUTHORITY
WASTEWATER REVENUE REFUNDING BONDS
SERIES 2014

INTRODUCTION

General

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

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

The City and the Wastewater System

The City of Oxnard (the “City”) was incorporated under the general laws of the State of California in 1903. The City is located in the western portion of Ventura County (the “County”), approximately 62 miles northwest of the City of Los Angeles. The population of the City was estimated to be approximately 200,855 in 2013, which represents approximately 24% of the County’s population. The City’s wastewater system (the “Wastewater System”) serves the entire City, as well as a small unincorporated area of the County. See “THE WASTEWATER SYSTEM” and “APPENDIX B – General Information Concerning the City of Oxnard.”

Authorization

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

* Preliminary; subject to change.

Purpose of Issuance

A portion of the proceeds from the sale of the Bonds will be used to refund, on a current refunding basis, all of the outstanding City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A (the "2004 Bonds"), which 2004 Bonds were previously issued in the aggregate principal amount of \$80,000,000 and are currently outstanding in the aggregate principal amount of \$80,000,000. A portion of the proceeds from the sale of the Bonds will also be used to fund a reserve fund established for the Bonds under the Indenture, and to pay certain costs related to the issuance of the Bonds. The proceeds from the 2004 Bonds were used to finance the cost of certain capital improvements to the City's Wastewater System (the "2004 Project"). See "THE REFUNDING PLAN," "THE BONDS – Estimated Sources and Uses of Bond Proceeds," and "SECURITY FOR THE BONDS – Reserve Fund."

Registration, Date, and Maturity of Bonds

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Bonds. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof.

Payment of the Bonds

Interest on the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2015 (each, an "Interest Payment Date"), and will be paid by check, mailed by first class mail to the registered owners thereof ("Owners") as of the fifteenth day of the calendar month preceding the applicable Interest Payment Date, whether or not such day is a Business Day (each, a "Record Date"); provided, however, that any Owner of \$1,000,000 or more aggregate principal amount of Bonds may request in writing payment of such interest by wire transfer in immediately available funds to a designated account in the United States. Principal of and any redemption premium with respect to each Bond will be paid upon surrender of such Bond at the designated corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. See "THE BONDS – Authorization and Payment of Bonds."

Redemption of Bonds

Optional Redemption of Bonds. The Bonds are subject to redemption prior to their respective Principal Payment Dates upon the exercise by the City of its right to cause the redemption of Bonds in accordance with the Installment Purchase Agreement, from and to the extent of any source of available funds, as a whole or in part on any Interest Payment Date on or after June 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued by unpaid interest to the redemption date, without premium. See "THE BONDS – Redemption of Bonds – Optional Redemption of Bonds."

Mandatory Sinking Account Redemption of Bonds. The Bonds maturing on June 1, 20__ and June 1, 2034, are subject to redemption prior to their stated maturity, in part, from Mandatory Sinking Account Payments, on the first Business Day of each June, commencing June 1, 20__, and June 1, 20__, respectively, at the principal thereof, plus accrued interest thereon to the date fixed for redemption, without premium. See "THE BONDS – Redemption of Bonds – Mandatory Redemption of Bonds."

Security for the Bonds

Bonds Payable from Revenues. The Bonds are limited obligations of the Authority and are payable solely from Revenues (defined below) received by the Trustee pursuant to the Indenture. Such Revenues are derived from the Installment Payments to be made by the City to the Authority pursuant to the Installment Purchase Agreement and the interest or profits from the investment of moneys on deposit in certain funds held under the Indenture (collectively, the “Revenues”). The Installment Payments are payable solely from Net System Revenues (as defined in the Installment Purchase Agreement), which are comprised of System Revenues less Maintenance and Operation Costs of the Wastewater System (as such terms are defined in the Installment Purchase Agreement). The obligation of the City to make Installment Payments is secured by a pledge of and lien on the Net System Revenues. Pursuant to the Installment Purchase Agreement, the City may incur Additional Obligations secured by the Net System Revenues on a parity with the Installment Payments to the extent the City can provide evidence that the Net System Revenues will be sufficient to meet certain debt coverage requirements as described herein. See “SECURITY FOR THE BONDS.”

Outstanding Parity Obligations. Upon the issuance of the Bonds, the following obligations payable on a parity and *pro rata* basis from separate installment payments secured by Net System Revenues will be outstanding: (i) the Bonds, (ii) the City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects), 2004 Series B, issued by the Authority on November 18, 2004, in the aggregate principal amount of \$23,975,000, of which \$18,710,000 are currently outstanding (the “2004 Series B Bonds”), (iii) the City of Oxnard Financing Authority Wastewater Revenue Bonds (Headworks Project), Series 2006, issued by the Authority on May 11, 2006, in the aggregate principal amount of \$12,575,000, of which \$10,630,000 are currently outstanding (the “2006 Bonds”); and (iv) the City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2013, issued by the Authority on October 30, 2013, in the aggregate amount of \$21,384,064, of which \$18,364,064 are currently outstanding (the “2013 Refunding Bonds”). The City may incur Additional Obligations payable on a parity with the Installment Payments that secure payment of the Bonds, subject to certain limitations and conditions set forth in the Installment Purchase Agreement. The Installment Payments that secure payment of the Bonds constitute Additional Obligations in relation to the respective installment payments that secure payment of the 2004 Series B Bonds, the 2006 Bonds, and the 2013 Refunding Bonds, and are also subject to such limitations and conditions. See “SECURITY FOR THE BONDS – Net System Revenues” and “– Limitations Regarding Additional Obligations.”

Reserve Fund. Pursuant to the Indenture, the City will be required to maintain amounts on deposit (or obtain one or more qualified reserve fund insurance policies or surety bonds in lieu of or guaranteeing such deposit) in the Reserve Fund, which is held by the Trustee and pledged to the payment of principal of and interest on the Bonds, in an amount equal to the Reserve Requirement (as defined herein). See “SECURITY FOR THE BONDS – Reserve Fund” and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Indenture.”

Bond Insurance

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

Rate Covenant

The Installment Purchase Agreement provides that the City will fix, prescribe, and collect rates and charges for the Wastewater System that will be at least sufficient to yield during each Fiscal Year Net System Revenues equal to the sum of (a) one-hundred percent (100%) of the "Debt Service" (defined in the Installment Purchase Agreement as principal, interest, and redemption premiums) due with respect to all outstanding Obligations, which include debt service payable with respect to all outstanding Bonds, 2004 Series B Bonds, 2006 Bonds, 2013 Refunding Bonds, and other Additional Obligations, if any, for such Fiscal Year, plus (b) the amount by which the amount on deposit in the Wastewater Revenue Fund (as defined in the Installment Purchase Agreement) 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 shall not reduce the rates and charges then in effect unless the Net System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements described above. See "SECURITY FOR THE BONDS – Rate Covenant."

Continuing Disclosure

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

Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Revenues pledged therefor under the Indenture. Neither the full faith and credit nor the taxing power of City, the County of Ventura (the "County"), the State of California (the "State"), or any political subdivision of the State is pledged to the payment of the principal of or interest on the Bonds. The Authority has no taxing power. The obligation of the City to make Installment Payments under the Installment Purchase Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Installment Payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction. For certain financial information with respect to the City and the Wastewater System, see "THE WASTEWATER SYSTEM."

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "propose," "estimate," "project," "budget," "anticipate," or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE WASTEWATER SYSTEM." The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the actual

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

References Qualified

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

Additional Information

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

THE REFUNDING PLAN

A portion of the proceeds from the sale of the Bonds will be used to refund, on a current refunding basis, all of the outstanding 2004 Bonds, which 2004 Bonds were previously issued in the aggregate principal amount of \$80,000,000 and are currently outstanding in the aggregate principal amount of \$80,000,000. The proceeds from the sale of the 2004 Bonds were used to finance the cost of certain capital improvements to the Wastewater System. The Authority is authorized to issue the Bonds to refund the outstanding 2004 Bonds pursuant to the Act and the Refunding Law.

The 2004 Bonds were previously issued by the Authority pursuant to, and will be refunded in accordance with, the terms of that certain Indenture, dated as of June 1, 2004 (the "2004 Indenture"), by and between the City and the Trustee, as trustee for the 2004 Bonds (the "2004 Trustee"). Upon the issuance of the Bonds, a portion of the proceeds from the sale of the Bonds (the "Refunding Proceeds"), together with certain other available moneys then on deposit in the funds and accounts established under the 2004 Indenture and held by the 2004 Trustee (together with the Refunding Proceeds, the "Escrow Proceeds"), will be delivered to the 2004 Trustee, acting as escrow agent (the "Escrow Agent") under that certain Escrow Agreement, dated as of November 1, 2014 (the "Escrow Agreement"), by and between the Authority and the Escrow Agent. The Escrow Agent will hold the Escrow Proceeds in an irrevocable escrow fund (the "Escrow Fund") for the benefit of the owners of the outstanding 2004 Bonds, to be applied solely as provided in the Escrow Agreement. The Escrow Proceeds will be held uninvested as cash in accordance with the terms of the Escrow Agreement and will be used to redeem all outstanding 2004 Bonds on December 1, 2014, at the redemption price of 100% of the principal amount of the 2004 Bonds to be redeemed, together with interest accrued thereon to the redemption date. Upon the deposit of the Escrow Proceeds into the Escrow Fund, the 2004 Bonds will no longer be deemed outstanding and the 2004 Indenture shall be discharged.

THE BONDS

Authorization and Payment of Bonds

The Bonds are being issued pursuant to the Act, the Refunding Law, and the provisions of the Indenture. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds will be paid semiannually on each Interest Payment Date to Owners recorded in the registration books kept by the Trustee as of the applicable Record Date. Interest will be computed on the basis of a 360-day year comprised of twelve, 30-day months.

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof; provided, however, that no Bond shall have principal represented thereby maturing in more than one year. Principal of and redemption premium, if any, on each Bond will be payable upon surrender of such Bond at the designated corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. Interest will be payable by check, mailed to the Owners of the Bonds as of the applicable Record Date at their addresses as they appear on the registration books maintained by the Trustee; provided, however, that interest payable to an Owner of \$1,000,000 or more aggregate principal amount of Bonds will be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Bonds are in a book-entry only system. See "THE BONDS – Book-Entry Only System."

Redemption of Bonds

Optional Redemption of Bonds. The Bonds maturing on or after June 1, 20__, are subject to redemption prior to their respective Principal Payment Dates, upon the exercise by the City of its right to cause the redemption of Bonds in accordance with the Installment Purchase Agreement, from and to the extent of any source of available funds, as a whole or in part on any Interest Payment Date on or after June 1, 20__, of such maturities or portions of maturities as shall be directed by the City in accordance with the Installment Purchase Agreement if less than all of the Bonds are to be called for prior redemption and by lot within any such maturity if less than all of the Bonds are to be redeemed, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued by unpaid interest to the redemption date, without premium.

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

Redemption Date	Principal Amount
<u>(June 1)</u>	
20__	\$
20__	
20__	
20__	
20__ (maturity)	

The Bonds maturing on June 1, 2034, are subject to redemption prior to their stated maturity, in part, from Mandatory Sinking Account Payments, on each June 1, commencing June 1, 20__, at the

principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

Redemption Date	Principal Amount
<u>(June 1)</u>	
20__	\$
20__	
20__	
20__	
2034 (maturity)	

The amount of Bonds of the foregoing maturities to be redeemed from Mandatory Sinking Account Payments on any date shall be reduced proportionately in the event and to the extent of any optional or other mandatory redemptions, as described above.

Notice of Redemption of Bonds; Effect of Notice

Whenever redemption is authorized or required and sufficient funds are deposited with the Trustee for such purposes as provided in the Indenture, the Trustee will mail a notice of such redemption, in form and substance as prescribed in the Indenture, to affected Owners not less than thirty (30) days nor more than sixty (60) days prior to the date of such redemption. Neither failure to receive notice nor any defect in notice will affect the sufficiency of the proceedings for the redemption of Bonds. From and after any such redemption date, interest on the Bonds to be redeemed will cease to accrue.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate, and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at www.dtcc.com. *The foregoing*

reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners or, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

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

Principal and interest payments with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and

customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Estimated Sources and Uses of Bond Proceeds

The following table details the estimated sources and uses of the proceeds from the sale of the Bonds and the moneys transferred from certain funds and accounts established under the 2004 Indenture.

Table 1
Estimated Sources and Uses of Funds

Estimated Sources:

Principal Amount
[Plus/Less]: Net Original Issue [Premium/Discount]
Less: Underwriter's Discount
Amounts Released under 2004 Indenture

Total Sources

Estimated Uses:

Transfer to Escrow Agent for Deposit Into Escrow Fund ⁽¹⁾
Deposit to Reserve Fund ⁽²⁾
Deposit to Costs of Issuance Fund ⁽³⁾

Total Uses

⁽¹⁾ Comprised of amounts transferred by the 2004 Trustee from the Payment Fund established under the 2004 Indenture, plus \$ _____ from the proceeds from the sale of the Bonds. To be used to refund the 2004 Bonds. See "THE REFUNDING PLAN."

⁽²⁾ Represents the Reserve Requirement for the Bonds.

⁽³⁾ Moneys in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, and the Trustee, as well as printing, and other miscellaneous costs related to the Bonds.

Debt Service on Bonds and Parity Obligations

Principal of and interest on all obligations payable on a parity and *pro rata* basis from separate installment payments secured by Net System Revenues and outstanding as of the date of issuance of the Bonds, which obligations include the Bonds, the 2004 Series B Bonds, the 2006 Bonds, and the 2013 Refunding Bonds, are scheduled to be paid as shown in the following table.

Table 2
Debt Service Schedule
(Bonds and Outstanding Parity Obligations)

Year Ending June 1	Principal of Bonds ⁽¹⁾	Interest on Bonds ⁽¹⁾	Principal of 2004 Series B Bonds ⁽²⁾	Interest on 2004 Series B Bonds ⁽²⁾	Principal of 2006 Bonds	Interest on 2006 Bonds	Principal of 2013 Refunding Bonds	Interest on 2013 Refunding Bonds	Total Debt Service ⁽³⁾
2015		\$ 1,891,904	\$ 965,000	\$ 889,729	\$ 295,000	\$ 504,330	\$ 2,854,299	\$ 510,521	\$ 7,910,783
2016		3,661,750	995,000	859,499	305,000	492,530	2,935,324	431,171	9,680,274
2017		3,661,750	1,025,000	796,153	315,000	480,330	3,013,176	349,569	9,640,979
2018		3,661,750	1,050,000	747,447	330,000	466,943	3,101,192	265,803	9,623,134
2019		3,661,750	1,085,000	697,719	345,000	452,753	3,183,905	179,590	9,605,717
2020		3,661,750	1,110,000	646,503	360,000	437,745	<u>3,276,168</u>	<u>91,077</u>	9,583,244
2021	\$ 3,740,000	3,661,750	735,000	593,637	375,000	421,905			9,527,292
2022	3,920,000	3,474,750	760,000	568,882	390,000	405,218			9,518,850
2023	4,120,000	3,278,750	780,000	522,150	410,000	387,668			9,498,568
2024	4,325,000	3,072,750	805,000	485,210	430,000	369,218			9,487,177
2025	4,540,000	2,856,500	825,000	447,086	445,000	349,868			9,463,454
2026	4,770,000	2,629,500	850,000	408,021	470,000	329,620			9,457,141
2027	5,010,000	2,391,000	870,000	367,772	490,000	308,000			9,436,772
2028	5,255,000	2,140,500	900,000	332,167	515,000	283,500			9,426,167
2029	5,520,000	1,877,750	925,000	283,136	540,000	257,750			9,403,636
2030	5,800,000	1,601,750	950,000	239,326	565,000	230,750			9,386,826
2031	6,085,000	1,311,750	980,000	194,339	595,000	202,500			9,368,589
2032	6,390,000	1,007,500	1,005,000	148,085	625,000	172,750			9,348,335
2033	6,710,000	688,000	1,035,000	101,474	655,000	141,500			9,330,974
2034	<u>7,050,000</u>	<u>352,500</u>	<u>1,060,000</u>	<u>50,535</u>	690,000	108,750			9,311,785
2035					725,000	74,250			799,250
2036					<u>760,000</u>	<u>38,000</u>			<u>798,000</u>
Totals ⁽³⁾	\$73,235,000	\$50,545,404	\$18,710,000	\$9,378,869	\$10,630,000	\$6,915,875	\$18,364,064	\$1,827,733	\$189,606,94 5

(1) Preliminary; subject to change.

(2) Estimated at an average interest rate of 4.70%. The 2004 Series B Bonds are variable rate bonds and bear interest at a weekly rate.

(3) Totals may not add due to rounding.

Source: Underwriter.

SECURITY FOR THE BONDS

Installment Payments

The City has agreed to purchase the 2004 Project pursuant to the Installment Purchase Agreement. See "THE 2004 PROJECT." Pursuant to the Installment Purchase Agreement, the City has covenanted to pay the Authority, solely from Net System Revenues and from no other sources, the Purchase Price for the 2004 Project in Installment Payments in the amounts and on the dates as set forth in the Installment Purchase Agreement. The obligation of the City to make the Installment Payments solely from Net System Revenues is absolute and unconditional (subject to the parity lien of any Additional Obligations; see "– Net System Revenues" and "– Limitations Regarding Additional Obligations" below) and, until such time as the Purchase Price shall have been paid in full, the City shall not discontinue or suspend any Installment Payments required to be made by the Installment Purchase Agreement.

The Bonds are limited obligations of the Authority, issued pursuant to the Indenture, and payable solely from (i) Revenues, consisting of Installment Payments to be made by the City pursuant to the Installment Purchase Agreement and the interest or profits from the investment of moneys in certain of the funds established under the Indenture, and (ii) all moneys in the funds and accounts established under the Indenture (other than amounts on deposit in the Rebate Fund and the Costs of Issuance Fund). Pursuant to the Indenture, the Installment Payments are required to be made in amounts that are sufficient, but no more than sufficient, to pay the scheduled payments of principal of and interest on the outstanding Bonds. The Installment Payments are secured by a pledge, charge, and lien upon, and are payable solely from, the Net System Revenues of the City's Wastewater System. **Neither the full faith and credit nor the taxing power of the City, the County, the State, or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power.**

Net System Revenues

The City's obligation to make Installment Payments under the Installment Purchase Agreement is secured by a pledge of and lien on the Net System Revenues. In order to carry out and effectuate its pledge of Net System Revenues, the City has agreed and covenanted in the Installment Pledge Agreement to deposit all System Revenues when and as received into the Wastewater Revenue Fund, which fund the City agrees and covenants to maintain so long as any Installment Payments remain unpaid. All moneys in the Wastewater Revenue Fund will be held in trust and applied and used solely as provided in the Installment Purchase Agreement.

The Installment Purchase Agreement includes the following definitions:

"Net System Revenues" means System Revenues less the Maintenance and Operations Costs of the Wastewater System.

"System Revenues" means, for any Fiscal Year or other period, all rates, fees, and charges received for, and all other income and receipts derived by the City from, the operation of the Wastewater System or arising from the Wastewater System, determined in accordance with generally accepted accounting principles, including all proceeds of insurance covering business interruption loss relating to the Wastewater System, investment earnings on such amounts, and all other money howsoever derived by the City from the operation of the Wastewater System or arising from the Wastewater System; provided, however, that System Revenues shall include fees and charges collected during such Fiscal Year or other period, but only to the extent that such fees and charges could be properly expended on a Wastewater System Project for which the proceeds were used or are available to be used.

"Maintenance and Operation Costs of the Wastewater System" means, for any Fiscal Year or other period, the reasonable and necessary costs spent or incurred by the City for maintaining and operating the Wastewater System, calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Wastewater System in good repair and working order, and including Administrative Costs, salaries and wages of employees, payments to employee retirement systems (to the extent paid from System Revenues), 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 required to be paid by it to comply with the terms of the Bonds, this Installment Purchase Agreement, or any Additional Obligations, including any amounts required to be deposited in the Rebate Fund pursuant to the Tax Certificate, but excluding in all cases (i) depreciation and replacement and obsolescence charges or reserves therefor, (ii) amortization

of intangibles or other bookkeeping entries of a similar nature, (iii) costs of capital additions, replacements, betterments, extensions, or improvements to the Wastewater System, which under generally accepted accounting principles are chargeable to a capital account or to a reserve for depreciation, (iv) charges for the payment of principal of and interest on any general obligation bond heretofore or hereafter issued for Wastewater System purposes, and (v) charges for the payment of any debt service on the Obligations or on any obligation subordinate to the Obligations.

“Additional Obligations” means Obligations other than the Installment Payments.

“Administrative Costs” means the ordinary and necessary administrative costs and incidental expenses related to the Bonds, the Indenture, the Installment Purchase Agreement, and any Additional Obligations, including, but not limited to Trustee fees (including any fees and expenses of its counsel) and indemnification payable by the Authority pursuant to the Indenture and fees incurred in connection with the calculation of arbitrage rebate due to the federal government with respect to the Bonds.

“Obligations” means City Bonds and Contract Payments.

“Contract Payments” means the Installment Payments due and payable under the Installment Purchase Agreement or the 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 City under and pursuant to the Contracts.

“Contracts” means the Installment Purchase Agreement and all contracts or leases of the City, the installment or lease payments under which are payable from the Net System Revenues and secured on a parity with the Installment Payments.

“City Bonds” means all revenue bonds or notes of the City that are payable from the Net System Revenues and secured on a parity with the Installment Payments.

All Net System Revenues are pledged on a parity and *pro rata* basis to the payment of the Installment Payments and all Additional Obligations. Upon the issuance of the Bonds, the following obligations payable on a parity and *pro rata* basis from separate installment payments secured by Net System Revenues will be outstanding: (i) the Bonds, (ii) the 2004 Series B Bonds, (iii) the 2006 Bonds, and (iv) the 2013 Refunding Bonds. The City may incur Additional Obligations payable on a parity with the Installment Payments that secure payment of the Bonds, subject to certain limitations and conditions set forth in the Installment Purchase Agreement. The Installment Payments that secure payment of the Bonds constitute Additional Obligations in relation to the respective installment payments that secure payment of the 2004 Series B Bonds, the 2006 Bonds, and the 2013 Refunding Bonds, and are also subject to such limitations and conditions. See “Limitations Regarding Additional Obligations” below.

The City shall not be required to advance any moneys derived from any source of income other than Net System Revenues and the other funds provided in the Installment Purchase Agreement for the payment of the Installment Payments or for the performance of any agreements or covenants required to be performed by it contained in the Installment Purchase Agreement. The City may, however, but in no event shall it be obligated to, advance moneys for any such purpose so long as such moneys are derived from a source legally available therefor. See “Limitations Regarding Additional Obligations” below and “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents.”

The obligation of the City to make the Installment Payments is a limited obligation of the City payable solely from Net System Revenues and other funds provided for in the Installment Purchase Agreement, and does not constitute a debt of the Authority, the City, the County, the State, or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction.

Rate Covenant

The City has covenanted in the Installment Purchase Agreement to fix, prescribe, and collect fees, rates, and charges for the Wastewater System that will be at least sufficient to yield, during each Fiscal Year, Net System Revenues equal to the sum of (a) one-hundred percent (100%) of the Debt Service for such Fiscal Year, plus (b) the amount by which the amount on deposit in the Wastewater 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 the rates and charges described above and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net System Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements described in this paragraph. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

The Installment Purchase Agreement includes the following definitions:

"Debt Service" means, for any Fiscal Year or other period, the sum of (i) the interest payable during such Fiscal Year or other 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), (ii) that portion of the principal amount of all outstanding serial City Bonds maturing on any principal payment date that falls in such Fiscal Year or other period, (iii) that portion of the principal amount of all outstanding term City Bonds required to be redeemed or paid on any redemption date that falls in such Fiscal Year or other period (together with the redemption premiums, if any, thereon), and (iv) that portion of the Contract Payments required to be made in such Fiscal Year or other period (all subject to certain assumptions set forth in the Installment Purchase Agreement).

"Maximum Annual Debt Service" means, at any point in time, with respect to Obligations then outstanding, the maximum amount of Debt Service on the Obligations in the then current or any future Fiscal Year or other period, calculated by the City or by an Independent Certified Public Account and provided to the Trustee.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period selected and designated as the official Fiscal Year of the City.

Reserve Fund

Pursuant to the Installment Purchase Agreement, the City is required to maintain or cause to be maintained the Reserve Fund, which is pledged to the payment of principal of and interest on the Bonds, at the Reserve Requirement. Pursuant to the Indenture, the Trustee is required to annually set aside from the Payment Fund and deposit in the Reserve Fund from amounts received from the City pursuant to the Installment Purchase Agreement an amount of money which, together with the amount already on deposit therein, will be equal to the Reserve Requirement. The term "Reserve Requirement" is defined in the Indenture as being equal to the least of (i) ten percent (10%) of the aggregate principal amount of the

Bonds originally issued, (ii) the Maximum Annual Debt Service on the Bonds, and (iii) one hundred twenty-five percent (125%) of the Average Annual Debt Service on the Bonds. No deposit need be made in the Reserve Fund so long as there shall be on deposit therein a sum equal to at least the Reserve Requirement for the succeeding Bond Year. The Trustee is required to promptly notify the City and the Authority if the amount on deposit in the Reserve Fund is less than the Reserve Requirement.

Pursuant to the Indenture, all money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of, or redemption premiums, if any, on the Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all Bonds then outstanding. All interest income received by the Trustee on investment of moneys in the Reserve Fund shall be retained in the Reserve Fund so long as amounts on deposit in the Reserve Fund are less than the Reserve Requirement for the following Bond Year.

In lieu of funding the Reserve Fund with cash, the Authority, at its option, may fund all or any portion of the Reserve Requirement by providing to the Trustee (a) an irrevocable, unconditional letter of credit issued by a bank or other financial institution whose long-term uncollateralized debt obligations are rated in one of the two highest rating categories by Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Inc. ("S&P"), or Moody's Investors Service ("Moody's"), or (b) a Qualified Reserve Fund Policy.

Limitations Regarding Additional Obligations

The City may at any time incur Additional Obligations payable from Net System Revenues and secured on a parity with the payment by the City of the Installment Payments; provided:

- (1) There shall not have occurred and be continuing an Event of Default under and as defined in the Installment Purchase Agreement or the Indenture; and
- (2) The City obtains or provides a certificate or certificates prepared by a Consultant showing that (i) the Net System Revenues as shown by the books of the City for the twelve (12) calendar months ending prior to the incurring of such Additional Obligations shall have amounted to at least one hundred percent (100%) of Debt Service for such twelve (12) calendar month period, plus the amount by which the amount on deposit in the Wastewater Revenue Fund on the date prior to the first day of such twelve (12) calendar month period was less than twenty-five percent (25%) of Maximum Annual Debt Service; (ii) the estimated Net 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 Debt Service on all Obligations to be outstanding immediately after the incurring of such Additional Obligations; and (iii) the amount on deposit in the Wastewater Revenue Fund on the date of incurring such Additional Obligations is at least equal to twenty-five percent (25%) of Maximum Annual Debt Service as of the date of incurring of such Additional Obligations.

The determination of Net System Revenues for use in the calculation described above is more fully described in the Installment Purchase Agreement and in "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Installment Purchase Agreement – 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 City Representative shall be

delivered showing that Maximum Annual Debt Service on all outstanding Obligations 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.

Upon the issuance of the Bonds, the following obligations payable on a parity and *pro rata* basis from separate installment payments secured by Net System Revenues will be outstanding: (i) the Bonds, (ii) the 2004 Series B Bonds, (iii) the 2006 Bonds, and (iv) the 2013 Refunding Bonds. The Installment Payments that secure payment of the Bonds constitute Additional Obligations in relation to the respective installment payments that secure payment of the 2004 Series B Bonds, the 2006 Bonds, and the 2013 Refunding Bonds, and are therefore subject to the limitations described above.

Insurance

Pursuant to the Installment Purchase Agreement, the City is required to procure and maintain or cause to be procured and maintained insurance on the Wastewater System with responsible insurers, or provide self-insurance reserves (which may be provided in the form of risk sharing pools), in such amounts and against such risks as are usually covered in connection with wastewater systems similar to the Wastewater System. The City is also required to procure and maintain such other insurance that it shall deem advisable or necessary to protect its interests and the interests of the Authority with respect to the Wastewater System.

All policies of insurance required to be maintained herein shall, to extent reasonably obtainable, 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 City will certify to the Trustee annually on or before July 1 of each Fiscal Year that it is in compliance with such insurance requirements. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Installment Purchase Agreement – Covenants of the City – Insurance."

Action On Default

Upon the happening and continuance of any Event of Default as defined in the Indenture, the Owners of not less than 25% in aggregate principal amount of the Bonds then outstanding have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by a written instrument executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture with respect to such Bonds. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

Investment of Moneys

Amounts held in any fund or account held under the Indenture will be invested in Permitted Investments, subject to the conditions provided for in the Indenture. All investment earnings on monies on deposit in any fund or account held under the Indenture will be transferred to the Payment Fund, subject to the obligation of the City or the Authority to maintain the Reserve Fund at the Reserve Requirement and to rebate certain amounts to the United States government as required under the Internal Revenue Code of 1986, as amended. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – The Indenture."

RISK FACTORS

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

Bonds are Limited Obligations

The Bonds are payable solely from Net System Revenues and amounts held in certain funds and accounts established under the Indenture. Consequently, the payment of principal of and interest on the Bonds will be dependent upon the availability and sufficiency of such Net System Revenues. The Bonds do not constitute an obligation of the Authority for which the Authority must levy or pledge any form of taxation or for which the Authority has levied or pledged any form of taxation. The Installment Payments do not constitute an obligation of the City for which the City must levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the Installment Payments constitute a debt or indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

System Demand

There can be no assurance that the local demand for the services provided by the Wastewater System will be maintained at levels described in this Official Statement. Because of changes in demographics within the boundaries of the City, it is possible for the demand for wastewater services to decline over the term of the Bonds. A significant decline in demand might create a situation in which the City could not increase rates sufficiently to offset the decrease in subscribers or usage. This would reduce the City's ability to make Installment Payments, which could in turn adversely impact the Authority's ability to make repayments of the principal or interest on the Bonds.

Increased Regulations

The adoption by federal or state agencies of more regulations could adversely affect Net System Revenues. A significant change in effluent standards for wastewater treatment imposed by law or regulation might cause the City to incur greater expenses of operation, thus creating a temporary or permanent inability to support the Installment Payments due under the Installment Purchase Agreement, which would in turn adversely impact the Authority's ability to pay the principal of and interest on the Bonds when due. It is not possible to predict the timing or nature of more stringent operating standards that may be imposed upon the City over the term of the Bonds.

Increased System Expenses

Changes in technology, increases in the cost of energy, chemicals, or other expenses could reduce Net System Revenues, which could in turn require substantial increases in rates or charges in order to comply with the rate covenant in the Installment Purchase Agreement. The City's ability to make its required Installment Payments may be adversely affected until such time as the City is able to increase rates and charges to pay for such increased costs.

Seismic Activity; Flood Plain; Limited Insurance

The Installment Purchase Agreement does not require the City to maintain earthquake or flood insurance on the Wastewater System. The City, along with much of the State of California, 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 Wastewater 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 a 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 the buildings, roads, bridges, and property within the City in the event of a major earthquake.

If a major earthquake were to occur, it may substantially damage or destroy the Wastewater System or portions of it. In such a case, under certain circumstances, the Net System Revenues could possibly be reduced or eliminated if the City was unable to provide wastewater services to its customers, or if large amounts of System Revenues were required to be applied to make extensive repairs to the Wastewater System. Such a reduction or elimination of Net System Revenues could impair the ability of the City to make Installment Payments, which in turn would impair the ability of the Authority to make payments of principal of and interest on the Bonds when due.

The chance that the occurrence of severe seismic activity in the area of the Wastewater System could result in substantial damage and interference with the City's right to use all or a portion of the Wastewater System, and thereby result in a reduction or elimination of Net System Revenues, is mitigated by the City's standards for development.

The components of the Wastewater 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.

Limited Recourse on Default

If the City defaults on its obligation to make Installment Payments, the Trustee, as assignee of the Authority, has the right to accelerate the total unpaid principal amount of the Installment Payments. However, there can be no assurance that the City will have sufficient Net System Revenues to pay the accelerated Installment Payments.

Limitations on Available Remedies

The enforceability of the obligations of the City and the rights and remedies of the Owners of the Bonds may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles that may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the

powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Absence of Market for the Bonds

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

Constitutional Limitations

California law imposes various taxing, revenue, and appropriations limitations on public agencies such as the City. See "CONSTITUTIONAL PROVISIONS AFFECTING WASTEWATER SYSTEM REVENUES AND EXPENDITURES" below for a discussion of these limitations.

Loss of Tax Exemption

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

In addition, no assurance can be given that future legislation, including amendments to the Internal Revenue Code of 1986, as amended, or interpretations thereof, if enacted into law, will not contain provisions that could directly or indirectly reduce the benefit of the excludability of the interest on the Bonds from gross income for United States federal income tax purposes. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Federal Tax Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

Economic, Political, Social, and Environmental Conditions

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

CONSTITUTIONAL PROVISIONS AFFECTING WASTEWATER SYSTEM REVENUES AND EXPENDITURES

California Constitution Article XIII B Limitations

Article XIII B of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living, population, and services rendered by the government entity. The "base year" for establishing this appropriations limit is the 1978-79 fiscal year, and the limit is adjusted annually to reflect changes in population, consumer prices, and increases or decreases in the cost of services provided by these public agencies.

Appropriations of an entity of local government subject to Article XIII B include generally authorizations to expend during a fiscal year the proceeds of taxes levied by or for the entity and the proceeds of State subventions, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance, and disability insurance funds. "Proceeds of taxes" include, but are not limited to, all tax revenues, most State subventions, and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost reasonably borne by such entity), and (2) the investment of tax revenues. Article XIII B provides that if a governmental entity's revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two years.

Certain expenditures are excluded from the appropriations limit, including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters and payments required to comply with court or federal mandates that without discretion require an expenditure for additional services or that unavoidably make the providing of existing services more costly. The City believes that its charges for sewer service and wastewater treatment do not exceed the costs it reasonably bears in providing such services and, therefore, are not subject to the limitations of Article XIII B. The City has covenanted in the Installment Purchase Agreement that it will, in each year, prescribe rates and charges sufficient to provide for payments of the Bonds each year.

California Constitution Article XIII C and Article XIII D Limitations

On November 5, 1996, the voters of the State approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees, and charges. These provisions could adversely affect the financial condition of the City, its ability to comply with its covenants under the Installment Purchase Agreement, and/or the Authority's ability to pay principal of or interest on the Bonds. In such event, there can be no assurance that remedies will be available to fully protect the interests of the holders of the Bonds. See "RISK FACTORS – Limitations on Available Remedies" above.

Article XIII D contains several new provisions affecting the ability of local governments to impose or increase "fees" and "charges," defined for purposes of Article XIII D to mean "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by ... a [local government] upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service"; provided, however, that Article XIII D specifically provides that it shall not be construed to "affect existing laws relating to the imposition of fees or charges as a condition of property development." The City believes that its connection fee charges related to the Wastewater System is a fee

or charge as a condition of property development within the meaning of Article XIIID, although no assurance can be given that a court would not determine otherwise. "Property related service" means a public service having a direct relationship to property ownership (which term may include tenancies). All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges that (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Although the City believes that its sewer service charges are not property related fees or charges within the meaning of Article XIIID, the City further believes that its sewer service charges, if determined to be such property related fees or charges, would satisfy all of these requirements. However, in any legal action contesting the validity of a fee or charge, the City will have the burden of proving exemption from or compliance with Article XIIID and no assurance can be given that a court would not determine otherwise. Before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. The City is unable to predict whether the imposition or increase of any fee and charge, including any increase in its sewer service charge, will be prevented by such a majority protest.

Moreover, Article XIIID also provides that, except for fees or charges for sewer, water, and refuse collection services (or fees for electrical and gas service, which are not treated as property related for purposes of Article XIIID), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City believes that its sewer service charges are charges for sewer service within the meaning of Article XIIID, although no assurance can be given that a court would not determine otherwise.

Article XIIID states that, beginning July 1, 1997, all "fees" or "charges" must comply with its provisions. It is unclear how the provisions of Article XIIID will be applied to fees or charges established prior to such date. The City does not plan to conduct any new hearings, elections, or other proceedings with respect to any of its existing sewer-related fees or charges.

In addition to the provisions described above, Article XIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Consequently, the voters of the City could, by future initiative, repeal, reduce, or prohibit the future imposition or increase of any local tax, assessment, fee, or charge. "Assessment," "fee," and "charge" are not defined in Article XIIC and it is unclear whether the definitions of such terms contained in Article XIIID (which are generally property-related as described above) apply with respect to Article XIIC. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce, or prohibit the future imposition or increase of assessments, fees, or charges. The City believes that the initiative power cannot be used to alter covenants in the Installment Purchase Agreement concerning the imposition of the City's charges or reduce or repeal such charges to the extent that the City could not meet its obligation to make Installment Payments. In addition to the foregoing, the City's general financial condition may be affected by other provisions of Article XIIC and Article XIIID, including (A) provisions of Article XIIC (i) requiring taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into general fund, to be approved by a two-thirds vote, (ii) subjecting all taxes, assessments, fees, and charges to reduction or repeal at any time through the initiative process

(as mentioned above), and (iii) provisions of Article XIID that could reduce the ability of the City to fund certain services or programs that it may be required or choose to fund from its general fund, such as provisions (1) adding requirements making it generally more difficult to levy and maintain "assessments," defined to mean a levy or charge upon real property for a particular and distinct benefit to the property over and above general benefits conveyed to property located in the district or to the public at large, (2) requiring any imposition or increase of property related fees or charges other than for sewer, water and refuse collection services or fees for electrical or gas service (which are not treated as property related for purposes of Article XIID) to be approved by "majority of the property owners" subject to the fee or charge or, at the option of the local government, two-thirds vote of the electorate residing in the affected area.

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

Future Initiatives

Articles XIIB, XIIC, and XIID of the Constitution were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting Wastewater System revenues or the City's ability to generate or expend revenues.

THE AUTHORITY

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

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

<u>Name</u>	<u>Office</u>
Tim Flynn	Chairman
Carmen Ramirez	Vice Chair
Bryan A. MacDonald	Board Member
Dorina Padilla	Board Member
Bert E. Perello	Board Member

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

<u>Name</u>	<u>Position</u>
James Cameron	Controller
Michael J. More	Assistant Controller
Stephen Fischer	Interim General Counsel
Daniel Martinez	Secretary

Neither the Authority nor its Board members have any obligations or liability to the Owners of the Bonds with respect to the payment of Installment Payments by the City under the Installment Purchase Agreement, or with respect to the performance of the City of other covenants made by it in the Installment Purchase Agreement.

THE 2004 PROJECT

The City is purchasing the 2004 Project from the Authority with Installment Payments pursuant to the Installment Purchase Agreement. The 2004 Project is comprised of the Redwood Trunk Sewer Project (the "Redwood Trunk Sewer Project") and the Oxnard Wastewater Treatment Plant Headworks Project (the "Headworks Project"), both of which have been implemented to address master-planned increases in sewer capacity needs, to meet the City's commitment to serve these needs in the north and northwest portions of the City, and to correct existing Wastewater System deficiencies.

Redwood Trunk Sewer Project

The City currently operates and maintains approximately 430 miles of sewer pipelines and sixteen wastewater pump stations. These facilities provide wastewater collection services to City residents and other agencies/users such as the Santa Clara Wastewater Company, Crestview Mutual Water Company, Point Mugu, City of Port Hueneme, and the Naval Construction Battalion Center. Collected wastewater is conveyed to the City's Wastewater Treatment Plant located in the southern portion of the City along Perkins Road. Based on wastewater collection system master planning efforts begun in May 1998, the City has identified a need to make substantial improvements to its collection system. These improvements are intended to alleviate hydraulic deficiencies and provide sufficient capacity for new rapidly emerging developments. The Redwood Trunk Sewer Project constitutes part of these improvements and has been designed to improve the system hydraulics along the corridor of the existing Redwood Trunk and to provide sufficient capacity for the Northwest Golf Course Community (Victoria Estates) and the Seabridge and Westport developments in the City. In addition, the Redwood Trunk Sewer Project has been designed to relieve the existing Central Trunk by diverting flows north of the Central Trunk in the College Park area, including the area of the RiverPark development, to the proposed Redwood Trunk Sewer.

The Redwood Trunk Sewer Project was completed in 2007 and primarily included the construction of approximately 45,500 feet of pipe and improvement of the existing Lift Station 29. In addition, two lift stations were eliminated along the Redwood Trunk Sewer Project. The elimination of these lift stations has increased the efficiency and decreased the operating and maintenance costs of the Wastewater System.

The Headworks Project

The Oxnard Wastewater Treatment Plant ("OWTP") is a secondary treatment plant located at southwest portion of the City. The OWTP has an average dry weather flow ("ADWF") design capacity of 31.7 million gallons per day ("MGD") with provision for an ultimate ADWF design capacity of 39.7 MGD and corresponding ultimate peak weather flow of 75.4 MGD.

The Headworks Project was completed in 2007 and is located on the City property north of the OWTP. The Headworks Project facilities were designed to meet the City's ultimate average dry weather flow of 39.7 MGD and ultimate peak weather flow of 75.4 MGD. The Headworks Project is expected to maintain the OWTP capacity while substantially enhancing process reliability, performance, and operability. These improvements have been attained by providing process and mechanical equipment redundancy throughout key elements of the new Headworks Project facility, and upgrading stand-by power and odor control support systems.

THE WASTEWATER SYSTEM

Background and Organization

The City's Wastewater System provides wastewater collection and treatment services for the residents of Oxnard, the neighboring City of Port Hueneme and the Naval Base Ventura County (Port Hueneme and Point Mugu). Its principal facilities consist of the Treatment Plant, approximately 430 miles of sewer pipelines and 15 wastewater pump stations. The City maintains two accounting funds for the Wastewater System, a Wastewater Conveyance Fund, the primary sources of revenue for which are comprised of the monthly user charges paid by the existing residents of the City and connection fee income generated by new development within the City, and a Wastewater Treatment Plant Fund, the primary revenue sources for which are comprised of regional user charges and connection fee income generated by new development within the City. The Wastewater Conveyance Fund and the Wastewater Treatment Plant Fund together comprise the Wastewater Revenue Fund, as defined in the Installment Purchase Agreement.

Prior to 1977, the City had owned and operated a local sewage treatment and disposal system, financing the acquisition and construction of a collection system, treatment plant and ocean outfall through various bond issues commencing in 1905. In 1976, following an action by the Los Angeles Regional Water Quality Control Board calling for the regional consolidation of wastewater treatment at the City's treatment plant, the City and the City of Port Hueneme formed the Oxnard - Port Hueneme Regional Wastewater Treatment Authority ("OPHRWTA") by means of a Joint Exercise of Powers Agreement dated August 17, 1976. OPHRWTA, through a combination of Federal and State grants and an issue of lease revenue bonds, undertook a major reconstruction and expansion of the Oxnard Wastewater Treatment Plant that resulted in the Treatment Plant's then reported design capacity of 22.6 MGD.

In 1976, the City entered into a contract whereby the Treatment Plant was to be operated by the Ventura County Regional Sanitation District. In 1986, the City cancelled that contract and established an organization for direct City operation of the facility. Following the defeasance of the lease revenue bonds, OPHRWTA was dissolved.

In 1991, the City completed Phase I of the Treatment Plant Expansion Project which included the addition of a new secondary treatment system and several improvements to the existing treatment processes. This project increased the Treatment Plant's design capacity from 22.6 MGD to 31.7 MGD.

The Wastewater System is part of the City's newly formed Utilities Department. In an effort to focus resources and expertise on the complexities of water resources in the City and surrounding area, the former Public Works Department was recently reorganized into separate Utilities and General Services Departments. The Utilities Department, which consists of Water and Wastewater enterprises has a separate Director and management structure.

Service Area

The Treatment Plant currently serves a population of approximately 200,855 with an average flow of about 20 MGD. The following table shows a five-year history of flow through the Treatment Plant, broken down according to its three major user groups.

TABLE 3
OXNARD WASTEWATER TREATMENT PLANT
AVERAGE DAILY FLOW (MILLIONS OF GALLONS PER DAY)

<u>Year</u>	<u>Oxnard</u>	<u>Port Hueneme</u>	<u>Naval Base Ventura County</u>	<u>Total</u>
2009	19.28	2.16	0.96	22.40
2010	18.60	2.78	0.93	22.31
2011	18.74	2.50	1.01	22.25
2012	17.39	2.25	0.96	20.60
2013	20.10	1.29	0.75	22.14

Source: City of Oxnard.

As of December 31, 2013, the Wastewater System had 38,906 active service accounts, of which 36,378 were residential, 2,530 were commercial, and 25 were industrial. The following table shows the annual growth in the number of the Wastewater System's active service accounts since December 31, 2009.

TABLE 4
WASTEWATER SYSTEM
ACTIVE SERVICE ACCOUNTS

<u>Date</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Industrial Accounts</u>	<u>Total Accounts</u>	<u>% Increase</u>
12/31/09	34,856	2,395	25	37,276	1.9
12/31/10	35,628	2,436	25	38,089	2.1
12/31/11	35,850	2,431	23	38,304	0.6
12/31/12	36,027	2,460	25	38,512	0.5
12/31/13	36,378	2,503	25	38,906	1.8

Source: City of Oxnard, Finance and Management Services Department, Billing Division.

The Wastewater System's 10 largest wastewater customers in order of billing for the twelve-month period ending December 31, 2013, are listed in the following table:

TABLE 5
WASTEWATER SYSTEM
TEN LARGEST CUSTOMERS BY ORDER OF BILLING
FOR TWELVE-MONTH PERIOD ENDING DECEMBER 31, 2013

<u>Customer Name</u>	<u>Twelve-Month Billing Through December 31, 2005</u>	<u>Percent of Total Revenue</u>
Boskovich Farms	\$1,356,705.55	4.34%
Coastal Green Vegetable Co.	414,042.13	1.33
Puretec	408,054.84	1.31
Gills Onions	314,187.27	1.00
J.M. Smucker Company	245,758.93	0.79
Harris Water Conditioning	202,960.22	0.65
International Paper	197,729.84	0.63
Santa Clara Wastewater	195,524.65	0.63
Sunrise Growers	188,331.42	0.60
Boskovich Farms	120,963.66	0.39

Source: City of Oxnard, Finance and Management Services Department, Billing Division.

Sources of Wastewater System Revenues

The Wastewater System has two main sources of revenues: (i) monthly wastewater user charges billed and paid according to separate rate schedules for residential, commercial and industrial accounts and (ii) wastewater connection fees billed and paid prior to the issuance of any building permit for the construction of new residential, commercial or industrial structures in the City.

Wastewater Rates and Charges

The Wastewater System's monthly wastewater usage rates and charges are adopted by the City Council of the City and are not subject to review by any state or local governmental agency. On September 11, 2012, the City Council adopted a three-step rate increase of 6% for each step, effective October 2012, January 2013, and October 2013. The City is currently evaluating the effect of conservation measures on the Wastewater System prior to developing proposed increases for City Council consideration in fiscal year 2014-15.

Residential usage rates are levied on the basis of a flat monthly fee, currently \$21.07 per month for single family detached residential units and variable rate fees based on 60% or 90% of metered potable water consumption depending on lot size. Similarly, multi-family customers are charged a flat monthly fee of \$15.41 per unit for one to six units and \$7.68 per unit for seven or more units. Variable rate fees are as follows:

TABLE 6
CITY OF OXNARD MONTHLY WASTEWATER USAGE RATES
RESIDENTIAL CUSTOMERS
(Rate Per Hundred Cubic Feet)

<u>Type of Customer</u>	<u>Usage Rate</u>
Single Family Residential	
0 to 9 HCF/Mo.	\$1.37
10 to 18 HCF/Mo.	1.52
Over 18 HCF/Mo.	2.12
Single Family Residential (Large Lots) ⁽¹⁾	
0 to 16 HCF/Mo.	\$1.37
17 to 25 HCF/Mo.	1.52
Over 25 HCF/Mo.	2.12
Multifamily, Multi-Unit Residential	
0 to 6 HCF/Mo. ⁽²⁾	\$1.11
7 to 12 HCF/Mo. ⁽²⁾	1.24
Over 12 HCF/Mo. ⁽²⁾	1.73

(1) Rate per hundred cubic feet.

(2) Tiers for multifamily/multi-unit residential wastewater rates are variable and are determined by multiplying each tier by the number of units.

Source: City Utilities Department

Commercial and industrial customers are billed on either a formula basis that includes both flow and water quality characteristics or a non-formula basis determined by a percentage of metered potable consumption.

TABLE 7
CITY OF OXNARD MONTHLY WASTEWATER USAGE RATES
COMMERCIAL AND INDUSTRIAL CUSTOMERS

INDUSTRIAL FORMULA

<u>Category</u>	<u>Rate</u>
Flow Rate	\$2,154.65 per Million Gallons
BOD Rate	490.95 per Thousand Pounds
SS Rate	383.28 per Thousand Pounds

COMMERCIAL FORMULA
Rate Per Hundred Cubic Feet

<u>Type of Customer</u>	<u>Usage Rate</u>
Commercial/School	
0 to 50 HCF/Mo.	\$2.45
51 to 930 HCF/Mo.	3.06
Over 930 HCF/Mo.	6.13
Restaurant	
0 to 20 HCF/Mo.	\$2.45
21 to 160 HCF/Mo.	3.06
Over 160 HCF/Mo.	6.13
Laundry/Laundromat	
0 to 105 HCF/Mo.	\$2.45
106 to 525 HCF/Mo.	2.71
Over 525 HCF/Mo.	3.38

Source: City Utilities Department.

A minimum monthly fee is charged to commercial customers and schools as follows:

<u>Type of Customer</u>	<u>Fee</u>
Commercial	\$14.00
Restaurant	12.98
Laundry	64.44
School	49.15

Source: City Utilities Department.

Each customer is charged a monthly Security and Contamination Prevention Fee of \$0.65.

The following table shows how the City's 2013-14 monthly wastewater usage charges for single family detached-unit residential customers compared with the monthly rates of some of its neighboring cities as of July 1, 2013:

TABLE 8
WASTEWATER SYSTEM
COMPARABLE MONTHLY WASTEWATER USAGE CHARGE FOR
AVERAGE SINGLE FAMILY DETACHED-UNIT RESIDENTIAL CUSTOMER

<u>City</u>	<u>Rate</u>
Camarillo	\$41.1
Ojai	54.32
Oxnard	34.31
Port Hueneme	36.00
Santa Paula	90.65
Simi Valley	29.15
Thousand Oaks	26.85
Ventura	47.59
Fillmore	89.60

(1) The City of Ventura charges rates based upon six tiers, ranging from \$25.11 to \$53.55.
Source: City of Oxnard, Public Works Department.

The average residential customer wastewater charge for the City is within the range of charges by neighboring cities. The differences in average charges can be attributed to the level of capital improvements to the Wastewater System's facilities, including the Treatment Plant, and the flatness of the terrain which impacts the frequency sewer cleaning and the need for pump stations.

Wastewater Connection Fees

The City Council of the City also periodically establishes wastewater connection fees which are also not subject to review by any state or local government agency. These fees consist of a wastewater treatment plant component (Treatment Facility Related Infrastructure Fee) and a wastewater conveyance system component (Conveyance Facility Related Connection Fee). By Ordinance No. 2,709 adopted on November 22, 2005, and effective December 6, 2005, the City Council adopted the following schedule of wastewater connection fees, which have not been revised since their effective date:

TABLE 9
WASTEWATER SYSTEM
SCHEDULE OF CONNECTION FEES

METER EQUIVALENCY FACTORS

<u>Meter Size</u>	<u>Meter Equivalency Factor</u>
5/8", 3/4"	1
1"	2
1-1/2"	3
2"	5
3"	11
4"	17
6"	33
8"	53
10"	113
12"	180

Source: City of Oxnard, Public Works Department.

- A. Treatment Facility Related Infrastructure Fee shall be paid which shall be the sum of the Flow, Biological Oxygen Demand (BOD) and Suspended Solid (SS) charges, based upon the following schedule:

1. Flow Charges (Utilizing Equivalency Factors for Water Meter Size)

<u>Volume</u>	<u>Rate</u>
All Users Meter Equivalency X	\$1,627.00

2. Biological Oxygen Demand (BOD) Charges (Utilizing Equivalency Factors for Strength and Meter Size)

	<u>Strength</u>	<u>Rate</u>
Detached Single Family Residential	1 X Meter Equiv. Factor X	\$1,235.00
Commercial:		
Other	1 X Meter Equiv. Factor X	\$1,235.00
Laundries	1.6 X Meter Equiv. Factor X	\$1,235.00
Restaurants	2 X Meter Equiv. Factor X	\$1,235.00
Industrial	2 X Meter Equiv. Factor X	\$1,235.00

3. Suspended Solids (SS) Charges (Utilizing Equivalency Factors For Strength and Meter Size)

	<u>Strength</u>	<u>Rate</u>
Detached Single Family Residential	1 X Meter Equiv. Factor X	\$936.00
Commercial:		
Regular	1.3 X Meter Equiv. Factor X	\$936.00
Laundries	1 X Meter Equiv. Factor X	\$936.00
Restaurants	3.2 X Meter Equiv. Factor X	\$936.00
Industrial	3.4 X Meter Equiv. Factor X	\$936.00

4. Meter Equivalency Factors for Residential Other Than Detached Single Family Dwellings for Which a Common Meter is Permissible

For residential units which can be serviced with a common meter, the fees shall be according to an average occupancy factor as follows.

Mobile Home Parks - 1.9/3.3 X number of mobile home spaces plus equivalency factor for meter that would be required for common facilities that require wastewater service.

Apartments - 2.4/3.3 X number of service connections plus equivalency factor for meter that would be required for common facilities that require wastewater service.

- B. In addition to the above, the Conveyance Facility Related Connection Fee shall be charged as follows:

For All Connections

For any connection to the wastewater conveyance system, the fee shall be determined by the size of the water meter needed to serve the development, based on a charge of \$936.00 per water meter equivalency factor as described in Section A and as noted below for all but mobile homes, and apartments:

Meter Equivalency Factors for Residential Other than Detached Single-Family Dwellings for Which a Common Meter is Permissible

For residential units which can be serviced with a common meter the fees shall be according to a calculated factor as follows.

Mobile Home Parks - 1.9/3.3 X number of mobile home spaces plus equivalency factor for meter that would be required for common facilities that require wastewater service.

Apartments - 2.4/3.3 X number of service connections plus equivalency factor for meter that would be required for common facilities that require wastewater service.

Source: City of Oxnard, Public Works Department.

In accordance with the above schedule, the wastewater connection fee for a detached single family residential dwelling unit would be computed as follows:

<u>Treatment Related Infrastructure Fee</u>	<u>Fee</u>
Flow Component	\$1,627
BOD Component	1,235
SS Component	<u>936</u>
Total	\$3,798
Conveyance Facility Related Infrastructure Fee	<u>1,458</u>
TOTAL WASTEWATER CONNECTION FEE	\$5,256

Actual and Projected Operating Results

The table below shows a five-year historical summary of the Wastewater System's operating results for fiscal years 2008-09, 2009-10, 2010-11, 2011-12, and 2012-13, together with the projected figures for fiscal years 2013-14 (unaudited), 2014-15 (budgeted), and 2015-16 through 2018-19 (projected).

[Remainder of Page Intentionally Left Blank]

**TABLE 10
CITY OF OXNARD
WASTEWATER SYSTEM
HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE**

FISCAL YEAR ENDING JUNE 30	<u>(Actual)</u> <u>2008-09</u>	<u>(Actual)</u> <u>2009-10</u>	<u>(Actual)</u> <u>2010-11</u>	<u>(Actual)</u> <u>2011-12</u>	<u>(Actual)</u> <u>2012-13</u>	<u>(Projected)</u> <u>2013-14</u>	<u>(Budgeted)</u> <u>2014-15</u>	<u>(Projected)</u> <u>2015-16</u>	<u>(Projected)</u> <u>2016-17</u>	<u>(Projected)</u> <u>2017-18</u>	<u>(Projected)</u> <u>2018-19</u>
OPERATING REVENUES											
Charges for Services	\$22,366,479	\$21,764,958	\$23,889,173	\$24,387,484	\$28,729,237	\$27,336,424	\$29,650,000	\$29,327,000	\$29,334,140	\$29,341,400	\$29,348,800
Connection Fees/Development Fees	1,633,468	1,168,425	432,211	6,277,878	1,572,676	1,221,482	700,000	816,000	832,320	848,966	865,945
Interest Income	1,052,634	406,886	216,268	122,470	47,455	160,831	100,000	206,700	203,600	199,800	201,200
Investment Income	—	—	—	29,668	—	—	—	—	—	—	—
Miscellaneous and reimbursements	<u>3,709,727</u>	<u>(174,611)</u>	<u>835,710</u>	<u>862,809</u>	<u>696,347</u>	<u>2,519,014</u>	<u>730,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>
Subtotal	\$28,762,308	\$23,165,658	\$25,373,362	\$31,680,309	\$31,045,715	\$31,237,751	\$31,180,000	\$30,999,700	\$31,020,060	\$31,040,166	\$31,065,945
Less: Connection Fees from RiverPark, Seabridge, and El Rio Neighborhoods											
Total Operating Revenues	\$28,762,308	\$23,165,658	\$25,373,362	\$31,680,309	\$31,045,715	\$31,237,751	\$31,180,000	\$30,999,700	\$31,020,060	\$31,040,166	\$31,065,945
OPERATING EXPENSES	\$20,355,777	\$21,609,160	\$20,521,419	\$22,289,635	\$27,225,802	\$27,649,378	\$20,531,644	\$19,655,100	\$20,208,500	\$20,780,100	\$21,368,700
(Less: Depreciation)	<u>(4,087,382)</u>	<u>(4,020,403)</u>	<u>(4,036,690)</u>	<u>(4,142,676)</u>	<u>(8,462,344)</u>	<u>(8,420,952)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Operating Expenses	\$16,268,395	\$17,588,757	\$16,484,729	\$18,146,959	\$18,763,458	\$19,228,426	\$20,531,644	\$19,655,100	\$20,208,500	\$20,780,100	\$21,368,700
NET SYSTEM REVENUES	\$12,493,913	\$5,576,901	\$8,888,633	\$13,533,350	\$12,282,257	\$12,009,325	\$10,648,356	\$11,344,600	\$10,811,560	\$10,260,066	\$9,697,245
ANNUAL DEBT SERVICE (1) (5)											
2003 Bonds (2)	\$ 3,665,563	\$3,667,063	\$3,666,813	\$3,669,813	\$3,670,063	\$ 536,781	—	—	—	—	—
2004 Bonds (Series A - Fixed Rate) (3)	4,087,725	4,087,725	4,087,725	4,087,725	4,087,725	4,087,725	\$4,087,725	\$4,087,725	\$4,087,725	\$4,087,725	\$4,087,725
2004 Bonds (Series B - Variable Rate)	1,783,689	1,770,136	1,761,394	1,746,647	1,741,096	1,729,341	1,716,581	1,707,817	1,697,848	1,681,673	1,674,495
2006 Bonds	798,325	794,865	796,105	796,730	796,330	795,530	799,330	799,330	797,530	795,330	796,943
2013 Bonds	—	—	—	—	—	—	<u>3,364,820</u>	<u>3,366,495</u>	<u>3,362,745</u>	<u>3,366,995</u>	<u>3,363,495</u>
Total Annual Debt Service (4)	\$10,334,689	\$10,319,789	\$10,312,037	\$10,300,915	\$10,295,214	\$10,544,807	\$9,968,456	\$9,961,367	\$9,945,848	\$9,931,723	\$9,922,658
DEBT SERVICE COVERAGE RATIO (4)	1.20	0.56	0.83	1.31	1.19	1.14	1.07	1.14	1.09	1.03	1.49

- (1) 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 Wastewater Revenue Fund for purposes of satisfaction of the City's rate covenant.
- (2) The City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2003, originally issued in the aggregate principal amount of \$43,785,000 (the "2003 Bonds"), were called in full and defeased on December 1, 2013.
- (3) Table assumes that 2004 Bonds are not refunded.
- (4) Totals may not add due to rounding.
- (5) Projected debt service payment amounts provided by RBC Capital Markets.
- Source: City of Oxnard Finance Department.

Fiscal Year 2014-15 Wastewater System Budget

The City Council of the City has adopted a budget for the Wastewater System for fiscal year 2014-15. The summary totals of that budget, broken down according to the Wastewater Conveyance Fund and the Wastewater Treatment Plant Fund, are as follows:

**TABLE 11
CITY OF OXNARD
WASTEWATER SYSTEM
FISCAL YEAR 2014-15 OPERATING BUDGET SUMMARY**

<u>Classification</u>	<u>Wastewater Collection Fund</u>	<u>Wastewater Treatment Plant Fund</u>	<u>Total System</u>
OPERATING REVENUES			
Charges for Services	\$ 9,440,000	\$20,210,000	\$29,650,000
Connection Fees	200,000	500,000	700,000
Miscellaneous and Reimbursements	700,000	<u>30,000</u>	730,000
Interest on Investments	<u>100,000</u>		100,000
From/(To) Capital Reserves			<u>2,532,583</u>
Total Operating Revenues	\$10,440,000	\$20,740,000	\$33,712,583
OPERATING EXPENSES			
Salaries and Wages	\$2,267,749	\$ 5,055,593	\$ 7,323,342
Contractual Services	676,327	2,117,100	2,793,427
Operating Supplies	218,100	1,573,600	1,791,700
Utilities	689,648	2,816,375	3,506,023
General and Administration	31,114,782	1,670,668	2,785,450
Repairs and Maintenance	46,101	59,601	65,702
Reserves and Transfers	1,576,000	680,000	2,256,000
Capital Outlay	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Total Operating Expenses	\$6,548,707	\$13,982,937	\$20,531,644
OPERATING INCOME (LOSS)	\$57,625	\$715,988	\$773,613

Source: City of Oxnard, Public Works Department.

Outstanding Debt

Upon the issuance of the Bonds, the outstanding obligations payable on a parity and pro rata basis from installment payments secured by Net System Revenues will consist of the respective installment payments that secure payment of the Bonds, the 2004 Series B Bonds, the 2006 Bonds, and the 2013 Refunding Bonds. Upon the issuance of the Bonds, there will be no outstanding obligations of the City or the Authority secured by a lien on Net System Revenues that is senior to the lien on Net System Revenues securing the respective installment payments pertaining to the Bonds, the 2004 Series B Bonds, the 2006

Bonds, and the 2013 Refunding Bonds. See “SECURITY FOR THE BONDS – Net System Revenues” herein.

Plans For Future Indebtedness

The City is in the process of updating the Wastewater Master Plan and assessing the operational efficiencies and status of the existing plant and conveyance system. These efforts will assist the City in determining the need for future capital improvements. Based on preliminary information, additional indebtedness in connection with the City’s obligations to maintain and operate the Wastewater System is likely. Future obligations will be subject to the limitations described herein. See “SECURITY FOR THE BONDS – Limitations Regarding Additional Obligations” and “THE 2004 PROJECT.”

TAX MATTERS

Bond Counsel Opinion

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded from gross income for United States federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is exempt from State of California personal income taxes. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the United States federal individual or corporate alternative minimum taxes, although Bond Counsel expresses no opinion regarding whether such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. A copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is set forth in Appendix D attached hereto and will accompany the Bonds.

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

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

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for United States federal and State personal income tax purposes, a U.S. holder’s United States federal and State tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of such other tax consequences will depend upon the U.S. holder’s

particular circumstances, including other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors concerning collateral tax consequences with respect to the Bonds.

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

Risk of Audit by Internal Revenue Service

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the Owners thereof for United States federal income tax purposes. No assurances can be given as to whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS is likely to treat the Authority as the taxpayer and the Owners of the Bonds may have no right to participate in such procedure.

Bond Counsel’s opinion represents its legal judgment based upon its review of existing law, regulations, rulings, judicial decisions, and other authorities, and upon the covenants and representations of the parties and such other facts as it has deemed relevant to render such opinion, and is not a guarantee of a result. Bond Counsel is not obligated to defend the tax-exempt status of the Bonds. Neither the Authority nor Bond Counsel is responsible to pay or reimburse the costs of any Owner with respect to any audit or litigation relating to the Bonds.

Original Issue Discount and Premium

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

In general, if the Bonds are issued for an amount greater than the stated principal amount of the Bonds, the Bonds will be considered to have “amortizable bond premium.” No deduction is allowable for the amortizable bond premium in the case of bonds, like the Bonds, the interest on which is excluded from gross income for United States federal income tax purposes. However, the amount of tax-exempt

interest received, and a U.S. holder's basis in a Bond issued with acquisition premium, would be reduced by the amount of amortizable bond premium properly allocable to such U.S. holder. U.S. holders of Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Information Reporting and Backup Withholding

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

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

RATING

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies ("S&P"), has assigned its municipal bond rating of "___" to the Bonds. Such rating reflects only the views of the rating agency furnishing the same and any desired explanation of the significance of such rating should be obtained from the rating agency at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the foregoing rating may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

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

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (which represents the aggregate principal amount of the Bonds, less an Underwriter's discount of \$_____, [plus/less] a net original issue [premium/discount] of \$_____.)

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

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

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

FINANCIAL ADVISOR

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

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

LITIGATION

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

CERTAIN LEGAL MATTERS

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

MISCELLANEOUS

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

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

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Controller

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

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

[TO FOLLOW]

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF OXNARD

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

General

The City is located in western Ventura County (the "County") on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the largest city in the County, with a population estimated at 200,855 in 2013, accounting for approximately 24% of the County's population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

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

Population

The City's population has grown from approximately 186,122 people in 2004 to approximately 200,855 in 2013. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2004 through 2013.

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

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

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

Sources: For City: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013; for State and County: California Department of Finance (Report E-4 Population Estimates for Cities, Counties and the State); for United States: United States Bureau of the Census.

Property Tax Rates

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

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

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

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.

Property Tax Levies, Collections, and Delinquencies

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

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

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

The following table details the City's property tax levies, collections, and delinquencies since fiscal year 2003-04.

City of Oxnard
Property Tax Levies, Collections and Delinquencies
Fiscal Years 2003-04 through 2012-13

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Tax Levy
2004	\$35,432,169	\$35,281,916	99.58%	\$344,390	\$35,626,306	99.99%
2005	44,743,658	49,223,170	110.01	126,250	49,349,420	110.29
2006	54,511,910	58,537,770	107.39	132,403	58,670,173	107.63
2007	59,401,879	68,429,117	115.20	129,679	68,558,796	115.42
2008	69,931,705	75,726,668	108.29	121,075	75,847,743	108.46
2009	69,147,624	76,681,392	110.90	145,945	76,827,337	111.11
2010	75,929,128	71,755,189	94.50	136,565	71,891,754	94.68
2011	72,434,536	71,118,203	98.18	105,158	71,223,361	98.33
2012	70,330,220	63,176,888	89.83	126,609	63,303,497	90.01
2013 ⁽¹⁾	53,833,600	52,537,321	97.59	121,064	52,658,385	97.82

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

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.

Assessed Property Values

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

City of Oxnard
Assessed Property Values
Fiscal Years 2003-04 through 2013-14

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

Source: County Assessor's Office.

Principal Taxpayers

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

City of Oxnard Principal Taxpayers

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Procter & Gamble Paper Products	\$ 268,098,003	1.75%
St. John Regional Medical Center	230,115,059	1.50
Essex Arbors LP	197,972,713	1.29
SOCMI LLC	91,198,200	0.60
Sunbelt Enterprises LLC	86,539,573	0.59
Capri of KW Serenade LLC	83,068,300	0.54
Haas Automation Inc.	82,295,400	0.54
GS Paz Mar LP	70,530,594	0.46
Duesenberg Investment Company	67,133,520	0.44
Genon Energy West LP-Mandalay	66,700,000	0.44
Other Taxpayers	<u>14,074,261,994</u>	<u>91.88</u>
Totals	\$15,317,913,356	100.00%

Source: County of Ventura.

Outstanding Debt

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

City of Oxnard Outstanding Debt (Fiscal Years 2003-04 through 2012-13)

<u>Year Ended June 30</u>	<u>Governmental Activities</u>				<u>Business-Type Activities</u>		<u>Total Outstanding Debt</u>
	<u>Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Tax Allocation Bonds</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>	
2004	\$22,874,301	\$ 8,045,000	\$19,185,000	\$1,729,354	\$214,035,699	\$2,916,139	\$268,785,493
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572
2011	37,359,198	32,820,000	45,155,000	2,552,594	383,230,810	3,623,438	504,741,270
2012	35,781,802	32,010,000	--	5,665,006	372,713,206	2,963,438	449,133,452
2013	34,146,715	25,335,000	--	11,101,548	361,808,291	2,620,593	435,012,147

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.

Direct and Overlapping Debt

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

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

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

	Total Debt 6/30/14	% Applicable (1)	City's Share of Debt 6/30/14
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$132,275,000	0.714%	\$ 944,444
Ventura County Community College District	300,628,714	14.595	43,876,761
Oxnard Union High School District	138,907,016	45.917	63,781,935
Oxnard School District	159,868,139	91.914	146,941,201
Rio School District	14,040,000	85.740	12,037,896
Rio School District Community Facilities District No. 1	57,260,000	100.	57,260,000
Hueneme School District	25,464,135	44.017	11,208,548
Ocean View School District	15,280,247	42.460	6,487,993
City of Oxnard Rose Avenue/Highway 101 Assessment District No. 96-1	1,920,000	100.	1,920,000
City of Oxnard Rice Avenue/Highway 101 Assessment District No. 2001-1	11,420,000	100.	11,420,000
City of Oxnard Oxnard Boulevard/Highway 101 Assessment District No. 2000-1	1,915,000	100.	1,915,000
City of Oxnard Community Facilities District No. 1	8,575,000	100.	8,575,000
City of Oxnard Community Facilities District No. 3	27,870,000	100.	27,870,000
City of Oxnard Oxnard Boulevard Highway Interchange Community Facilities District	7,695,000	100.	7,695,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$401,933,778
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Ventura County General Fund Obligations	\$398,360,000	14.590%	\$ 58,120,724
Ventura County Superintendent of Schools Certificates of Participation	11,160,000	14.590	1,628,244
Oxnard Union High School District Certificates of Participation	6,820,000	45.917	3,131,539
Ocean View School District Certificates of Participation	1,426,700	42.460	605,777
Oxnard School District Certificates of Participation	4,600,800	91.914	4,228,779
Rio School District Certificates of Participation	7,145,000	85.740	6,126,123
City of Oxnard General Fund Obligations	60,278,807	100.	60,278,807
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$134,119,993
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$40,920,000	100. %	\$40,920,000
TOTAL DIRECT DEBT			\$60,278,807
TOTAL OVERLAPPING DEBT			\$516,694,964
TOTAL DIRECT AND OVERLAPPING DEBT			\$576,973,771 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

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

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,170,008,739):

Total Overlapping Tax Increment Debt	1.89%
--	-------

Source: California Municipal Statistics, Inc.

Employment and Personal Income

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

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

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

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.

Taxable Retail Sales

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

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

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

Source: California State Board of Equalization.

Transportation

Oxnard is served by all major modes of transportation. Both U.S. Highway 101 and State Highway 1 pass through the City, linking it with the Los Angeles metropolitan area and Santa Barbara County. Rail passenger service is provided by AMTRAK, which has a station in the City. Two trains pass

through daily in each direction and stop at the Oxnard station. Metrolink provides commuters from the Oxnard Transportation Center with several daily routes to the Los Angeles basin, including downtown Los Angeles. Union Pacific Railroad provides freight rail service through the City. The Ventura County Railroad Company connects Port Hueneme, the Ormond Beach Industrial Area, the Naval Construction Battalion Center, and surrounding industrial areas to the Union Pacific line. The Port of Hueneme, owned and operated by the Oxnard Harbor District, is the only commercial deep-draft harbor between Los Angeles and San Francisco. The port has five 600 to 700 foot berths and a 35-foot entrance channel depth. An \$18 million expansion of the port was completed in 1989, which included the addition of an automobile terminal and the construction of a new wharf. The port's acquisition of approximately 33 acres from the U.S. Navy in 1997 has enabled it to increase facilities for handling refrigerated containers and roll-on/roll-off cargoes. The Channel Islands Harbor is a modern 3,000 slip boat marina, which also serves the Oxnard area in the capacity of a recreational marina and covers approximately 310 acres. The Oxnard Airport is operated by Ventura County as a general and commercial aviation airfield. The Oxnard Airport handles passenger as well as cargo services. Local bus service is provided by Gold Coast Transit, a regional public transit agency funded by the County and member cities. Service is available in Ojai, Ventura, Oxnard, and Port Hueneme. The Greyhound bus line provides passenger and parcel service from its Oxnard station. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

There are 35 elementary, 8 junior high, and 5 senior high schools located in and immediately around the City, plus eight parochial and private schools. The City is served by Oxnard College, a California community college. The 119-acre campus is located on Rose Avenue between Channel Island Boulevard and Pleasant Valley Road. Oxnard College currently offers degree and certificate programs. The California State University campus at Channel Islands (CSUCI) opened in fall 2002, and has a current enrollment of over 3,700 students. In addition, two campuses of the University of California, Santa Barbara (UCSB) and Los Angeles (UCLA), one campus of the California State University, Northridge (CSUN), and two private universities, Pepperdine and California Lutheran University, are within a 50 minute drive.

Recreation

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

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

City's Investment Policy

The following is a summary of the City's investment policy (the "Investment Policy") applicable to certain of the City's funds and accounts, as described below, in effect as of the date of this Official

Statement. Reference is made to the entire Investment Policy, including the appendices and attachments thereto, which is available upon request from the City.

Introduction. The following statement of the City's Investment Policy is intended to provide guidelines for the prudent investment of surplus funds of the City, and to outline the policies for maximizing the efficiency of the City's cash management system. It is the policy of the City to invest public funds in a manner which will provide high investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

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

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

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

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

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

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

Delegation of Authority. California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority

to the treasurer of the local agency. Effective January 1, 1997, such delegation is to be reviewed each year and may be renewed by the City Council.

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

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

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

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

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

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

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

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

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

U.S. Agencies. The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years.

Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

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

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

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

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

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

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

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

Repurchase Agreements. The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the City Treasurer's office and will not be allowed to fall below 102% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

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

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

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

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

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

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

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

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

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

Security Type and Institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total portfolio will be invested in a single security type and no more than 15% with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in the Investment Policy.

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

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

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

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

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

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

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

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

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

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

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

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

City's Pension Plans

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

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

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

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

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

PERS uses a modification of the entry age normal actuarial cost method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. The City's contributions to PERS (including the employee share) for the years ended June 30, 2013, 2012, and 2011 were \$24,986,509, \$24,671,878, and \$22,331,816, respectively, and were equal to required contributions for each year. Contribution rates for each participating employer are determined based on the benefit structure established. Employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. The contribution rates at June 30, 2013, 2012, and

2011 were 100%, for each year, of annual covered payroll for police, fire, and miscellaneous employees. The contribution requirements of plan members and the City are established and may be amended by PERS. For additional information, see "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013."

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

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

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Police	\$212,195	\$258,372	\$46,177	82.1%	\$23,524	196.3%
Fire ⁽¹⁾	9,855	11,724	1,869	80.7	948	197.27
Miscellaneous	299,531	347,813	48,282	86.1	49,497	97.5

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

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.

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

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

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

	<u>New Rate</u>	<u>Projected Future Employer Contribution Rates</u>				
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Police	37.748%	40.5%	42.3%	44.0%	45.8%	48.2%
Fire	26.881	28.9	31.0	33.1	35.1	37.2
Miscellaneous	14.417	15.7	16.9	18.1	19.4	20.6

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

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

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

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

	<u>City Contributions</u>	<u>Employee Contributions</u>
IUOE	2.7%	5.3%
SEIU	3.5	4.5
Management and Confidential	3.0	5.0

In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. This contribution for the fiscal year ended June 30, 2013, was 7.80% of eligible employee gross wages. The City's payroll for employees covered by PARS for the year ended June 30, 2013, was \$38,357,176. PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

For fiscal year 2012-13, the City's annual pension cost ("APC") of \$4,169,425, for PARS was equal to the City's required actual contribution. The required contribution was determined as part of the June 30, 2011, actuarial assumptions and retained the entry age actuarial cost method.

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

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

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

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

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

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

APPENDIX C

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

[TO FOLLOW]

APPENDIX D
FORM OF BOND COUNSEL OPINION

[TO FOLLOW]

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated [Closing Date], is executed and delivered by the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as trustee and as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Authority of \$_____ aggregate principal amount of the City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (the "Bonds"). The Bonds are being issued pursuant to a Indenture, dated as of November 1, 2014 (the "Indenture"), by and among the City of Oxnard (the "City"), the Authority, and the Dissemination Agent, as trustee.

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

Section 1. Purpose of the Disclosure Agreement.

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

Section 2. Definitions.

In addition to the definitions set forth in the Indenture and in the Amended and Restated Installment Purchase Agreement, dated as of November 1, 2014 (the "Installment Purchase Agreement"), by and between the Authority and the City, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this section, the following capitalized terms shall have the following meanings:

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Participating Underwriter" shall mean RBC Capital Markets, LLC, the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

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

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) calendar days prior to each such Annual Report Date, the Authority shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the Authority. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the Authority), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the Authority's fiscal year changes, the Authority shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The Authority shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Authority and shall have no duty or obligation to review such Annual Report.

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

(c) The Dissemination Agent shall:

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

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

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

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

(b) An update of the information contained under the following subheadings of the section in the Official Statement entitled "THE WASTEWATER SYSTEM", if the information is not included elsewhere in the Annual Report:

- Service Area
- Sources of Wastewater System Revenues
- Wastewater Rates and Charges
- Wastewater Connection Fees
- Actual and Projected Operating Results (only actual results required)
- Fiscal Year 2014-2015 Budget (updated for applicable Fiscal Year)
- Outstanding Debt
- Plans for Future Indebtedness

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

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, not in excess of ten (10) business days after the occurrence of any of the following events, notice of the occurrence of such event with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on any reserve fund for the Bonds reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;
- (v) substitution of any credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to the rights of owners of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;

- (ix) defeasances;
- (x) any release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) any bankruptcy, insolvency, receivership, or similar event of the Authority or the City [this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority or the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the City];
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Authority determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above), the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with MSRB not in excess of ten (10) business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: [Closing Date]

CITY OF OXNARD FINANCING AUTHORITY

Controller

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

By: _____
Its: Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Oxnard Financing Authority

Name of Bond Issue: City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014

Date of Issuance: [Closing Date]

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

Dated: _____

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Authorized Signatory

ESCROW AGREEMENT

CITY OF OXNARD FINANCING AUTHORITY WASTEWATER REVENUE BONDS (REDWOOD TRUNK SEWER AND HEADWORKS PROJECTS), 2004 SERIES A

THIS ESCROW AGREEMENT, dated as of November 1, 2014 (this "**Escrow Agreement**"), by and between the City of Oxnard Financing Authority (the "**Authority**") and Wells Fargo Bank, National Association, as Escrow Agent (the "**Escrow Agent**") hereunder with respect to the \$80,000,000 in original principal amount of the City of Oxnard Financing Authority Wastewater Revenue Bonds, (Redwood Trunk Sewer and Headworks Projects), 2004 Series A (the "**Prior Bonds**"), is entered into in accordance with Resolution No. ___ of the Governing Board of the Authority (the "**Board**") adopted on October 28, 2014 (the "**Resolution**"), and the Indenture dated as of November 1, 2014 (the "**Indenture**"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, pursuant to the Indenture dated as of June 1, 2004 (the "**Prior Indenture**"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "**Prior Trustee**"), the Authority issued the Prior Bonds; and

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

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

WHEREAS, pursuant to Section 7.2 of the Installment Purchase Agreement, dated as of June 1, 2004 (the "**Prior Installment Purchase Agreement**"), by and between the City of Oxnard (the "**City**") and the Authority, the City has given notice to the Prior Trustee and Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company, a New York stock insurance company (the "**Prior Bond Insurer**"), that the City intends to exercise its right under Section 7.1 of the Prior Installment Purchase Agreement to cause the Prior Bonds to be called for redemption on December 1, 2014 (the "**Redemption Date**"), in accordance with Section 3.01(a) of the Prior Indenture; and

WHEREAS, the Authority has previously given the Prior Trustee irrevocable instructions to mail to the owners of the Prior Bonds, the Prior Bond Insurer, the Securities Depositories (as hereinafter defined), and the Information Services (as hereinafter defined) not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date in accordance with Section 3.03

of the Prior Indenture, a conditional notice of the of redemption of the Prior Bonds, which conditional notice was in substantially the form set forth in Exhibit A attached hereto; and

WHEREAS, the Authority has determined it is beneficial to itself and the City to refund, on a current refunding basis, all of the Prior Bonds currently outstanding in the principal amount of \$80,000,000; and

WHEREAS, the Authority has determined that \$ _____ in aggregate principal amount of the City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (the "**Bonds**"), shall be issued pursuant to the Resolution and the Indenture, for, among other purposes, the purpose of providing all or a portion of the funds to pay, on the Redemption Date, the accrued interest on the Prior Bonds maturing on and after June 1, 2021, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2021; and

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

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

SECTION 1. Receipt of Documents. The Escrow Agent hereby acknowledges the receipt of copies of the Resolution, the Prior Indenture, and the Indenture. Any reference herein to, or citation herein of, any provision of said documents shall be deemed an incorporation of such provision as a part hereof in the same manner and with the same effect as if it were fully set forth herein.

SECTION 2. Deposit of Moneys. The Authority hereby directs that the Trustee deposit with the Escrow Agent \$ _____.00 by federal funds wire (which deposit may also be made via federal funds wire of said amount directly from RBC Capital Markets, LLC, as the underwriter of the Bonds), representing a portion of the net proceeds of the sale of the Bonds, to be held in an irrevocable escrow by the Escrow Agent separate and apart from other funds of the Authority, the Trustee, and the Escrow Agent, in a fund hereby created and established to be known as the "**Escrow Fund**" to be applied solely as provided in this Escrow Agreement. In accordance with the Indenture, the Authority will also direct the City to transfer to the Escrow Agent \$1,379,933.33 from the Wastewater Revenue Fund (as defined in the Prior Installment Purchase Agreement) held be the City for deposit into the Escrow Fund. All moneys in the Escrow Fund will be held uninvested as cash. The moneys set forth above shall be at least an amount sufficient (i) to refund and redeem the Prior Bonds and discharge the Prior Bonds and the Prior Indenture in accordance with its terms and (ii) to pay on the Redemption Date the accrued interest on the Prior Bonds maturing on and after June 1, 2021, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2021.

SECTION 3. No Investment of Moneys. The Escrow Agent acknowledges receipt of

the moneys described in Section 2 hereof and agrees that all amounts held in the Escrow Fund shall be held as cash.

SECTION 4. [RESERVED]

SECTION 5. [RESERVED]

SECTION 6. Irrevocable Deposit; Express Trust. The escrow created hereby shall upon the issuance of the Bonds be irrevocable, and all moneys held in the Escrow Fund shall be subject to the express trust created by this Escrow Agreement until paid out, used, and applied in accordance with this Escrow Agreement.

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

SECTION 7. Payment of Prior Bonds.

(a) Payment. From the moneys on deposit in the Escrow Fund, the Escrow Agent shall apply the amounts on deposit in the Escrow Fund to pay on the Redemption Date the accrued interest on the Prior Bonds maturing on and after June 1, 2021, and the redemption price of 100% of the principal amount payable with respect to the Prior Bonds maturing on and after June 1, 2021. THE AUTHORITY IRREVOCABLY WAIVES ITS RIGHTS TO REDEEM THE PRIOR BONDS ON ANY OTHER DATE. Any moneys remaining in the Escrow Fund after payment in full of the principal of, unpaid interest on, and premium, if any, on the Prior Bonds shall be repaid by the Escrow Agent to the Authority.

(b) Notice. The Authority has previously instructed the Escrow Agent to mail to the owners of the Prior Bonds, the Prior Bond Insurer, the Securities Depositories, and the Information Services in accordance with Section 3.03 of the Prior Indenture, a conditional notice that the Prior Bonds will be redeemed in full on the Redemption Date. The form of the conditional notice mailed is attached hereto as Exhibit A.

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

“Information Services” means Financial Information, Inc.’s “Financial Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services’ “Called Bond Service,” 55 Broad Street, 28th Floor, New York, New York 10004; Moody’s Investors Service “Municipal and Government,” 77 Center

Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bonds Department; and Standard & Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or no such services, as the Authority may indicate in a certificate of the Authority delivered to the Escrow Agent.

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

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

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

SECTION 8. Application of Certain Terms of the Prior Indenture. All of the terms of the Prior Indenture relating to the transfer and exchange and the making of payments of principal and interest on the Prior Bonds are incorporated in this Escrow Agreement as if set forth in full herein.

SECTION 9. Performance of Duties. The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 10. Escrow Agent's Authority to Make Investments. Except as provided in Sections 2 and 3 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Agreement or to sell, transfer, or otherwise dispose of the moneys held hereunder.

SECTION 11. Indemnity. To the extent permitted by law, the Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save, and keep harmless the Escrow Agent and its respective successors, assigns, agents, and employees, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses, and disbursements

(including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery, and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds deposited therein, and any payment, transfer, or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Agent's respective successors, assigns, agents, or employees. In no event shall the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

SECTION 12. Responsibility of Escrow Agent. The Escrow Agent shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys deposited therein, the sufficiency of such moneys to pay the Prior Bonds, or any payment, transfer, or other application of moneys by the Escrow Agent in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "Whereas" clauses herein shall be taken as the statements of the Authority and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of amounts deposited in the Escrow Fund to accomplish the refunding of the Prior Bonds or to the validity of this Escrow Agreement as to the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Escrow Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Authority, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered, or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the Authority.

SECTION 13. Amendments. This Escrow Agreement is made for the benefit of the Authority and the owners from time to time of the Prior Bonds, and it shall not be repealed, revoked, altered, or amended without the written consent of all such owners, the Escrow Agent, and the Authority; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Escrow Agreement or enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such owners or the exclusion from gross income of interest payable on the Prior Bonds for purposes of federal income taxation, and as shall not be inconsistent with the terms and provisions of this Escrow Agreement or the Prior Indenture, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Escrow Agreement;

(ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the Prior Bonds, any additional rights, remedies, powers, or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Escrow Agreement additional funds, securities, or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition, or elimination affects the rights of the owners of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 14. Insufficient Funds. If at any time the moneys in the Escrow Fund will not be sufficient to make all payments required by this Escrow Agreement, the Escrow Agent shall notify the Authority in writing, immediately upon its actual knowledge of such deficiency, of the amount thereof and if actually known to it the reason therefor. The Escrow Agent shall have no further responsibility regarding any such deficiency.

SECTION 15. Notices. In the event that this agreement or any provision thereof is severed, amended, or revoked, the Authority shall provide written notice of such severance, amendment, or revocation to Standard & Poor's Ratings Service, 55 Water Street, 38th Floor, New York, NY 10041 Attention: Public Finance Surveillance Group. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made to Wells Fargo Bank, National Association, 707 Wilshire Boulevard, 17th Floor, Los Angeles, California 90017, Attention: Corporate Trust Department. Any notice to the Prior Bond Insurer shall be sent to Financial Guaranty Insurance Company, dba FGIC Insurance Company, 125 Park Avenue, New York, New York 10017; Attention: Risk Management. Any notice to or demand upon the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Authority at City of Oxnard Financing Authority, 300 West Third Street, Oxnard, California 93030, Attention: Authority Controller.

SECTION 16. Term. This Escrow Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the Prior Bonds have been paid in accordance with this Escrow Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 7(c) hereof.

SECTION 17. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the Authority and any other reasonable fees and expenses approved by the Authority; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Escrow Agreement.

SECTION 18. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement to be performed on the part of the Authority or the Escrow Agent should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 19. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 20. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

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

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
James Cameron
Authority Controller

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

SCHEDULE A

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

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

Bond proceeds..... \$ _____ .00

Wastewater Revenue Fund (held by City) \$1,379,933.33

TOTAL SOURCES \$ _____

USES OF FUNDS DEPOSITED IN ESCROW FUND

Cash to be held in Escrow Fund \$ _____

TOTAL USES..... \$ _____

Exhibit A

CONDITIONAL NOTICE OF FULL REDEMPTION

**TO THE HOLDERS OF
CITY OF OXNARD FINANCING AUTHORITY
WASTEWATER REVENUE BONDS
(REDWOOD TRUNK SEWER AND HEADWORKS PROJECTS), 2004 SERIES A**

CONDITIONAL NOTICE OF FULL REDEMPTION

TO THE HOLDERS OF CITY OF OXNARD FINANCING AUTHORITY WASTEWATER REVENUE BONDS (REDWOOD TRUNK SEWER AND HEADWORKS PROJECTS), 2004 SERIES A

CONDITIONAL NOTICE is hereby given on behalf of the City of Oxnard Financing Authority (the “**Authority**”) that, pursuant to Section 3.01(a) of the Indenture dated as of June 1, 2004 (the “**Indenture**”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “**Trustee**”), the above-referenced bonds (the “**Bonds**”) in the aggregate principal amount of \$80,000,000 as listed below are being called for redemption on December 1, 2014 (the “**Redemption Date**”), at the redemption price of 100% (expressed as a percentage of the principal amount of Bonds called for redemption) (the “**Redemption Price**”) plus accrued interest to the Redemption Date. On and after the Redemption Date, interest shall cease to accrue on the Bonds.

Maturity Date (June 1)	Interest Rate	Redemption Price	Principal Amount Called	CUSIP No.
2021	5.000%	100%	\$ 4,075,000	691878 AA0
2022	5.000%	100%	\$ 4,275,000	691878 AB8
2023	5.000%	100%	\$ 4,490,000	691878 AC6
2024	5.000%	100%	\$ 4,715,000	691878 AD4
2025	5.000%	100%	\$ 4,950,000	691878 AE2
2026	5.000%	100%	\$ 5,200,000	691878 AF9
2029	5.000%	100%	\$17,205,000	691878 AG7
2034	5.250%	100%	\$35,090,000	691878 AH5

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

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

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

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

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

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

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

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

Dated: October __, 2014

**Wells Fargo Bank, National Association,
as Trustee**

INDENTURE

by and between

CITY OF OXNARD FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS TRUSTEE

Dated as of November 1, 2014

RELATING TO

\$(PRINCIPAL AMOUNT)
CITY OF OXNARD FINANCING AUTHORITY
WASTEWATER REVENUE REFUNDING BONDS, SERIES 2014

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS; EQUAL SECURITY	2
Section 1.01 Definitions	2
Section 1.02 Equal Security	9
ARTICLE II ISSUANCE OF BONDS; REGISTRATION AND TRANSFER OF BONDS	9
Section 2.01 Authorization; Designation; Form of Bonds	9
Section 2.02 Description of Bonds	10
Section 2.03 Payment Dates of Bonds; Interest	10
Section 2.04 Execution	11
Section 2.05 Transfer and Exchange	12
Section 2.06 Bonds Mutilated, Lost, Destroyed, or Stolen	12
Section 2.07 Temporary Bonds	13
Section 2.08 Execution of Documents and Proof of Ownership	13
Section 2.09 Bond Register	14
Section 2.10 Nonpresentment of Bonds	14
Section 2.11 Unclaimed Money	14
Section 2.12 Book-Entry System; Limited Obligation	14
Section 2.13 Representation Letter	15
Section 2.14 Transfers Outside Book-Entry System	15
Section 2.15 Payments and Notices to the Nominee	16
Section 2.16 Initial Depository and Nominee	16
ARTICLE III REDEMPTION OF BONDS	16
Section 3.01 Redemption	16
Section 3.02 Selection of Bonds for Redemption	17
Section 3.03 Notice of Redemption	18
Section 3.04 Partial Redemption of Bonds	18
Section 3.05 Effect of Notice of Redemption	19
Section 3.06 Bonds No Longer Outstanding	19
ARTICLE IV ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF PROCEEDS	19
Section 4.01 Establishment of Funds	19
Section 4.02 Procedure for the Issuance of Bonds	20
Section 4.03 Application of Proceeds and Other Amounts	20
Section 4.04 Use of Moneys in the Costs of Issuance Fund	21
ARTICLE V REVENUES	21
Section 5.01 Pledge of Revenues	21
Section 5.02 Receipt and Deposit of Revenues in the Payment Fund; Use of Money in the Payment Fund.	22
Section 5.03 Deposit and Use of Money in the Reserve Fund	22
Section 5.04 Investment of Moneys in Funds	23

Section 5.05	Payment Procedure Pursuant to Bond Insurance Policy.....	24
ARTICLE VI COVENANTS OF THE AUTHORITY		24
Section 6.01	Punctual Payment and Performance	24
Section 6.02	Tax Covenants; Rebate Fund.....	24
Section 6.03	Accounting Records and Reports	27
Section 6.04	Installment Purchase Agreement and Other Documents	27
Section 6.05	Other Liens	27
Section 6.06	Prosecution and Defense of Suits	28
Section 6.07	Further Assurances	28
Section 6.08	Acquisition of the 2004 Project and Sale of the 2004 Project.....	28
Section 6.09	Continuing Disclosure	28
ARTICLE VII THE TRUSTEE.....		28
Section 7.01	Appointment and Acceptance of Duties	28
Section 7.02	Duties, Immunities, and Liabilities of Trustee	29
Section 7.03	Merger or Consolidation.....	31
Section 7.04	Compensation and Indemnification.....	31
Section 7.05	Liability of Trustee	31
Section 7.06	Right to Rely on Documents.....	32
Section 7.07	Preservation and Inspection of Documents	33
Section 7.08	Paying Agents.....	33
Section 7.09	Appointment of Co-Trustee or Agent.....	33
ARTICLE VIII AMENDMENT OF THE INDENTURE		34
Section 8.01	Amendment of the Indenture	34
Section 8.02	Disqualified Bonds	35
Section 8.03	Endorsement or Replacement of Bonds after Amendment	35
Section 8.04	Amendment by Mutual Consent.....	35
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES OF HOLDERS.....		35
Section 9.01	Events of Default and Acceleration of Maturities	35
Section 9.02	Proceedings by Trustee.....	37
Section 9.03	Effect of Discontinuance or Abandonment	37
Section 9.04	Rights of Owners	37
Section 9.05	Restriction on Owners' Action	38
Section 9.06	Power of Trustee to Enforce	38
Section 9.07	Remedies Not Exclusive.....	38
Section 9.08	Waiver of Events of Default; Effect of Waiver	38
Section 9.09	Application of Moneys	39
ARTICLE X DEFEASANCE.....		39
Section 10.01	Discharge of Bonds.....	39
ARTICLE XI MISCELLANEOUS		42
Section 11.01	Liability of Authority Limited to Revenues	42
Section 11.02	Benefits of the Indenture Limited to Parties.....	42

Section 11.03	Successor is Deemed Included in All References to Predecessor	42
Section 11.04	Execution of Documents by Owners	42
Section 11.05	Waiver of Personal Liability	43
Section 11.06	Acquisition of Bonds by Authority	43
Section 11.07	Destruction of Cancelled Bonds	43
Section 11.08	Funds.....	43
Section 11.09	Article and Section Headings and References	43
Section 11.10	Partial Invalidity	44
Section 11.11	Execution in Several Counterparts	44
Section 11.12	Law Governing	44
Section 11.13	Notices	44
Section 11.14	Bond Insurer and City as Third-Party Beneficiaries.....	45
Section 11.15	Additional Covenants of the Authority to Bond Insurer	45
EXHIBIT A	FORM OF BOND.....	A-1
EXHIBIT B	WRITTEN REQUEST OF THE AUTHORITY FOR DISBURSEMENT OF COSTS OF ISSUANCE	B-1
EXHIBIT C	PERMITTED INVESTMENTS	C-1

INDENTURE

THIS INDENTURE, dated as of November 1, 2014 (the "**Indenture**"), is by and between the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "**Authority**"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association existing under the laws of the United States of America, as trustee (the "**Trustee**");

WITNESSETH:

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

WHEREAS, on June 22, 2004, the Authority issued its Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A, in the aggregate principal amount of \$80,000,000 (the "**2004 Bonds**"), pursuant to an Indenture, dated as of June 1, 2004 (the "**2004 Indenture**"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "**2004 Trustee**"), to finance the construction, acquisition, and improvement of certain trunk sewer facilities and a portion of a headworks project (collectively, the "**2004 Project**"); and

WHEREAS, the 2004 Bonds were secured by the payments to be made by the City from the Net System Revenues (as defined in that certain Installment Purchase Agreement, dated as of June 1, 2004 (the "**2004 Installment Purchase Agreement**"), by and between the City and the Authority) pursuant to the 2004 Installment Purchase Agreement; and

WHEREAS, the City and the Authority desire to refund the 2004 Bonds on a current refunding basis; and

WHEREAS, pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code) (the "**Law**"), the Authority is authorized to issue refunding bonds to refund the 2004 Bonds; and

WHEREAS, to refund the 2004 Bonds, the Authority will issue its Wastewater Revenue Refunding Bonds, Series 2014 (the "**Bonds**"), in the aggregate original principal amount of \$[PRINCIPAL AMOUNT]; and

WHEREAS, the Bonds will be secured by the payments to be made by the City from the Net System Revenues (as defined in that certain Amended and Restated Installment Purchase Agreement, dated as of November 1, 2014 (the "**Installment Purchase Agreement**"), by and between the City and the Authority) pursuant to the Installment Purchase Agreement; and

WHEREAS, in order 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, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has 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 limited 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 has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and interest 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 whereof 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; EQUAL SECURITY

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, request, or other document herein or therein mentioned have the meanings herein specified. Capitalized terms that are used but are not defined herein shall, unless the context otherwise requires, have the meanings ascribed to such terms in the Installment Purchase Agreement.

“Act” means the Marks-Roos Local Bond Pooling Act of 1985, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

“Annual Debt Service” means, for any Bond Year, the sum of (1) the interest payable on all Outstanding Bonds in such Bond Year, assuming that all Outstanding serial Bonds are retired as scheduled and that all Outstanding term Bonds, if any, 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 the sale of any Bonds), and (2) the principal amount of all Outstanding Bonds maturing by their terms in such Bond Year.

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

“Authority Fiscal Year” means the fiscal year of the Authority that, as of the date hereof, is the period from July 1 to and including the following June 30.

"Authority Representative" means the Chairman (or his or her designee), the Vice Chairman (or his or her designee), the Controller (or his or her designee), or such other officer or employee of the City or other person who has been designated as such representative by resolution of the City Council of the City.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Average Annual Debt Service" means the amount determined by dividing the sum of all Annual Debt Service amounts due in each of the Bond Years following the date of such calculation by the number of such Bond Years.

"Beneficial Owners" means those individuals, partnerships, corporations, or other entities for which the Participants have caused the Depository to hold Book-Entry Bonds.

[CONFIRM GLOBALLY:] **"Bond Insurance Policy"** means the municipal bond insurance policy issued by the Bond Insurer that guarantees payment of the principal of and interest on the Bonds.

[CONFIRM GLOBALLY:] **"Bond Insurer"** means _____, a _____ insurance company, or any successor thereto.

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

"Bonds" means the City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014, authorized by and at any time Outstanding pursuant hereto and executed, issued, and delivered in accordance with Article II hereof.

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

"Book-Entry Bonds" means the Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.12 hereof.

"Business Day" means any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed, or (2) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed, or (3) a day on which commercial banks are authorized or obligated by law or executive order to be closed in the city in which the Principal Office of the Trustee or the principal office of the Bond Insurer is located. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture, and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

"Certificate of the Authority" means an instrument in writing signed by the Chairman, the Vice Chairman, the Secretary, or the Controller of the Authority, or by any other officer of the Authority duly authorized for that purpose.

"City" means the City of Oxnard, a municipal corporation duly organized and existing under the laws of the State of California.

"Closing Date" means November __, 2014.

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

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

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

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the City or the Authority relating to the issuance, sale, and delivery of the Bonds and the execution and delivery of the Installment Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, this Indenture, and the preliminary and final official statements pertaining to the Bonds, including administrative fees, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (including legal fees), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies or credit ratings, fees for transportation and safekeeping of the Bonds, and charges and fees in connection with the foregoing.

"Costs of Issuance Fund" means the fund by that name established pursuant to Section 4.01 hereof.

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

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

"Electronic Means" means telecopy, telegraph, telex, facsimile transmission, or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

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

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

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

"Event of Default" has the meaning given to such term in Section 9.01 hereof.

"Indenture" means this Indenture, dated as of November 1, 2014, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Indentures executed pursuant to the provisions hereof.

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

"Information Services" means Financial Information, Inc.'s "Financial Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bonds Department; and Standard & Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds, or to such services, as the Authority may indicate in a Certificate of the Authority delivered to the Trustee.

"Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of November 1, 2014, by and between the Authority and the City, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions hereof and thereof.

"Interest Payment Date" means June 1 and December 1 in each year commencing on June 1, 2015.

"Law" means Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Sections 53580 and following of said Government Code).

"Mandatory Sinking Account Payment" means the principal amount of Bonds required to be paid on each applicable June 1 pursuant to Section 3.01(c) hereof.

"Mandatory Sinking Account Payment Date" means June 1 of each year commencing in 20__ and terminating in 2034.

"Maximum Annual Debt Service" means the maximum Annual Debt Service for any Bond Year prior to the maturity of the Bonds.

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

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

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.02 hereof) all Bonds theretofore or thereupon executed by the Authority and authenticated and delivered by the Trustee pursuant hereto (including Bonds, the principal of and interest on which has been paid by the Bond Insurer pursuant to the Bond Insurance Policy), except --

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

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

(3) Bonds in lieu of or in substitution for which other Bonds shall have been executed by the Authority and authenticated and delivered pursuant hereto.

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

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

"Participant" means each broker-dealer, bank, and other financial institution from time to time for which the Depository holds Book-Entry Bonds as securities depository.

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

"Payment Fund" means the fund by that name established pursuant to Section 4.01 hereof.

"Permitted Investments" means any of the investments listed in Exhibit C attached hereto and incorporated herein by this reference, provided at the time of investment the investment is a legal investment under the laws of the State of California for the moneys proposed to be invested therein and provided further that such investments are permitted under Section 5.04 hereof.

"Principal Office of the Trustee" means the principal corporate trust office of the Trustee located in Los Angeles, California, or such other or additional offices as the Trustee may designate in writing.

"Principal Payment Date" means each of the June 1 maturity dates set forth in Section 2.02 hereof, with a final maturity date of June 1, 2034.

"Qualified Reserve Fund Policy" means an insurance policy or surety bond issued by a company licensed to issue an insurance policy or surety bond, the claims-paying ability of which is rated [CONFIRM:] not less than "Aa" by Moody's or "AA" by S&P.

"Rating Agency" means an agency that has provided a credit rating on the Bonds. As of the Closing Date, only S&P has provided such credit rating.

"Rebatable Arbitrage" has the meaning given to such term in Section 6.02 (h) hereof.

"Rebate Fund" means the fund by that name established pursuant to Section 4.01 hereof.

"Record Date" means the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date, whether or not such day is a Business Day.

"Redemption Notice" shall have the meaning assigned to such term in Section 3.03 hereof.

"Repository" shall have the meaning given to such term in the Continuing Disclosure Agreement.

"Representation Letter" shall have the meaning assigned to such term in Section 2.13 hereof.

"Reserve Fund" means the fund by that name established pursuant to Section 4.01 hereof.

[CONFIRM GLOBALLY:] **"Reserve Fund Surety Bond"** means the Surety Bond issued by the Bond Insurer guaranteeing certain payments into the Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the aggregate principal amount of the Bonds originally issued, (ii) Maximum Annual Debt Service on the Bonds, or (iii) one hundred twenty-five percent (125%) of the Average Annual Debt Service on the Bonds. As of the Closing Date, the Reserve Requirement is equal to \$_____.

"Revenues" means all Installment Payments made pursuant to the Installment Purchase Agreement and the interest or profits from the investment of money in the funds established hereunder (other than the Rebate Fund), subject to the provisions of Article V hereof.

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

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

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

"State" means the State of California.

"Supplemental Indenture" means any indenture then in full force and effect that has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

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

"Trustee" means Wells Fargo Bank, National Association, a national banking association existing under the laws of the United States of America, and its successors or assigns, or any other association or corporation that may at any time be substituted in its place as provided in Section 7.02 hereof, and its successors or assigns.

"2004 Bonds" means the \$80,000,000 in original principal amount of the City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Project), 2004 Series A.

"2004 Capitalized Interest Account" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Costs of Issuance Fund" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Indenture" means the Indenture, dated as of June 1, 2004, by and between the Authority and the 2004 Trustee.

"2004 Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of June 1, 2004, by and between the City and the Authority

"2004 Payment Fund" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Project" means the construction, acquisition, and improvement of certain trunk sewer facilities and a portion of the headworks project financed with the proceeds of the 2004 Bonds.

"2004 Project Fund" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Rebate Fund" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Reserve Fund" has the meaning given to such term in Section 4.03(b) hereof.

"2004 Trustee" means Wells Fargo Bank, National Association, as trustee under the 2004 Indenture.

"Written Request of the Authority" means an instrument in writing signed by the Chairman, the Vice Chairman, the Secretary, or the Controller of the Authority, or by any other officer of the Authority duly authorized for that purpose.

"Written Request of the Treasurer" means an instrument in writing signed by the Treasurer of the City (or his or her designee), or by any other official of the City duly authorized for that purpose.

Section 1.02 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 between the Authority and the Trustee for the benefit of the Owners from time to time of all Bonds authorized, executed, issued, and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds that may from time to time be authorized, executed, issued, and delivered hereunder, subject to the agreements, conditions, covenants, and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection, and security of all Owners without distinction, preference, or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance, or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II ISSUANCE OF BONDS; REGISTRATION AND TRANSFER OF BONDS

Section 2.01 Authorization; Designation; Form 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 all acts, conditions, and things required by law to exist, to have happened, and to have been 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 that the Authority is now duly authorized to issue the Bonds in the form and manner provided herein for the purpose of providing funds to refinance the costs of construction, acquisition, and improvement of the 2004 Project, and that the Bonds shall be entitled to the benefit, protection, and security of the provisions hereof. The Bonds shall be issued under and shall be equally and ratably secured and entitled to the protection given by this Indenture and the provisions of the Act and the Law.

The Bonds shall be executed in the name of the Authority. The Trustee is hereby authorized and directed to authenticate and deliver the Bonds to the original purchaser or purchasers thereof. The Bonds shall be designated "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014." The Bonds shall be issued and delivered

in the aggregate principal amount of _____ million _____ thousand dollars (\$[PRINCIPAL AMOUNT]). No additional Bonds may be issued hereunder.

The Bonds shall be substantially in the form set forth in Exhibit A attached hereto and incorporated herein by this reference, with necessary or appropriate insertions, omissions, and variations as permitted or required hereby.

Section 2.02 Description of Bonds. Each Bond shall be dated the Closing Date and shall be executed and delivered in fully-registered form numbered as the Trustee shall determine. The Bonds shall be dated by the Trustee as of their date of authentication and shall be issued and delivered in Authorized Denominations (not exceeding the principal amount of Bonds maturing in any one year).

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

Maturity Date (June 1)	Principal Amount	Interest Rate
2015	\$	%
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
20__		
20__		
20__		
2034		

Interest with respect to each Bond shall accrue from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after a Record Date and on or prior to the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date, or, unless such date of authentication is on or prior to the first Record Date, in which event interest with respect thereto shall be payable from the Closing Date; provided, however, that if at the time of authentication of any Bond, interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment.

Section 2.03 Payment Dates of Bonds; Interest.

(a) Method and Place of Payment. The principal of the Bonds shall be payable, subject to prior optional and mandatory redemption, including, without limitation, Mandatory Sinking Account Payments, on each Principal Payment Date. The principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender thereof on maturity or on redemption prior thereto at the Principal Office of the Trustee.

Interest with respect to any Bond shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest shall be paid by check or draft of the Trustee, sent to the Owner by first-class mail, postage prepaid, at his address as it appears on the Bond Register; provided, however, that the Owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount represented by the Bonds may request in writing that the Trustee pay the interest represented by such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request. Payments of defaulted interest shall be paid by check or draft to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owners not less than ten (10) days prior thereto.

The principal, premium, if any, and interest with respect to the Bonds shall be payable in lawful money of the United States of America.

(b) Computation of Interest. The interest on the Bonds shall be payable on each Interest Payment Date to and including their Principal Payment Date(s) or redemption prior thereto, and shall be payable from portions of the Installment Payments coming due on the Interest Payment Dates in each year. The principal of the Bonds shall be payable on their Principal Payment Date(s) and Mandatory Sinking Account Payment Dates in each year and shall be payable from portions of the Installment Payments coming due on the Principal Payment Date(s) and Mandatory Sinking Account Payment Dates in each year.

Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payment shall be made with respect to the Bonds on each Interest Payment Date for unpaid interest accrued to but not including such Interest Payment Date, except that payment shall be made on the initial Interest Payment Date for the Bonds for interest accrued from and including the Closing Date.

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

In case any such officer whose signature or countersignature appears on the Bonds shall cease to be such officer before the Bonds so signed shall have been delivered, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until the delivery of the Bonds, and such Bonds shall be issued and outstanding hereunder and shall be as binding upon the Authority as though the person who signed such Bonds had been such official on the date borne by the Bonds and on the date of

delivery. In addition, any Bond may be signed on behalf of the Authority by such person as at the actual date of execution of such Bond shall be the Chairman or Vice Chairman or Secretary of the Authority, as the case may be, although on the date borne by such Bond such person shall not have been such official.

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

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

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

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

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

Section 2.06 Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of such Bond, shall execute and the Trustee shall deliver a new Bond of like denomination, maturity, and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and destroyed. If any Bond shall be lost, destroyed, or stolen, evidence of such loss, destruction, or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee, has been given, the Authority shall, at the expense of the

Owner, execute and the Trustee shall authenticate and deliver a new Bond of like denomination, maturity, and interest rate in lieu of and in substitution for the Bond so lost, destroyed, or stolen. The Trustee may require payment of an appropriate fee for each new Bond delivered under this Section 2.06 and of the expenses that may be incurred by the Trustee in carrying out its duties under this Section 2.06. Any Bond executed and delivered under the provisions of this Section 2.06 in lieu of any Bond claimed to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds. Notwithstanding any other provision of this Section 2.06, in lieu of delivering a new Bond for one that has been mutilated, lost, destroyed, or stolen, and that has matured, or has been called for redemption, the Trustee may make payment of the principal of or interest with respect to such Bond upon receipt of indemnity satisfactory to it.

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

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

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

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

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

Section 2.11 Unclaimed Money. Anything contained herein to the contrary notwithstanding, the Trustee shall notify the Authority and the Bond Insurer of any money held by the Trustee in trust for the payment and discharge of any of the Bonds that has remained unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee. The Trustee shall at the Written Request of the Authority repay such money to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such Bonds.

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

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority, the City, and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority, the City, and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner, or any other person, other than the Depository, of any notice with respect to the Bonds, including any Redemption Notice, (c) the selection by the Depository and the Participants of the beneficial interest in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner, or any other person,

other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Authority, the City, and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, 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 pursuant to this Indenture. Upon delivery by the Depository to the Trustee, the Authority, and the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

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

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

Authority and the Trustee. The Trustee shall deliver such Bonds to the persons in whose names such Bonds are so registered.

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

Section 2.15 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 with respect to 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 2.16 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 REDEMPTION OF BONDS

Section 3.01 Redemption. The Bonds shall be subject to redemption prior to their stated maturities only as set forth below:

(a) Optional Redemption. The Bonds maturing on or before June 1, 20__, shall not be subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, 20__, shall be subject to redemption prior to their respective stated Principal Payment Dates, upon the exercise by the City of its right to cause the redemption of Bonds in accordance with Section 7.1 of the Installment Purchase Agreement from and to the extent of any source of available funds, as a whole or in part on any Interest Payment Date on or after June 1, 20__, of such maturities or portions of maturities as shall be directed by the City in accordance with Section 7.2 of the Installment Purchase Agreement if less than all of the Bonds are to be called for prior redemption and by lot within any such maturity if less than all of the Bonds of such maturity are to be redeemed at the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

(b) [RESERVED]

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

Redemption Date (June 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__ (maturity)	

The amount of each redemption required by this subsection (c)(i) shall be reduced proportionately in the event and to the extent of any and all redemptions of Bonds pursuant to this Section 3.01 other than this subsection (c).

(ii) The Bonds maturing on June 1, 2034, are subject to redemption prior to their stated maturity, in part, from Mandatory Sinking Account Payments, on each June 1, commencing June 1, 20__, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

Redemption Date (June 1)	Principal Amount
20__	\$
20__	
2032	
2033	
2034 (maturity)	

The amount of each redemption required by this subsection (c)(ii) shall be reduced proportionately in the event and to the extent of any and all redemptions of Bonds pursuant to this Section 3.01 other than this subsection (c).

Section 3.02 Selection of Bonds for Redemption. Whenever provision (other than Section 3.01(c)) is made in this Indenture for the redemption of Bonds and less than all Outstanding Bonds shall be called for redemption, the Trustee shall select Bonds for redemption in any manner that the Trustee deems fair and appropriate, or as shall be specified by the Authority.

The principal amount of the Bonds subject to Mandatory Sinking Account Payments pursuant to Section 3.01(c) hereof shall be reduced in each of the years by the principal amount of the Bonds required to be redeemed in such years pursuant to Section 3.01(a) hereof.

The Trustee shall select Bonds within each maturity for redemption by lot. The Trustee shall promptly notify the City and the Authority in writing of the Bonds so selected for redemption. Redemption by lot shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Bond to be redeemed shall be in an Authorized Denomination.

Section 3.03 Notice of Redemption. When redemption is authorized or required pursuant to Section 3.01 hereof, the Trustee shall give notice (the "**Redemption Notice**"), at the expense of the City, of the redemption of the Bonds; provided, however, that neither failure of any Owner to receive a Redemption Notice nor any defect in a Redemption Notice shall affect the sufficiency of the proceedings for the redemption of Bonds. Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed. The Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) if less than all Outstanding Bonds are to be redeemed, the numbers of the Bonds of the maturities to be redeemed in whole or in part and, in any case, the principal amount of Bonds of each maturity to be redeemed in whole or in part, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued thereon to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

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

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

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

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

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

Section 3.04 Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date and interest rate and of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon

payment of the amount required to be paid to such Owner, and the Authority and the Trustee shall be released and discharged thereupon from all liability to the extent of such payment.

Section 3.05 Effect of Notice of Redemption. Notice of redemption having been given as provided in Section 3.03 hereof, and the money for the redemption (including accrued interest to the redemption date) having been set aside in the Payment Fund or in any other fund or account established for such purpose prior to the giving of such notice as provided in Section 3.03 hereof (except as otherwise permitted under Section 3.03 hereof), the Bonds to be redeemed shall become due and payable on such redemption date.

If, on such redemption date, money for the redemption of all of the Bonds to be redeemed, together with accrued interest to such redemption date, shall be held by the Trustee so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given to the Owners as provided in Section 3.03 hereof, then from and after such redemption date interest with respect to the Bonds to be redeemed shall cease to accrue and become payable and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All money held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust, without liability for interest thereon, for the account of the Owners of the Bonds to be redeemed.

Any redemption of Bonds pursuant to Section 3.01 hereof shall cause the schedule of Installment Payments set forth in Exhibit B to the Installment Purchase Agreement to be recalculated by the City in accordance with Section 4.2 of the Installment Purchase Agreement. Such schedule shall be furnished by the City to the Trustee. All Bonds redeemed, or purchased in lieu of redemption, pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be delivered to, or upon the order of, the Authority and shall not be reissued.

Section 3.06 Bonds No Longer Outstanding. When any Bond (or portion thereof), which has been duly called for redemption prior to maturity under the provisions of this Indenture, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and sufficient money shall be held by the Trustee irrevocably in trust for the payment of the redemption price of such Bond, or portion thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Indenture, then such Bond (or portion thereof) shall no longer be deemed Outstanding under the provisions of this Indenture. If the Authority shall otherwise acquire any Bond by purchase or otherwise, such Bond shall no longer be deemed Outstanding and shall be surrendered to the Trustee for cancellation.

ARTICLE IV ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF PROCEEDS

Section 4.01 Establishment of Funds. The Trustee shall establish and maintain the following special trust funds to be held by the Trustee: (i) the "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 Costs of Issuance Fund" (the "**Costs of Issuance Fund**"), (ii) the "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 Payment Fund" (the "**Payment Fund**"), (iii) the "City of Oxnard

Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 Reserve Fund" (the "**Reserve Fund**"), and (iv) the "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 Rebate Fund" (the "**Rebate Fund**").

Section 4.02 Procedure for the Issuance of Bonds. The Authority may, at any time, execute the Bonds for issuance hereunder and deliver them to the Trustee, and thereupon the Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof.

Section 4.03 Application of Proceeds and Other Amounts. (a) Upon the receipt of payment for the Bonds on the Closing Date, the Trustee shall apply the purchase price of the Bonds (representing \$[PRINCIPAL AMOUNT] of aggregate principal amount, [plus/less] \$_____ of net original issue [premium/discount], less \$_____ of underwriter's discount, [CONFIRM:] less \$_____ transferred by the underwriter to the Bond Insurer to pay the Bond Insurance Policy premium, and [CONFIRM:] less \$_____ transferred by the underwriter to the Bond Insurer to pay the Reserve Fund Surety Bond premium), in the amount of \$_____ as follows:

(i) The Trustee shall deposit \$_____ of the proceeds of the Bonds into the Costs of Issuance Fund, to be disbursed as provided herein;

(ii) [CONFIRM:] The Trustee shall deposit \$_____, constituting the Reserve Requirement, of the proceeds of the Bonds into the Reserve Fund; and

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

(b) Pursuant to the 2004 Indenture, the 2004 Trustee established, maintained, and held the following funds: (i) the "City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A Costs of Issuance Fund" (the "**2004 Costs of Issuance Fund**"), (ii) the "City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A Project Fund" (the "**2004 Project Fund**"), (iii) the "City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A Payment Fund" (the "**2004 Payment Fund**"), including the Capitalized Interest Account therein (the "**2004 Capitalized Interest Account**"), (iv) the "City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A Reserve Fund" (the "**2004 Reserve Fund**"), and (v) the "City of Oxnard Financing Authority Wastewater Revenue Bonds (Redwood Trunk Sewer and Headworks Projects), 2004 Series A Rebate Fund" (the "**2004 Rebate Fund**"). On the Closing Date, the Authority shall direct the 2004 Trustee to apply all amounts held by the 2004 Trustee under the 2004 Indenture as follows:

(1) No amounts are held by the 2004 Trustee in the 2004 Costs of Issuance Fund, the 2004 Project Fund, [CONFIRM:] [the 2004 Payment Fund,] or the 2004 Capitalized Interest Account;

(2) The reserve fund policy applicable to the 2004 Bonds shall be cancelled; no amounts are held by the 2004 Trustee in the 2004 Reserve Fund; and

(3) The 2004 Trustee shall apply all amounts, if any, held in the 2004 Rebate Fund in accordance with the 2004 Indenture.

(c) On the Closing Date, the Authority shall direct the City to transfer from the Wastewater Revenue Fund the aggregate amount of \$2,043,862.50 (which amount shall be equal to the amount that would have been transferred from the Wastewater Revenue Fund to the 2004 Payment Fund to pay debt service on the 2004 Bonds on December 1, 2014) and to apply such amount as follows: (i) \$663,929.17 shall be transferred from the Wastewater Revenue Fund to the Payment Fund to pay a portion of the interest due on the Bonds on June 1, 2015, and (ii) \$1,379,933.33 shall be transferred from the Wastewater Revenue Fund to the Escrow Agent for deposit in the Escrow Fund;

Section 4.04 Use of Moneys in the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon receipt by the Trustee of a Written Request of the Authority in the form attached hereto as Exhibit B.

The Trustee shall hold the moneys in the Costs of Issuance Fund and disburse such moneys therefrom in accordance with this Section. If, on the date that is six (6) months after the Closing Date (unless such date is extended pursuant to an opinion of Independent Counsel delivered to the Trustee), there shall remain any balance of money in the Costs of Issuance Fund, all moneys so remaining, after the Trustee shall have duly notified the Authority and the City thereof, shall be transferred, first, to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement, and thereafter to the Payment Fund and applied to the payment of interest on the Bonds on the next succeeding Interest Payment Date on which interest on the Bonds is payable.

ARTICLE V REVENUES

Section 5.01 Pledge of Revenues. All Revenues and amounts on deposit in the funds established hereunder (other than amounts on deposit in the Rebate Fund and the Costs of Issuance Fund) are hereby irrevocably pledged to the payment of the interest on, principal of, and premium, if any, on the Bonds as provided herein, and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues there may be allocated such sums for such purposes as are expressly permitted by Sections 5.02, 5.03, and 5.04 hereof.

In order to secure the pledge of the Revenues contained in this Section 5.01, the Authority hereby transfers, conveys, and assigns to the Trustee, for the benefit of the Owners, all of the Authority's rights under the Installment Purchase Agreement (excepting its right to indemnification thereunder), including the right to receive Installment Payments from the City, the right to receive moneys paid to make up any deficiency in the Reserve Requirement for the

Reserve Fund, the right to receive any payments made by the City pursuant to Section 7.1 of the Installment Purchase Agreement, and the right to exercise any remedies provided therein in the event of a default by the City thereunder. The Trustee hereby accepts said assignment for the benefit of the Owners, subject to the provisions of this Indenture.

The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Section 5.02 Receipt and Deposit of Revenues in the Payment Fund; Use of Money in the Payment Fund.

(a) In order to carry out and effectuate the pledge contained herein, the Authority agrees and covenants that all Revenues (subject to the provisions of Sections 5.03 and 5.04 hereof) when and as received shall be received in trust hereunder for the benefit of the Owners and shall be deposited when and as received in the Payment Fund, and all such Revenues shall be accounted for through and held in trust in the Payment Fund. The Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied, and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money, or other resources of the Authority.

(b) Money in the Payment Fund shall be used and withdrawn by the Trustee for the purpose of paying (i) the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity), and (ii) the principal of and redemption premium, if any, on the Bonds as they shall become due and payable, whether at maturity or through prior redemption or purchase.

(c) Any moneys that, pursuant to Section 7.1 of the Installment Purchase Agreement, are to be used to redeem Bonds pursuant to Section 3.01 hereof shall be deposited by the Trustee in the Payment Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Payment Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date plus interest accrued on such Bonds to the redemption date.

(d) Any delinquent Installment Payments shall be applied first to the Payment Fund for the immediate payment of interest payments past due and principal payments past due according to the tenor of any Bond, and then to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement. Any remaining money representing delinquent Installment Payments shall be deposited in the Payment Fund to be applied in the manner provided herein.

Section 5.03 Deposit and Use of Money in the Reserve Fund. The Trustee shall annually set aside from the Payment Fund and deposit in the Reserve Fund from amounts received from the City pursuant to the Installment Purchase Agreement an amount of money that,

together with the amount already on deposit therein, will be equal to the Reserve Requirement. No deposit need be made in the Reserve Fund so long as there shall be on deposit therein a sum equal to at least the Reserve Requirement for the succeeding Bond Year. The Trustee shall promptly notify the Authority and the City if the amount on deposit in the Reserve Fund is less than the Reserve Requirement. The City is required, pursuant to Section 4.2(c) of the Installment Purchase Agreement, to transfer to the Trustee, from Net System Revenues, amounts sufficient to maintain the Reserve Fund at the Reserve Requirement.

All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on, or principal of, or redemption premiums, if any, on the Bonds in the event that no other money of the Authority is lawfully available therefor, or for the retirement of all Bonds then Outstanding. All interest income received by the Trustee on investment of moneys in the Reserve Fund shall be retained in the Reserve Fund so long as amounts on deposit in the Reserve Fund are less than the Reserve Requirement for the following Bond Year. Subject to the foregoing, earnings and profits on investments in the Reserve Fund shall be transferred as provided in Section 5.04 hereof.

In lieu of funding the Reserve Fund with cash, the Authority, at its option, may fund all or any portion of the Reserve Requirement by providing to the Trustee (a) an irrevocable, unconditional letter of credit approved in writing by the Bond Insurer and issued by a bank or other financial institution approved in writing by the Bond Insurer and whose long-term uncollateralized debt obligations are rated [CONFIRM:] not less than "Aa" by Moody's or "AA" by S&P; or (b) a Qualified Reserve Fund Policy. [CONFIRM:] [The Reserve Fund will initially be funded with the Reserve Fund Surety Bond issued by the Bond Insurer in the maximum amount that is not less than the amount of the Reserve Requirement. The Reserve Fund Surety Bond is a Qualified Reserve Fund Policy.]

On the Closing Date, the Bond Insurer shall provide the Reserve Fund Surety Bond to satisfy a portion of the Reserve Requirement for the Reserve Fund. As long as the Reserve Fund Surety Bond shall be in full force and effect, the Authority and the Trustee, as appropriate, shall comply with the following provisions:

[TO COME, IF APPLICABLE.]

Section 5.04 Investment of Moneys in Funds. Moneys in the funds established hereunder shall, in accordance with a Written Request of the Treasurer, be invested by the Trustee in Permitted Investments. The Trustee may conclusively rely on any direction contained in a Written Request of the Treasurer to invest in investments that such investments are Permitted Investments. In the absence of a Written Request of the Treasurer, the Trustee shall invest moneys in interest bearing demand or time deposit accounts with the Trustee or in accordance with clause (15) of the definition of Permitted Investments. The obligations in which moneys in the said funds are invested shall mature on or prior to the date on which such moneys are estimated to be required to be paid out hereunder. The obligations in which moneys in the Reserve Fund are so invested shall be invested in obligations maturing no later than five (5) years after the date of investment (exclusive of investment agreements and other Permitted Investments approved in writing by the Bond Insurer); provided no such investment shall mature later than the final maturity date of the Bonds; provided further, if such investments may be

redeemed at par so as to be available on each Interest Payment Date, any amount of the Reserve Fund may be invested in such redeemable investments of any maturity on or prior to the final maturity date of the Bonds. The Trustee shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide moneys to meet any payment required under this Indenture. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss from investments, sales, or transfers undertaken in accordance with this Indenture. Any interest, income, or profits from the deposits or investments of all funds (except the Rebate Fund and, to the extent required by Section 5.03 hereof, the Reserve Fund) shall be transferred to the Payment Fund for the payment of principal of or interest on the Bonds on the next Interest Payment Date. For purposes of determining the amount of deposit in any fund held hereunder, all Permitted Investments credited to such fund shall be valued at the cost thereof. Investments shall be valued as frequently as deemed necessary by the Bond Insurer, but not less often than, on or about June 30 of each year commencing on June 30, 2015, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date. Except as otherwise provided in this Section, Permitted Investments representing an investment of moneys attributable to any fund and all investment profits or losses thereon shall be deemed at all times to be a part of said fund.

The Trustee may act as principal or agent in the acquisition or disposition of investments and may commingle moneys in funds and accounts for the purpose of investment.

Section 5.05 Payment Procedure Pursuant to Bond Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Authority and the Trustee shall comply with the following provisions:

[TO COME, IF APPLICABLE.]

ARTICLE VI COVENANTS OF THE AUTHORITY

Section 6.01 Punctual Payment and Performance. The Authority shall punctually pay the interest on and the principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and shall faithfully observe and perform all the agreements and covenants contained herein and in the Bonds.

Section 6.02 Tax Covenants; Rebate Fund. The Authority shall contest by court action or otherwise any assertion by the United States of America or any department or agency thereof that the interest received by the Owners is includable in gross income of such recipients under federal income tax laws. Notwithstanding any other provision of this Indenture, absent an opinion of Independent Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes, the Authority shall comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and the Authority specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority shall take no action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other moneys or property that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) Arbitrage. The Authority shall make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action that will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(c) Federal Guaranty. The Authority shall make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

(e) Hedge Bonds. The Authority shall make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

(f) Miscellaneous. The Authority shall take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the Authority and the City in connection with the issuance of the Bonds and shall comply with the covenants and requirements stated therein and incorporated by reference herein.

(g) Rebate Fund. The Trustee shall establish the Rebate Fund and the Authority shall comply with the requirements below and in the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section and the Tax Certificate, unless the Authority obtains an opinion of Independent Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(h) Excess Investment Earnings.

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

Treasury Regulations promulgated thereunder (the "**Rebatable Arbitrage**"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section and the Tax Certificate.

(ii) Transfer. Prior to the end of the fifth Computation Year with respect to the Bonds, upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, including the other funds and accounts established herein, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (h)(i) above of this Section 6.02. In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Payment Fund.

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

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

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

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source, including the other funds and accounts established herein, equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Section 6.02(h)(iii) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201-0027 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(i) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in Section 6.02(h)(iii) hereof may be transferred by the Trustee to the Authority at the written direction of the Treasurer of the City and utilized in any manner by the Authority.

(j) Survival of Defeasance. Notwithstanding anything in Section 6.02(h) or this Indenture to the contrary, the obligation to comply with the requirements of Section 6.02(h) shall survive the defeasance of the Bonds.

(k) Trustee Responsible. The Trustee shall have no obligations or responsibilities under this Section other than to follow the written directions of the Chief Financial Officer of the City.

Section 6.03 Accounting Records and Reports. The Authority shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation, and application of the Revenues, and such books shall be available for inspection by the Trustee and the Bond Insurer, at reasonable hours and under reasonable conditions. Not more than two hundred seventy (270) days after the close of each Authority Fiscal Year, the Authority shall furnish or cause to be furnished to the Trustee and the Bond Insurer complete financial statements showing receipts, disbursements, allocations, and applications of Revenues for such Authority Fiscal Year, and including a profit and loss statement and balance sheet. The Authority shall also keep or cause to be kept such other information as is required under the Tax Certificate. The Trustee shall have no duty to inspect such records.

Section 6.04 Installment Purchase Agreement and Other Documents. The Authority shall at all times maintain and vigorously enforce all of its rights under the Installment Purchase Agreement and shall promptly collect all Installment Payments as the same become due under the Installment Purchase Agreement, and shall promptly and vigorously enforce its rights against the City if it does not pay such Installment Payments as they become due under the Installment Purchase Agreement. The Authority shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Installment Purchase Agreement by the City.

Section 6.05 Other Liens. The Authority shall keep the 2004 Project free from judgments, mechanics' liens, and materialmen's liens (except those arising from the acquisition, construction, and installation of the 2004 Project) and free from all liens, claims, demands, and encumbrances of whatsoever prior nature or character to the end that the security for the Bonds provided herein will at all times be maintained and preserved free from any claim or liability that might hamper the Authority in conducting its business or interfere with the City's operation of the 2004 Project, and the Trustee at its option (after first giving the Authority thirty (30) days written notice to comply therewith and failure of the Authority to so comply within such period) may (but shall not be obligated to) defend against any and all actions or proceedings in which the validity hereof is or might be questioned, or may pay or compromise any claim or demand asserted in any such action or proceeding; provided, however, that in defending such actions or proceedings or in paying or compromising such claims or demands the Trustee shall not in any event be deemed to have waived or released the Authority from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder to defend the validity hereof and the pledge of the Revenues made herein and to perform such agreements and covenants.

Section 6.06 Prosecution and Defense of Suits. The Authority shall promptly from time to time take or cause to be taken such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the 2004 Project, whether now existing or hereafter developing, and shall prosecute or cause to be prosecuted all such suits, actions, and other proceedings as may be appropriate for such purpose and shall indemnify and hold the Trustee harmless from all loss, cost, damage, and expense, including attorney's fees, which the Trustee may incur by reason of any such defect, cloud, suit, action, or proceeding.

The Authority shall defend against every suit, action, or proceeding at any time brought against the Trustee upon any claim arising out of the receipt, application, or disbursement of any of the Revenues or involving the rights of the Trustee hereunder; provided that the Trustee at its election may appear in and defend any such suit, action, or proceeding.

Section 6.07 Further Assurances. Whenever and so often as may be necessary, the Authority shall promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents, or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners or the Bond Insurer, as applicable, all rights, interests, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them hereby.

Section 6.08 Acquisition of the 2004 Project and Sale of the 2004 Project. The Authority has acquired the 2004 Project, or caused the 2004 Project to be acquired, with the proceeds of the 2004 Bonds. The Authority shall sell the 2004 Project to the City pursuant to the Installment Purchase Agreement.

Section 6.09 Continuing Disclosure. The Authority and the Trustee hereby covenant and agree that they shall each comply with and carry out their respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall) or any Bond Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Trustee, as the case may be, to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

ARTICLE VII THE TRUSTEE

Section 7.01 Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Authority agrees and the respective Owners, by their purchase and acceptance of the Bonds, agree.

Section 7.02 Duties, Immunities, and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default and after the curing of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default that has not been cured, exercise such of the rights and powers vested in it by this Indenture, and 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 his own affairs.

(b) So long as no Event of Default has occurred and is continuing, upon thirty (30) days' written notice to the Trustee, the Authority, with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, may remove the Trustee at any time and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall commence a case under any bankruptcy, insolvency, or similar law, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation, or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may resign by giving written notice of such resignation to the Authority, the City, and the Bond Insurer and by giving notice of such resignation by first-class mail, postage prepaid, to the Owners at the addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority, with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee acceptable to the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the Authority, or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the Bond Insurer, and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties, and obligations of such predecessor Trustee, with like

effect as if originally named Trustee herein; but, nevertheless, at the Written Request of the Authority or of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title, and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such Trustee to the trusts hereunder by first-class mail, postage prepaid, to the Owners at their addresses listed in the Bond Register.

(e) Any Trustee appointed under the provisions of this Indenture shall be a bank or trust company in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers, having (or be a member of a bank holding company system with a bank holding company that has) a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, shall be subject to supervision or examination by federal or state banking authority, and shall otherwise be acceptable to the Bond Insurer. If such bank 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 subsection the combined capital and surplus of such bank 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. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) 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.

(g) The Trustee shall not be responsible for the sufficiency, timeliness, or enforceability of the Revenues, the maintenance of insurance as required by the Installment Purchase Agreement, or the review of any report or certificate required to be provided hereunder or under the Installment Purchase Agreement.

(h) The Trustee shall not be accountable for the use or application by the Authority, the City, or any other party of any funds that the Trustee has released under this Indenture.

(i) The Trustee may employ attorneys, agents, or receivers in the performance of any of its duties hereunder and shall not be answerable for the misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

(j) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms

and provisions of this Indenture, the Trustee shall consider the effect on the Owners as if there were no Bond Insurance Policy.

(k) The Trustee shall notify the Bond Insurer of any failure by the Authority and the City to provide relevant notices, certificates, or other documents required by this Indenture or the Installment Purchase Agreement.

Section 7.03 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 7.02 hereof, shall succeed to the rights and obligations of such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 7.04 Compensation and Indemnification. The Authority shall pay the Trustee, or cause the Trustee to be paid, reasonable compensation for its services rendered hereunder and shall reimburse the Trustee for reasonable expenses (including reasonable fees and expenses of its attorneys) incurred by the Trustee in the performance of its obligations hereunder.

The Authority shall, to the extent permitted by law, indemnify the Trustee and its respective officers, directors, members, and employees for, and hold them harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on their part arising out of or in connection with the acceptance or administration of the trusts imposed by this Indenture, including performance of their duties hereunder, including the costs and expenses of defending themselves against any claims or liability in connection with the exercise or performance of any of their powers or duties hereunder; provided, however, that no such indemnification shall be made with respect to any acceleration of the Bonds. Such indemnity shall survive the termination or discharge of this Indenture and resignation or removal of the Trustee.

Section 7.05 Liability of Trustee.

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

committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the gross negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof at the Principal Office of the Trustee. Except as otherwise expressly provided herein, and subject to Section 7.02 hereof, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants, or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

Section 7.06 Right to Rely on Documents. The Trustee shall be protected in acting, and may conclusively rely, upon any notice, resolution, request, requisition, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and need not conduct any independent investigation of the matters covered therein. The Trustee may consult with counsel, who may be, but need not be, counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

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 Authority, and such Certificate of the Authority 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 of the Authority, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.07 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Owner, and their respective agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 7.08 Paying Agents. The Trustee is hereby appointed as paying agent for the Bonds. The Trustee, upon written consent of the Authority, may appoint such other paying agents with respect to the Bonds as it may deem advisable. Any paying agent appointed shall be a bank or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and shall be subject to supervision by federal or state banking authorities.

Section 7.09 Appointment of Co-Trustee or Agent. 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 that may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 7.09 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended by this 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.

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

ARTICLE VIII AMENDMENT OF THE INDENTURE

Section 8.01 Amendment of the Indenture. This Indenture and the rights and obligations of the Authority, the Trustee, and the Owners, as applicable, may be amended at any time by a Supplemental Indenture, which shall become binding with the written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.02 hereof, are filed with the Trustee. Each Rating Agency shall receive a notice of each amendment of this Indenture and shall receive a copy thereof at least fifteen (15) days in advance of the execution or adoption of such amendment. In addition, the Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any Supplemental Indenture. No such amendment shall (1) extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation of the Authority to pay the interest on or principal of or redemption premium, if any, on any Bond at the time and place and at the rate and in the currency provided herein without the express written consent of the Owner of such Bond, (2) reduce the percentage of principal amount of Bonds owned by Owners whose consent is required for the execution of any Supplemental Indenture, (3) permit the creation by the Authority of any pledge of the Revenues as provided herein superior to or on a parity with the pledge created hereby for the benefit of the Bonds, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto.

This Indenture and the rights and obligations of the Authority, the Trustee, and the Owners, as applicable, may also be amended at any time by a Supplemental Indenture, which shall become binding upon adoption without the consent of any Owners or the Bond Insurer but with notice to the Bond Insurer, but only to the extent permitted by law and after receipt of an approving opinion of Independent Counsel and only for any one or more of the following purposes:

(a) to add to the conditions, covenants, and terms contained herein required to be observed or performed by the Authority other conditions, covenants, and terms thereafter to be observed or performed by the Authority, or to surrender any right reserved herein to or conferred herein on the Authority, and that in either case shall not adversely affect the interests of the Owners provided, that the Trustee shall not take the Bond Insurance Policy into consideration in determining whether the rights of the Owners are adversely affected by actions of the Trustee hereunder;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing, or supplementing any defective provision contained herein or in regard to questions arising hereunder that the Authority may deem desirable or necessary and not inconsistent herewith or that may be required by S&P for a rating on the Bonds, and that shall not adversely affect the interests of the Owners; or

(c) to prescribe further limitations and procedures regarding the use of the proceeds of the Bonds and the moneys held hereunder in order to comply with any United States Treasury Regulations and any amendments thereto or any federal legislation now

pending or hereafter enacted governing the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds.

The Bond Insurer reserves the right to charge the Authority a fee for any consent or amendment to this Indenture while the Bond Insurance Policy or the Reserve Fund Surety Bond is outstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy or the Reserve Fund Surety Bond.

Section 8.02 Disqualified Bonds. Bonds owned or held by or for the account of the Authority or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

Section 8.03 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 may 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 Outstanding Bond and presentation of his Bond for such purpose at the Principal 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 action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond such new Bonds shall be exchanged at the Principal Office of the Trustee without cost to each Owner for Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section 8.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds owned by him, provided that due notation thereof is made on such Bonds.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 9.01 Events of Default and Acceleration of Maturities. If one or more of the following events (each, an "Event of Default") shall happen, that is to say:

(a) if default shall be made in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable; provided, however, that in determining whether a payment default has occurred or whether a payment on the Bonds has been made hereunder, no effect shall be given to payments made under the Bond Insurance Policy;

(b) if default shall be made in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption; provided, however, that in determining whether a payment default has occurred or whether a payment on the Bonds has been made hereunder, no effect shall be given to payments made under the Bond Insurance Policy;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of sixty (60) days after the Authority shall have been given notice in writing of such default by the Trustee;

(d) if any Event of Default (as defined in the Installment Purchase Agreement) shall have occurred and be continuing under the Installment Purchase Agreement; or

(e) if the Authority 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 Authority 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 Authority 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 the Trustee may, and, upon the written direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, with the consent of the Bond Insurer, shall, by notice in writing to the Authority and the Bond Insurer, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. This subsection, however, is subject to the condition that if at any time after the Bonds 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 City shall deposit with the Trustee a sum sufficient to pay the unpaid principal amount of the Bonds due prior to such declaration and the accrued interest on those of such Bonds as are Bonds, with interest on such overdue installments at the rate or rates applicable thereto in accordance with their terms, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Authority (other than in the payment of the Bonds 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 City, may rescind and annul 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. In the event of payment default as provided in subsection (a) or (b) above, the Trustee shall notify the Bond Insurer immediately of such default and in the event of all other Events of Default as provided in this Section, the Trustee shall notify the Bond Insurer within thirty (30) days of the Trustee's actual knowledge thereof.

Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds insured

by the Bond Insurer or the Trustee for the benefit of the Owners of such Bonds under this Indenture, including, without limitation, the right to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, as well as the right to rescind and annul such declaration and its consequences. The Bond Insurer shall be entitled to notify the Authority, the Trustee, or any applicable receiver of the occurrence of an Event of Default with respect to the Bonds and request the Trustee or such receiver to intervene in judicial proceedings that affect such Bonds or the security therefor. The Trustee or such receiver shall be required to accept such notice of Event of Default from the Bond Insurer.

Section 9.02 Proceedings by Trustee. Upon the happening and continuance of any Event of Default, the Trustee shall immediately notify the Bond Insurer and, in its discretion, the Trustee may, and, at the written direction of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall (but only to the extent indemnified to its satisfaction from fees and expenses, including attorneys' fees), do the following with respect to the Bonds:

(a) by mandamus, or other suit, action, or proceeding at law or in equity, enforce all rights of the Owners and require the Authority to enforce all rights of the Owners, including the right to require the Authority to receive and collect Revenues and to enforce its rights under the Installment Purchase Agreement and to require the Authority to carry out any other covenant or agreement with the Owners and to perform its duties hereunder;

(b) bring suit upon the Bonds;

(c) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Owners; and

(d) as a matter of right, have a receiver or receivers appointed for the Revenues and the issues, earnings, income, products, and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 9.03 Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any default or Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, the Bond Insurer, and the Owners shall be restored to their former positions and rights under this Indenture, respectively, and all rights, remedies, and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.04 Rights of Owners. Anything in this Indenture to the contrary notwithstanding, subject to the limitations and restrictions as to the rights of the Owners in Sections 9.01, 9.02, and 9.05 hereof, upon the happening and continuance of any Event of Default, the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses, and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, to direct the

method and place of conducting all remedial proceedings to be taken by the Trustee under this Indenture with respect to such Bonds.

The Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines is prejudicial to rights of other Owners or would subject the Trustee to personal liability.

Section 9.05 Restriction on Owners' Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article IX, no Owner of any of the Bonds shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of any trust under this Indenture, or any other remedy under this Indenture or on said Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding, or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers in this Indenture granted, or to institute such action, suit, or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request, and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of this Indenture or for any other remedy under this Indenture; it being understood and intended that no one or more Owners of the Bonds secured by this Indenture shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Indenture, or to enforce any right under this Indenture or under the Bonds, except in the manner in this Indenture provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner in this Indenture provided, and for the equal benefit of all Owners of Outstanding Bonds; subject, however, to the provisions of this Section.

Section 9.06 Power of Trustee to Enforce. All rights of action under this Indenture or under any of the Bonds secured by this Indenture that are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action, or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners, subject to the provisions of this Indenture.

Section 9.07 Remedies Not Exclusive. No remedy in this Indenture conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

Section 9.08 Waiver of Events of Default; Effect of Waiver. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration upon the written direction of the Bond Insurer, so long as the Bond Insurer is not in default in its

payment obligations under the Bond Insurance Policy, or the written request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. If any Event of Default shall have been waived as herein provided, the Trustee shall promptly give written notice of such waiver to the Authority and shall give notice thereof by first-class mail, postage prepaid, to all Owners of Outstanding Bonds if such Owners had previously been given notices of such Event of Default; but no such waiver, rescission, and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

No delay or omission of the Trustee, the Bond Insurer, or of any Owner of the Bonds to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee, the Bond Insurer, and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.09 Application of Moneys. Any moneys received by the Trustee pursuant to this Article IX, together with any moneys that upon the occurrence of an Event of Default are held by the Trustee in any of the funds hereunder (other than the Rebate Fund and the Costs of Issuance Fund and other than moneys held for Bonds not presented for payment) shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel, be applied to the payment of the whole amount then owing and unpaid on the Outstanding Bonds for principal, and premium, if any, and interest, and, in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid on the Bonds, to the payment of the principal, and premium, if any, and interest then due and unpaid upon the Outstanding Bonds without preference or priority of any of principal, premium, or interest over the others or of any installment of interest, or of any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal, premium, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.09, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The Trustee shall give, by mailing by first-class mail as it may deem appropriate, such notice of the deposit with it of any such moneys.

ARTICLE X DEFEASANCE

Section 10.01 Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of any Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, the Owners of such Bonds shall cease to be entitled to the pledge of the Revenues as provided herein, and all agreements, covenants, and other obligations of the Authority to the

Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto that are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority shall have kept, performed, and observed all the covenants and promises in such Bonds and in this Indenture required or contemplated to be kept, performed, and observed by the Authority or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements, and other obligations of the Authority hereunder shall cease, terminate, become void, and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Bonds, those provisions of this Indenture contained in Section 7.04 hereof relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

Notwithstanding anything herein to the contrary, in the event that the principal or interest due with respect to the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority, and the assignment and pledge of the Revenues and all covenants, agreements, and other obligations of the Authority to the Owners of such Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 3.03 hereof, notice of redemption of such Bonds on said redemption date, said notice to be given in accordance with Section 3.03 hereof, (2) there shall have been deposited with the Trustee either (A) moneys in an amount that shall be sufficient or (B) direct non-callable obligations of the United States of America and securities fully and unconditionally

guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligations or guaranteed securities the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination thereof) (or any such other obligations or securities as shall be approved in writing by the Bond Insurer) the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds and the Bond Insurer that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds, and (4) in the case of Book-Entry Bonds, the Trustee shall give notice to the Depository of the redemption of all or part of such Book-Entry Bonds on the date proceeds or other funds are deposited in escrow with respect to such Book-Entry Bonds. In connection with clause (2)(B) above, if a forward supply contract is employed in connection with the refunding of Bonds, (y) the verification report from an independent certified public accountant (as described in such clause (2)(B)) shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract and (z) the applicable escrow agreement or other authorizing document shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and such agreement or other document, the terms of such agreement or other document shall be controlling. Mandatory redemption or purchase in whole must occur no later than the earlier of the first possible tender or redemption date.

(c) After the payment of (i) all the interest of and principal on all Outstanding Bonds as provided in this Section and (ii) all other amounts then due hereunder and under or with respect to the Reserve Fund Surety Bond, the Trustee shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of this Indenture, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal represented by such Bonds or any amounts due under or with respect to the Reserve Fund Surety Bond. Notwithstanding the discharge and satisfaction of this Indenture, Owners of Bonds shall thereafter be entitled to payments due under the Bonds pursuant to the Installment Purchase Agreement, but only from amounts deposited pursuant to this Section 10.01 and from no other source.

ARTICLE XI MISCELLANEOUS

Section 11.01 Liability of Authority Limited to Revenues. Notwithstanding anything contained herein to the contrary, the Authority shall not be required to advance any money derived from any source of income other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds shall be limited obligations of the Authority and shall be payable solely from the Revenues and amounts on deposit in the funds established hereunder (other than amounts on deposit in the Rebate Fund and the Costs of Issuance Fund). The Bonds do not constitute a debt or liability of the City or of the State and the faith and credit of neither the City nor the State are pledged to the payment of the principal of or interest on the Bonds.

Section 11.02 Benefits of the Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity other than the Authority, the Trustee, the City, the Bond Insurer, and the Owners any right, remedy, or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Authority or any member, officer, or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee, the City, the Bond Insurer, and the Owners.

Section 11.03 Successor is Deemed Included in All References to Predecessor. Whenever herein either the Authority or any member, officer, or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties, and functions with respect to the administration, control, and management of the 2004 Project that are presently vested in the Authority or such member, officer, or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer, or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.04 Execution of Documents by Owners. Any declaration, request, or other instrument that is permitted or required herein to be executed by the Owners may be in one or more instruments of similar tenor and may be executed by the Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request, or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number, and date of holding the same may be proved by the Bond Register relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Authority in good faith and in accordance therewith.

Section 11.05 Waiver of Personal Liability. No member, officer, or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any member, officer, or employee of the Authority from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 11.06 Acquisition of Bonds by Authority. All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 11.07 Destruction of Cancelled Bonds. Whenever provision is made for the return to the Authority of any Bonds that have been cancelled pursuant to the provisions hereof, Trustee shall destroy such Bonds and furnish to the Authority a certificate of such destruction.

Section 11.08 Funds. Any fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof, and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Bonds and the rights of the Owners.

Section 11.09 Article and Section Headings 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. 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," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subdivision, or clause hereof.

Section 11.10 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 Authority or the Trustee 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 or of the Bonds, and the Owners shall retain all the benefit, protection, and security afforded to them hereunder or any applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Indenture and each and every other article, 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 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 11.11 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 11.12 Law Governing. This Indenture shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

Section 11.13 Notices. All notices, requests, demands, and other communications under this Indenture by any person shall be in writing (unless otherwise specified herein) and shall be sufficiently given on the date of service if served personally upon the person to whom notice is to be given or on receipt if sent by courier or if mailed, by first-class mail or by registered or certified mail, postage prepaid, and properly addressed as follows:

If to the City:	City of Oxnard 300 West Third Street Oxnard, California 93030 Attention: Chief Financial Officer Fax: (805) 385-7466
If to the Authority:	City of Oxnard Financing Authority c/o City of Oxnard 300 West Third Street Oxnard, California 93030 Attention: Controller Fax: (805) 385-7466
If to the Trustee:	Wells Fargo Bank, National Association 707 Wilshire Boulevard, 17th Floor Los Angeles, California 90017 Attention: Corporate Trust Department Fax: (213) 614-3355

If to the Bond Insurer: [TO COME, IF APPLICABLE.]

If to S&P: Standard & Poor's Ratings Service
55 Water Street, 38th Floor
New York, New York 10041
Attention: Public Finance Surveillance Group
Fax: (212) 438-2157
Tel: (212) 438-2054

If to any Owner: to its address as indicated in the Bond Register

or to such other address or addresses as any such person shall have designated to the others by notice given in accordance with the provisions of this Section 11.13.

The Authority shall cause to be given to S&P notice of any substitution of the Trustee, any material change in this Indenture or the Installment Purchase Agreement, or any redemption or defeasance of any or all of the Outstanding Bonds.

Section 11.14 Bond Insurer and City as Third-Party Beneficiaries. To the extent that this Indenture confers upon or gives or grants to the Bond Insurer or the City any right, remedy, benefit, or claim under or by reason of this Indenture, each of the Bond Insurer and the City is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy, benefit, or claim conferred, given, or granted hereunder.

Section 11.15 Additional Covenants of the Authority to Bond Insurer.

[TO COME, IF APPLICABLE.]

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the CITY OF OXNARD FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Chairman and WELLS FARGO BANK, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
Tim Flynn, Chairman

ATTEST:

Daniel Martinez, Secretary

APPROVED AS TO FORM:

Stephen M. Fischer,
Interim Authority General Counsel

APPROVED AS TO CONTENT:

James Cameron, Authority Controller

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Vice President

EXHIBIT A

FORM OF BOND

No. _____

\$ _____

CITY OF OXNARD FINANCING AUTHORITY
WASTEWATER REVENUE REFUNDING BOND, SERIES 2014

Interest Rate

Maturity Date

Dated Date

CUSIP

_____%

June 1, 20__

November __, 2014

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The CITY OF OXNARD FINANCING AUTHORITY, a California joint exercise of powers entity, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner specified above or registered assigns (each, an "Owner" and collectively with the registered owners of all of the Bonds, the "Owners") on the maturity date specified above (subject to any right of prior redemption provided for) the principal sum specified above, together with interest thereon at the interest rate per annum specified above on each June 1 and December 1, commencing June 1, 2015 (each, an "Interest Payment Date"), from the Interest Payment Date next preceding the date of authentication hereof, unless such date of authentication is after the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") and on or prior to the immediately following Interest Payment Date, in which event this Bond shall bear interest from such following Interest Payment Date, or unless such date of authentication is on or prior to the first Record Date, in which event this Bond shall bear interest from the dated date specified above; provided, however, that if on the date of authentication of this Bond, interest with respect hereto is then in default, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

The principal of this Bond shall be payable (without notice of payment to the Owner hereof) in lawful money of the United States of America at the corporate trust office of Wells Fargo Bank, National Association (together with any successor as trustee under the hereinafter defined Indenture, the "Trustee"), in Los Angeles, California, upon presentation and surrender of this Bond.

Payment of interest on this Bond due on or before the maturity or prior redemption hereof shall be made to the person in whose name this Bond is registered, as of the Record Date preceding the applicable Interest Payment Date, on the registration books kept by the Trustee at its corporate trust office in Los Angeles, California, such interest to be paid by check mailed by first-class mail on such Interest Payment Date to the Owner at his address as it appears on such

books; provided, however, that the Owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount represented by the Bonds may request in writing that the Trustee pay the interest represented by such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth (15th) day after receipt of such request. Payments of defaulted interest on this Bond shall be paid by check or draft to the Owner as of a special record date to be fixed by the Trustee, notice of which special record date shall be mailed to the Owners not less than ten (10) days prior thereto. Interest on this Bond shall be payable in lawful money of the United States of America and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "City of Oxnard Financing Authority Wastewater Revenue Refunding Bonds, Series 2014" (the "Bonds"), in the aggregate principal amount of _____ million _____ thousand dollars (\$[PRINCIPAL AMOUNT]), issued under and pursuant to the provisions of an Indenture, dated as of November 1, 2014 (the "Indenture"), by and between the Authority and the Trustee (copies of which Indenture are on file at the corporate trust office of the Trustee in Los Angeles, California). Capitalized terms used but not defined in this Bond shall have the respective meanings assigned to such terms in the Indenture.

The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Indenture and the provisions of the Marks-Roos Local Bond Pooling Act of 1985 of the State of California, Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended and supplemented.

The Bonds are issued to refund certain obligations of the Authority. The Bonds are limited obligations of the Authority and are payable solely from installment payments (the "Installment Payments") paid by the City of Oxnard (the "City") pursuant to an Amended and Restated Installment Purchase Agreement, dated as of November 1, 2014 (the "Installment Purchase Agreement"), by and between the Authority and the City, and the interest or profits from the investment of money in the funds established under the Indenture (other than the Rebate Fund), subject to their application for other purposes pursuant to the Indenture (the "Revenues"), and amounts on deposit in the funds established under the Indenture (other than amounts on deposit in the Rebate Fund and the Costs of Issuance Fund). The income and receipts derived by the City from the operation of the Wastewater System (as described in the Installment Purchase Agreement) remaining after the payment of Maintenance and Operation Costs of the Wastewater System (as described in the Installment Purchase Agreement) (the "Net System Revenues") are, pursuant to the Installment Purchase Agreement, pledged to the payment of the Installment Payments and any Additional Obligations (as such term is defined in the Installment Purchase Agreement). The Bonds do not constitute a debt or liability of the City or of the State of California and the faith and credit of neither the City nor the State of California are pledged to the payment of the principal of or interest on the Bonds.

Additional Obligations payable from Net System Revenues have been and may be incurred by the City that will be payable on a parity with the payment by the City of the Installment Payments, but only subject to the conditions and upon compliance with the procedures set forth in the Installment Purchase Agreement. Reference is hereby made to the Installment Purchase Agreement and to the Indenture and any and all amendments thereof and

supplements thereto for a description of the terms under which the Bonds are issued, the provisions with regard to the nature and extent of the Net System Revenues, and the rights of the Owners. All of the terms of the Installment Purchase Agreement and the Indenture are hereby incorporated herein. The Indenture constitutes a contract between the Authority and the Owner of this Bond, and, by acceptance hereof, the Owner of this Bond agrees and consents to all of the provisions of the Indenture. Each Owner hereof shall have recourse to all of the provisions of the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds may be issued in authorized denominations of five thousand dollars (\$5,000) and any integral multiple thereof ("Authorized Denominations").

The Bonds maturing on or before June 1, 20__, shall not be subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, 20__, shall be subject to redemption prior to their respective stated maturities, upon the exercise by the City of its right to cause the redemption of Bonds in accordance with the provisions of the Installment Purchase Agreement, from and to the extent of any source of available funds, as a whole or in part on any Interest Payment Date on or after June 1, 20__, of such maturities or portions of maturities as shall be directed by the City if less than all of the Bonds are to be called for prior redemption and by lot within any such maturity if less than all of the Bonds of such maturity are to be redeemed at the principal amount of the Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

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

Redemption Date (June 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__ (maturity)	

The Bonds maturing on June 1, 2034, are subject to redemption prior to their stated maturity, in part, from mandatory sinking account payments, on each June 1, commencing June 1, 20__, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium. The principal amount of such Bonds to be so prepaid and the dates therefor shall be as follows:

Redemption Date (June 1)	Principal Amount
20__	\$
20__	
20__	
20__	
2034 (maturity)	

The amount of each respective mandatory sinking account redemption set forth above shall be reduced proportionately in the event and to the extent of any and all other redemptions of Bonds, as described above.

Notice of any redemption shall be given to the respective Owners of Bonds designated for redemption at their addresses appearing on the registration books of the Trustee as of the close of business on the day before such notice is given. The Trustee shall give notice by first-class mail, postage prepaid, at least 30 days but not more than 60 days prior to the redemption date to such Owners. Such notice shall set forth, in the case of each Bond to be redeemed only in part, the portion of the principal thereof that is to be redeemed. Neither failure to receive such notice nor any defect in any notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

If this Bond is called for redemption and the principal amount of this Bond plus accrued interest due with respect hereto are duly provided therefor as specified in the Indenture, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

If an event of default under the Indenture (which includes an event of default under the Installment Purchase Agreement) shall occur, the principal of all outstanding Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner, and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee in Los Angeles, California, Minneapolis, Minnesota, or at such other location as may be designated by the Trustee, on the books required to be kept by the Trustee pursuant to the provisions of the Indenture, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture upon surrender of this Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever this Bond shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Bond or Bonds representing the same principal amount. The Trustee shall not be required to register the transfer or exchange of any Bond during a period beginning at the opening of business fifteen (15) days before the date such Bonds are selected for redemption and the date any Bonds are to be redeemed or any Bond selected for redemption, except for the portion of any Bond redeemed only in part that remains outstanding.

The Authority and the Trustee may deem and treat the registered owner hereof as the absolute Owner hereof for the purpose of receiving payment hereof and for all other purposes, whether or not this Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

The Indenture and the rights and obligations of the Authority, the Trustee, and the Owners, as applicable, may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (i) extend the maturity of this Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the Authority to pay the interest hereon or principal hereof or redemption premium, if any, hereon at the time and place and at the rate and in the currency provided herein without the express written consent of the Owner of this Bond, (ii) reduce the percentage of Owners whose consent is required for the execution of any supplement or amendment to the Indenture, (iii) permit the creation by the Authority of any pledge of the Revenues superior to or on a parity with the pledge created by the Indenture for the benefit of the Bonds, or (iv) modify any rights or obligations of the Trustee without its prior written assent thereto, all as more fully set forth in the Indenture.

If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of any outstanding Bonds the interest thereon, the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated herein and in the Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of the Revenues as provided in the Indenture, and all agreements, covenants, and other obligations of the Authority to the Owners of such Bonds under the Indenture shall thereupon cease, terminate, and become void and be discharged and satisfied.

This Bond shall not be entitled to any benefit, protection, or security under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually executed and dated by the Trustee.

It is hereby certified that all acts and proceedings required by law necessary to make this Bond, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding, and legal limited obligation of the Authority have been done and taken, and have been in all respects duly authorized.

IN WITNESS WHEREOF, the City of Oxnard Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman and attested to by the manual or facsimile signature of its Secretary, and has caused this Bond to be dated as of the dated date set forth above.

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND
REGISTRATION

This is one of the Bonds described in the within mentioned Indenture that has been authenticated and registered on November __, 2014.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[TO COME, IF APPLICABLE.]

[FORM OF ASSIGNMENT TO BONDS]

For value received, the undersigned hereby sells, assigns, and transfers unto _____

(name, address, and social security number or other identifying number) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

NOTE: The signature to this Assignment must correspond with the name as written upon the face of the bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: The signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

WRITTEN REQUEST OF THE AUTHORITY
FOR DISBURSEMENT OF COSTS OF ISSUANCE

Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017

SUBJECT: City of Oxnard Financing Authority
Wastewater Revenue Refunding Bonds, Series 2014

Requisition No.: _____

Ladies and Gentlemen:

You, as trustee (the "Trustee") for the above-referenced bonds (the "Bonds"), are hereby requested to pay from the Costs of Issuance Fund, established pursuant to that certain Indenture, dated as of November 1, 2014 (the "Indenture"), by and between the Trustee and the City of Oxnard Financing Authority ("Authority"), authorizing the issuance and sale of the Bonds, to the respective persons or entities designated on Schedule A attached hereto and by this reference incorporated herein, the respective sums set forth on said Schedule A. Each obligation, item of cost, or expense included in this Written Request is a Cost of Issuance (as defined in the Indenture), has been properly incurred, is a proper charge against the Costs of Issuance Fund, and has not been the basis of any previous withdrawal, and the payment of such obligation, cost, or expense will not cause the balance remaining in the Costs of Issuance Fund after such payment to be less than the amount necessary to pay the remaining estimated Costs of Issuance to be paid from the Costs of Issuance Fund.

Dated: _____

CITY OF OXNARD FINANCING
AUTHORITY

By: _____
Controller

EXHIBIT C

PERMITTED INVESTMENTS

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("**U.S. Government Securities**").

(2) Direct obligations* of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

- (a) Export-Import Bank of the United States - Direct obligations and fully guaranteed certificates of beneficial interest
- (b) Federal Housing Administration - debentures
- (c) General Services Administration - participation certificates
- (d) Government National Mortgage Association ("**GNMAs**") - guaranteed mortgage-backed securities and guaranteed participation certificates
- (e) Small Business Administration - guaranteed participation certificates and guaranteed pool certificates
- (f) U.S. Department of Housing & Urban Development - local authority bonds
- (g) U.S. Maritime Administration - guaranteed Title XI financings
- (h) Washington Metropolitan Area Transit Authority - guaranteed transit bonds

(3) Direct obligations* of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

- (a) Federal National Mortgage Association ("**FNMAs**") - senior debt obligations rated Aaa by Moody's and AAA by S&P
- (b) Federal Home Loan Mortgage Corporation ("**FHLMCs**") - participation certificates and senior debt obligations rated Aaa by Moody's and AAA by S&P

* The following are explicitly excluded from the securities enumerated in clauses 2 and 3:

- (i) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (ii) Obligations that have a possibility of returning a zero or negative yield if held to maturity;
- (iii) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and
- (iv) Collateralized Mortgage-Backed Obligations ("**CMOs**").

- (c) Federal Home Loan Banks - consolidated debt obligations
- (d) Student Loan Marketing Association - debt obligations
- (e) Resolution Funding Corporation - debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Certificates of deposit, deposit accounts, federal funds, or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P. Such money market funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(9) State-sponsored investment pools rated AA- or better by S&P.

(10) Repurchase agreements that meet the following criteria:

- (a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.
- (b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

- (c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.
- (d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in clauses 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMA's, FNMA's, or FHLMC's. The repurchase agreement shall require (i) the Trustee or an independent third party acting solely as agent for the Trustee (the "**Agent**") to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) Business Days of such valuation.
- (e) The repurchase securities shall be delivered free and clear of any lien to the Trustee or the Agent, and such Agent is (i) a Federal Reserve Bank or (ii) a bank which is a member of the FDIC and which has combined capital, surplus, and undivided profits or, if appropriate, a net worth, of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.
- (f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the Authority and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.
- (g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.
- (h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless the Bond Insurer directs otherwise:
 - (i) insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;
 - (ii) failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under clause 10(d) above; or
 - (iii) failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(11) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

- (a) A master agreement or specific written investment agreement governs the transaction.
- (b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.
- (c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured, and unguaranteed rating of A1 or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least A1 by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least A1 by Moody's and A+ by S&P; and (iv) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in clause 11(f) below.
- (d) The investment agreement shall provide that, if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.
- (e) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn, or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.
- (f) The investment agreement shall provide for the delivery of collateral described in clause (i) or (ii) below ("**Permitted Collateral**") which shall be maintained at the following collateralization levels at each valuation date:
 - (i) U.S. Government Securities at 104% of principal plus accrued interest; or
 - (ii) Obligations of GNMA, FNMA, or FHLMC (described in clauses 2(d), 3(a), and 3(b) above) at 105% of principal and accrued interest.
- (g) The investment agreement shall require the Trustee or the Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that

there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

- (i) the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal, or Reuters;
 - (ii) valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or
 - (iii) the lower of two bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.
- (h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account, and registered in the name of the Trustee or the Agent.
- (i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under clause 11(f) above, the Trustee and the Bond Insurer shall receive an opinion of counsel as to the perfection of the security interest in the collateral.
- (j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee, or other penalty, upon not more than two (2) Business Days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:
- (i) In the event of a deficiency in the debt service account;
 - (ii) Upon acceleration after an event of default;
 - (iii) Upon refunding of the Bonds in whole or in part;
 - (iv) Reduction of the Reserve Requirement for the Bonds; or
 - (v) If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the Authority's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to the Reserve Fund.

- (k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:
- (i) Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times, or in the amounts described above;
 - (ii) Insolvency of the provider or the guarantor (if any) under the investment agreement;
 - (iii) Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;
 - (iv) Failure by the provider to make a payment or observe any covenant under the agreement;
 - (v) The guaranty (if any) is terminated, repudiated, or challenged; or
 - (vi) Any representation of warranty furnished to the Trustee or the Authority in connection with the agreement is false or misleading.
- (l) The investment agreement must incorporate the following general criteria:
- (i) "Cure periods" for payment default shall not exceed two (2) Business Days;
 - (ii) The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee or the Bond Insurer;
 - (iii) Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of the Bond Insurer;
 - (iv) If the investment agreement is for the Reserve Fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate;
 - (v) The provider shall be required to immediately notify the Bond Insurer and the Trustee of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;
 - (vi) The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and

- (vii) The agreement shall require the provider to submit information reasonably requested by the Bond Insurer, including balance invested with the provider, type and market value of collateral, and other pertinent information.

(12) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

- (a) A specific written investment agreement governs the transaction.
- (b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the SIPC jurisdiction, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.
- (c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.
- (d) Permitted securities shall include the investments listed in clauses 1, 2, and 3 above.
- (e) The forward delivery agreement shall include the following provisions:
 - (i) The permitted securities must mature at least one (1) Business Day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.
 - (ii) The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.
 - (iii) Any breakage fees shall be payable only on Interest Payment Dates and shall be subordinated to the payment of debt service fund and Reserve Fund replenishments.
 - (iv) The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency, or receivership of the provider, the

securities will not be considered to be a part of the provider's estate, and shall otherwise be acceptable to the Bond Insurer.

- (v) The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of the Bond Insurer.

(13) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty, or other hedging arrangement, only with the prior written consent of the Bond Insurer.

(14) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State of California or of any agency, instrumentality, or local governmental unit of the State of California which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody's.

(15) Shares in any money market mutual fund registered under the Investment Company Act of 1940 whose investment portfolio consists solely of direct obligations of the United States Government, provided that any such fund has been rated in the highest category by a nationally recognized rating agency and, provided further, that such mutual funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

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

(17) Other forms of investments approved in writing by the Bond Insurer with notice by the Authority to S&P.

(18) Maturity of investments shall be governed by the following:

- (a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.
- (b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.
- (c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five years or less.



ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☒ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Kymberly R. Horner *K-H*Agenda Item No. K-1Reviewed By: City Manager *JM*City Attorney *JBB*Finance *AL*

Other (Specify) _____

DATE: October 6, 2014**TO:** City Council**FROM:** Kymberly R. Horner, Interim Redevelopment Services Manager
Community Development Department**SUBJECT:** California Home Energy Renovation Opportunity "HERO" Energy Program**RECOMMENDATION**

That City Council adopt a Resolution approving an Amendment to the Western Riverside Council of Governments ("WRCOG") Joint Powers Agreement to add the City as an Associate Member in order to authorize the City's participation in the California HERO Program, which will enable Oxnard property owners to finance permanently fixed renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their properties.

SUMMARY

[Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over \$1 billion in applications and has funded over \$235 million in projects. Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution.

ANALYSIS

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments (“WRCOG”). The bonds are secured by a voluntary contractual assessment levied on such owner’s property, with no recourse to the local government or other participating jurisdictions. Participation in the program is 100 percent voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

The benefits to the property owner include:

- Eligibility. In today’s economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such, many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings. Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% Voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment Option. The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer Oriented Program. Part of the success of the program is the prompt customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contactor satisfaction.

The benefits to the City include:

- Increase local jobs.
- An increase in property values (energy efficient homes and buildings are worth more money).
- An increase in sales, payroll and property tax revenue.
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance, and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.
- By leveraging the already successful HERO Program, the City can offer financing to property owners more quickly, easily, and much less inexpensively than establishment of a new local Program.

The proposed resolution enables the California HERO Program to be available to owners of property within our City to finance renewable energy, energy efficiency and water efficiency improvements, and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program.

FINANCIAL IMPACT

There is no negative fiscal impact to the City's general fund by consenting to the inclusion of properties within the City limits in the California HERO Program. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee, which is also collected on the property owner's tax bill.

KRH:mgh

Attachment #1 - Resolution

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXANRD, CALIFORNIA, CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE CITY'S JURISDICTION IN THE CALIFORNIA HERO PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY AND WATER EFFICIENCY IMPROVEMENTS, AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND APPROVING THE AMENDMENT TO A CERTAIN JOINT POWERS AGREEMENT RELATED THERETO

WHEREAS, the Western Riverside Council of Governments ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the "Authority JPA"); and

WHEREAS, Authority intends to establish the California HERO Program to provide for the financing of renewable energy distributed generation sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program; and

WHEREAS, City of Oxnard (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the California HERO Program would promote the purposes cited above; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency and independence, and in doing so cooperate with Authority in order to efficiently and economically assist property owners the City in financing such Improvements; and

WHEREAS, Authority has authority to establish the California HERO Program, which will be such a voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally made and entered into April 1, 1991, as amended to date, and the Amendment to Joint Powers Agreement Adding the City of Oxnard as an Associate Member of the Western

Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City (the "JPA Amendment"), by and between Authority and the City, a copy of which is attached as Exhibit "A" hereto, to assist property owners within the incorporated area of the City in financing the cost of installing Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

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

1. This City Council finds and declares that properties in the City's incorporated area will be benefited by the availability of the California HERO Program to finance the installation of Improvements.

2. This City Council consents to inclusion in the California HERO Program of all of the properties in the incorporated area within the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the California HERO Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent and be secured by such contractual assessments.

4. This City Council hereby approves the JPA Amendment and authorizes the execution thereof by appropriate City officials.

5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the California HERO Program within the City, and report back periodically to this City Council on the success of such program.

6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority Executive Committee.

PASSED AND ADOPTED THIS _____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

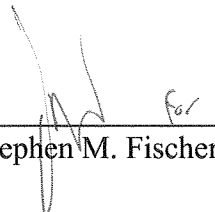
ABSTAIN:

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

EXHIBIT A

**AMENDMENT TO THE JOINT POWERS AGREEMENT
ADDING CITY OF OXNARD AS AN ASSOCIATE
MEMBER OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
TO PERMIT THE PROVISION OF PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM SERVICES WITH
SUCH CITY**

This Amendment to the Joint Powers Agreement ("JPA Amendment") is made and entered into on the ____ day of _____, 2014, by City of Oxnard ("City") and the Western Riverside Council of Governments ("Authority") (collectively the "Parties").

RECITALS

WHEREAS, Authority is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Joint Exercise of Powers Act") and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the "Authority JPA"); and

WHEREAS, as of October 1, 2012, Authority had 18 member entities (the "Regular Members");

WHEREAS, Chapter 29 of the Improvement Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") authorizes cities, counties, and cities and counties to establish voluntary contractual assessment programs, commonly referred to as a Property Assessed Clean Energy ("PACE") program, to fund certain renewable energy sources, energy and water efficiency improvements, and electric vehicle charging infrastructure (the "Improvements") that are permanently fixed to residential, commercial, industrial, agricultural or other real property; and

WHEREAS, Authority intends to establish a PACE program to be known as the "California HERO Program" pursuant to Chapter 29 as now enacted or as such legislation may be amended hereafter, which will authorize the implementation of a PACE financing program for cities and county throughout the state; and

WHEREAS, City desires to allow owners of property within its jurisdiction to participate in the California HERO Program and to allow Authority to conduct proceedings under Chapter 29 to finance Improvements to be installed on such properties; and

WHEREAS, this JPA Amendment will permit City to become an Associate Member of Authority and to participate in California HERO Program for the purpose of facilitating the implementation of such program within the jurisdiction of City; and

WHEREAS, pursuant to the Joint Exercise of Powers Act, the Parties are approving this JPA Agreement to allow for the provision of PACE services, including the operation of a PACE financing program, within the incorporated territory of City; and

WHEREAS, the JPA Amendment sets forth the rights, obligations and duties of City and Authority with respect to the implementation of the California HERO Program within the incorporated territory of City.

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated, the Parties hereto agree as follows:

A. JPA Amendment.

1. The Authority JPA. City agrees to the terms and conditions of the Authority JPA, attached.

2. Associate Membership. By adoption of this JPA Amendment, City shall become an Associate Member of Authority on the terms and conditions set forth herein and the Authority JPA and consistent with the requirements of the Joint Exercise of Powers Act. The rights and obligations of City as an Associate Member are limited solely to those terms and conditions expressly set forth in this JPA Amendment for the purposes of implementing the California HERO Program within the incorporated territory of City. Except as expressly provided for by the this JPA Amendment, City shall not have any rights otherwise granted to Authority's Regular Members by the Authority JPA, including but not limited to the right to vote on matters before the Executive Committee or the General Assembly, the right to amend or vote on amendments to the Authority JPA, and the right to sit on committees or boards established under the Authority JPA or by action of the Executive Committee or the General Assembly, including, without limitation, the General Assembly and the Executive Committee. City shall not be considered a member for purposes of Section 9.1 of the Authority JPA.

3. Rights of Authority. This JPA Amendment shall not be interpreted as limiting or restricting the rights of Authority under the Authority JPA. Nothing in this JPA Amendment is intended to alter or modify Authority Transportation Uniform Mitigation Fee (TUMF) Program, the PACE Program administered by Authority within the jurisdictions of its Regular Members, or any other programs administered now or in the future by Authority, all as currently structured or subsequently amended.

B. Implementation of California HERO Program within City Jurisdiction.

1. Boundaries of the California HERO Program within City Jurisdiction. City shall determine and notify Authority of the boundaries of the incorporated territory within City's jurisdiction within which contractual assessments may be entered into under the California HERO Program (the "Program Boundaries"), which boundaries may include the entire incorporated territory of City or a lesser portion thereof.

2. Determination of Eligible Improvements. Authority shall determine the types of distributed generation renewable energy sources, energy efficiency or water conservation improvements, electric vehicle charging infrastructure or such other improvements as may be authorized pursuant to Chapter 29 (the "Eligible Improvements") that will be eligible to be financed under the California HERO Program.

3. Establishment of California HERO Program. Authority will undertake such proceedings pursuant to Chapter 29 as shall be legally necessary to enable Authority to make contractual financing of Eligible Improvements available to eligible property owners within the Program Boundaries.

4. Financing the Installation of Eligible Improvements. Authority shall develop and implement a plan for the financing of the purchase and installation of the Eligible Improvements under the California HERO Program.

5. Ongoing Administration. Authority shall be responsible for the ongoing administration of the California HERO Program, including but not limited to producing education plans to raise public awareness of the California HERO Program, soliciting, reviewing and approving applications from residential and commercial property owners participating in the California HERO Program, establishing contracts for residential, commercial and other property owners participating in such program, establishing and collecting assessments due under the California HERO Program, adopting and implementing any rules or regulations for the California HERO Program, and providing reports as required by Chapter 29.

City will not be responsible for the conduct of any proceedings required to be taken under Chapter 29; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

6. Phased Implementation. The Parties recognize and agree that implementation of the California HERO Program as a whole can and may be phased as additional other cities and counties execute similar agreements. City entering into this JPA Amendment will obtain the benefits of and incur the obligations imposed by this JPA Amendment in its jurisdictional area, irrespective of whether cities or counties enter into similar agreements.

C. Miscellaneous Provisions.

1. Withdrawal. City or Authority may withdraw from this JPA Amendment upon six (6) months written notice to the other party; provided, however, there is no outstanding indebtedness of Authority within City. The provisions of Section 6.2 of the Authority JPA shall not apply to City under this JPA Amendment.

2. Mutual Indemnification and Liability. Authority and City shall mutually defend, indemnify and hold the other party and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or negligent acts, errors or omissions of the indemnifying party or its directors, officials, officers, employees and agents in connection with the California HERO Program administered under this JPA Amendment, including without limitation the payment of expert witness fees and attorneys fees and other related costs and expenses, but excluding payment of consequential damages. Without limiting the foregoing, Section 5.2 of the Authority JPA shall not apply to this JPA Amendment. In no event shall any of Authority's Regular Members or their officials, officers or employees be held directly liable for any damages or liability resulting out of this JPA Amendment.

3. Environmental Review. Authority shall be the lead agency under the California Environmental Quality Act for any environmental review that may required in implementing or administering the California HERO Program under this JPA Amendment.

4. Cooperative Effort. City shall cooperate with Authority by providing information and other assistance in order for Authority to meet its obligations hereunder. City recognizes that one of its responsibilities related to the California HERO Program will include any permitting or inspection requirements as established by City.

5. Notice. Any and all communications and/or notices in connection with this JPA Amendment shall be either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

Authority:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609
Attn: Executive Director

City:

City of Oxnard
300 West Third Street
Oxnard, CA 93030
Attn: City Manager

6. Entire Agreement. This JPA Amendment, together with the Authority JPA, constitutes the entire agreement among the Parties pertaining to the subject matter hereof. This JPA Amendment supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise of agreement, oral or otherwise, has been made by the other Party or anyone acting on behalf of the other Party that is not embodied herein.

7. Successors and Assigns. This JPA Amendment and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. A Party may only assign or transfer its rights and obligations under this JPA Amendment with prior written approval of the other Party, which approval shall not be unreasonably withheld.

8. Attorney's Fees. If any action at law or equity, including any action for declaratory relief is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorney's fees and costs.

9. Governing Law. This JPA Amendment shall be governed by and construed in accordance with the laws of the State of California, as applicable.

10. No Third Party Beneficiaries. This JPA Amendment shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this JPA Amendment to maintain a suit for personal injuries or property damages under the provisions of this JPA Amendment. The duties, obligations, and responsibilities of the Parties to this JPA Amendment with respect to third party beneficiaries shall remain as imposed under existing state and federal law.

11. Severability. In the event one or more of the provisions contained in this JPA Amendment is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this JPA Amendment and the remaining parts of this JPA Amendment shall remain in full force and effect as though such invalid, illegal, or unenforceable portion had never been a part of this JPA Amendment.

12. Headings. The paragraph headings used in this JPA Amendment are for the convenience of the Parties and are not intended to be used as an aid to interpretation.

13. Amendment. This JPA Amendment may be modified or amended by the Parties at any time. Such modifications or amendments must be mutually agreed upon and executed in writing by both Parties. Verbal modifications or amendments to this JPA Amendment shall be of no effect.

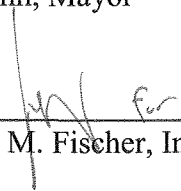
14. Effective Date. This JPA Amendment shall become effective upon the execution thereof by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this JPA Amendment to be executed and attested by their officers thereunto duly authorized as of the date first above written.

[SIGNATURES ON FOLLOWING PAGES]

CITY OF OXNARD

Tim Flynn, Mayor



Stephen M. Fischer, Interim City Attorney

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Executive Committee Chair
Western Riverside Council of Governments

Date: _____



Meeting Date: 10 /28 / 14

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☒ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Jeri Williams, Chief of Police *Nothing for*

Agenda Item No. K-3

Reviewed By: City Manager *JM*

City Attorney *JBB*

Finance *JC*

Other (Specify) _____

DATE: October 15, 2014

TO: City Council

FROM: Jeri Williams, Chief of Police *J Williams*
Police Department

SUBJECT: Police Community Survey

RECOMMENDATION

That City Council accept the results of our 2014 Community Survey.

DISCUSSION

The last Community Survey was conducted in 2010. In the Police Department's effort to obtain community feedback and to improve the level of service provided, the Police Department again partnered with California Lutheran University and Dr. Jamshid Damooei. Dr. Damooei developed the sample methodology to insure valid and reliable survey standards.

A representative sample was taken from each neighborhood within the city and the Police Department looks forward to sharing these results with Council and the community.

FINANCIAL IMPACT

None.



ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☒ Other Council Business

Prepared By: Stephen M. Fischer

SMF

Agenda Item No.

M-1

Reviewed By: City Manager

JM

City Attorney

SMF

Finance

JC

Other (Specify)

AN

DATE: October 14, 2014**TO:** City Council
FROM: Stephen M. Fischer, Interim City Attorney
 City Attorney

SUBJECT: Ordinance Forming a Cultural Arts Commission**RECOMMENDATION**

That City Council approve the first reading by title only and subsequent adoption of an ordinance establishing a Cultural Arts Commission.

DISCUSSION

For more than a year, the Cultural Arts Committee, on which Mayor Pro Tem Ramirez and Councilwoman Padilla sit, has been discussing the formation of a cultural arts commission Citizens Advisory Group that would better serve the needs of Oxnard residents relating to the arts. A "Cultural and Fine Arts Commission" was formed by the City Council in 1980 (see Ord. No. 1844), but was dissolved in 1996 due to inactivity (see Ord. No. 2417). The proposed nine-member commission would serve similar functions as the current Cultural Arts Committee, including managing the Cultural Arts Grants process.

FINANCIAL IMPACT

It is anticipated that the Arts Commission will utilize the same level of City resources currently used by the Cultural Arts Committee, which will be dissolved upon the formation of the Arts Commission. Therefore, there is no anticipated financial impact to the current FY 2014-15 budget.

SMF

Attachment #1 - Ordinance

CITY COUNCIL OF THE CITY OF OXNARD

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, ADDING DIVISION 11 TO ARTICLE II OF CHAPTER 2 OF THE OXNARD CITY CODE, ESTABLISHING A CULTURAL ARTS COMMISSION AND AMENDING SECTION 2-30 OF THE OXNARD CITY CODE PERTAINING TO CITIZEN ADVISORY GROUPS

THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

Part 1. Section 2-30 of the City Code is hereby amended to read as follows:

“SEC. 2-30 APPLICATION.

The following provisions shall apply to the following citizen advisory groups: senior services commission, commission on community relations, library board, parks and recreation commission, youth commission, and cultural arts commission.”

Part 2. Division 11 is hereby added to Article II of Chapter 2 of the City Code to read as follows:

“DIVISION 11. CULTURAL ARTS COMMISSION

SEC. 2-130. ESTABLISHED; QUALIFICATIONS.

(A) There is hereby established a cultural arts commission composed of nine members.

(B) A member shall serve without compensation, shall reside in the city, shall be at least 18 years of age, and shall have a special knowledge or interest in the arts.

SEC. 2-131. APPOINTMENT; TERMS; VACANCY.

(A) The mayor, with the approval of the city council, shall appoint the members of the cultural arts commission. Members shall be appointed at the first meeting of the city council in every December after a general election involving the office of mayor.

(B) The term of a member of the cultural arts commission shall be two years and shall begin in January.

(C) In the event of a vacancy, the mayor, with the approval of the city council, shall appoint a replacement to complete the term of the member creating the vacancy.

SEC. 2-132. SECRETARY.

The city manager shall designate a city staff member to serve as a nonvoting secretary to the cultural arts commission.

SEC. 2-133. RULES OF PROCEDURE; QUORUM.

(A) The cultural arts commission shall follow rules of procedure approved by the city council.

(B) Five members shall constitute a quorum for the transaction of business by the cultural arts commission.

SEC. 2-134. POWERS AND DUTIES.

The powers and duties of the cultural arts commission shall be as follows:

- (A) Advise the city council on all matters pertaining to the cultural arts in the community;
- (B) Recommend to the city council the adoption, amendment or repeal of ordinances regarding public art, and /or art related projects and proposals;
- (C) Assist the cultural arts community in raising funds through grants or other sources for the development, growth, incorporation, and expansion of the arts;
- (D) Provide a local, state and national network of support and supporters of the local arts;
- (E) Build a growth continuum of education, training and arts to develop an incubator for home grown evaluators and evaluation training tools so that congruity among mission, vision and requirements of requests for proposals matches skills assessed by evaluators in the review process;
- (F) Develop public arts projects that include developing written materials for soliciting participation, appointing and training selection panels, and reviewing and recommending funding to ensure integrity of such processes;
- (G) Receive recommendations from ad-hoc local panels to review art actions in conjunction with the commission;
- (H) Recommend to the city council the distribution of revenues collected through fund raising, grants and public art funds consistent with the needs of the community, including solicitation and analysis of cultural arts grant proposals
- (I) Participate in the development of the strategic annual public art plan and longer-ranged strategic public art plans;
- (J) Cooperate with other commissions and civic organizations in order to promote, market, and publicize the arts in order to increase and foster public interest in the arts; and
- (K) Perform other art, cultural and arts education duties as may from time to time be prescribed by the city council."

Part 3. Within 15 days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation within the city. Ordinance No. _____ was first read on _____, 2014 and finally adopted on _____, 2014 to become effective thirty days thereafter.

AYES:

NOES:

ABSENT:

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

ATTACHMENT NO. 1
PAGE 3 OF 3

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☒ Other City Council Business

Prepared By: Sabrina RodriguezAgenda Item No. M 2Reviewed By: City Manager [Signature]City Attorney SMFFinance [Signature]

Other (Specify) _____

DATE: October 20, 2014

TO: City Council

FROM: Matthew G. Winegar, Director
Development Services [Signature]

SUBJECT: "One Stop" Permit Center Update

RECOMMENDATION

That City Council receive a report on the initial results of the permit/process business tax certificate community and focus group meetings.

DISCUSSION

In the City's effort to improve the development permit and business tax certificate (formerly business license) process, a community meeting and several focus group sessions were held recently to gather input from stakeholders. Early feedback from the community and focus groups identify a need for customer service training for staff involved in all aspects of the license and permit process in order to enhance service capabilities as well as simplifying those processes.

A further enhancement should occur in 2015. Recent State legislation mandates that agencies begin to accept solar panel permits on-line. The City has received grant funding that will be used to facilitate such applications as well as for other energy-related permits such as residential water heaters and re-roof applications.

In addition to the above, the City Manager and Development Services Director are reviewing strategies for staffing to conduct the process improvement reviews and on-going small business support, and from which department those efforts should be directed.

FINANCIAL IMPACT

There is no financial impact.

MW/sr

Attachment #1 – Oxnard Business Licensing & Permitting Focus Group Report

Oxnard Business Licensing & Permitting Focus Group Report

Prepared for the City of Oxnard
October 15, 2014

Prepared by:
Chris Collier
Rincon Strategies

Contents:

1. Summary of Project
2. Introduction with list of outcomes
3. Workshop information and participant demographics
4. Project Findings within each outcome
5. Summary & Recommendations

Oxnard Business Licensing & Permitting Focus Group Report

Summary of Project:

Rincon Strategies held a series of three focus groups and a public workshop in September and October 2014 at the request of the City of Oxnard involving both the general public and business stakeholders from the Chamber of Commerce, Economic Development Corporation of Oxnard, and the Downtown Oxnard Business Association. Through the focus groups and public workshop, Rincon Strategies gathered information on what was working well and what needed improvement in both business licensing and project permitting.

Introduction

The following focus groups and workshop were held:

- Public Workshop- Monday, September 29th, 6p at City of Oxnard Community Meeting room
- EDCO Focus Group- Thursday, October 2, 2p at River Ridge Golf Course meeting room
- Downtown Oxnard Business Association- Thursday, October 1, 5p at La Dolce Vita
- Oxnard Chamber of Commerce- Wednesday, October 8, 2014 4pm at Chamber Offices

The discussion was designed to gather information in regard to the following outcomes:

Business Tax Certificates

1. To understand the process for business licensing in the City of Oxnard, specifically understand the operational issues encountered with processing BTC.
2. To understand potential improvements the City could make to streamline the BTC process.

Project Permitting

1. To understand the process for permitting projects in the City of Oxnard, specifically understand the operational issues encountered with processing project permits.
2. To understand potential improvements the City could make to streamline the permit process based on this experience, what recommendations would the applicant have for the City.

Workshop Information & Participant Demographics

Public Workshop

- 6 people (not staff or council members) attended the public workshop.
- 5 people spoke at the workshop (that were not city council members).
- Mayor Flynn and Councilwoman Ramirez attended the meeting.
- Participants ranged from small business owners to community activists to former planning staff to one contractor with extensive permitting experience.
- Participants were given opportunity to testify and give their opinion on the process.

Economic Development Corporation of Oxnard

- 18 attended the focus group
- A broad range of businesses attended, including manufacturing, agricultural, real estate, and architecture firms that represent manufacturers, all members of EDCO.
- Participants were led through a series of questions based on our target outcomes. We engaged in a vibrant discussion to extract information about the processes.
- The discussion was primarily focused around planning and permitting.

Downtown Oxnard Business Association

- 12 attended the focus group
- Businesses represented were real estate sales, real estate development, architecture, restaurant, insurance, and community members.
- Participants were led through a similar series of questions to EDCO, through gathering data, the discussion focused more on business licensing issues than permitting and planning.

Oxnard Chamber of Commerce

- 14 attended the focus group
- Businesses represented were oil, real estate sales (via Coastal Association of Realtors), Chamber Board members, and the County of Ventura Representative from the Channel Islands Harbor.
- Participants discussed both the BTC and permitting processes with similar discussion themes to EDCO and Downtown.
- This particular group included several members who attended to 'listen' as businesses who had not yet gone through the planning and permitting process.

Project Findings

The findings outlined below detail the experiences shared by focus group and workshop participants. Rincon Strategies has not communicated directly with City staff or observed staff processes, so references to City operations and processes are solely based on the perceptions and experiences of those participants in the groups.

Especially in the case of the focus groups, many of the comments were similar not only across each similar group (like EDCO or Chamber), but across the different groups when investigating similar outcomes. These findings reflect the aggregate of information provided by participants.

Business Tax Certificates

OUTCOME 1: To understand the process for business tax certificate (BTC) in the City of Oxnard.

What experiences and expectations does each stakeholder have in obtaining or renewing their BTC?

- EDCO members noted that the EDCO organization assists with this function so members who had knowledge of this had only part of the details, while EDCO contributed valuable information as well
- The expectation of those applying for this process is that a standard is applied, and it was discussed that there is not a clear-cut answer at the counter.
- Downtown business owners felt that there were too many different lines required to get the BTC- while it is a one stop shop in the sense that they are all in the same building, they are not connected or working together.
- Enforcement is an issue amongst small business owners- those that attended are paying their fair share but know others that are not.
- Business owners asked why the preliminary application cannot be completed online.

What issues were uncovered across communication, paperwork, staff, and process while working through the application?

- One experience that was echoed several times is a lack of consistency in applying for BTC among manufacturers- Oxnard's BTC allows rates based on number of employees, which is advantageous to manufacturers- but the BTC process requires more proof for manufacturers.
- Manufacturers have been required to produce several layers of documents proving they do what they claim they do in order to process the BTC.
- As each time an applicant heads to the office they bring what they think will be sufficient documentation (SIC Code book, State of CA Manufacturing Certificate, etc.), and are told they still need additional information. This results in multiple trips to the office.
- It was noted often that information regarding what was required to file for BTC was not clear and required several trips.
- Almost every participant in the Downtown group mentioned at least 3 different trips to the City office to complete the filing, while some mentioned as many as 5 trips.
- The lack of electronic submission was noted by several owners who live out of town and operate businesses in person- they are currently required to drive and file in person to be in compliance.
- Downtown groups raised the issue of enforcement of the BTC - specifically amongst rental property owners. Several building owners who had sub-tenants pay the tax, while others do not.

- One participant noted that realtors specifically are treated differently in Oxnard than other cities. Realtors are taxed individually. Brokers who work with the Realtors are taxed not only on themselves but also the Realtors they are working with, essentially taxing the Realtors twice. This particular participant is also taxed as the building owner on the same number of employees.
- Customer service in the BTC process is an issue. Reception and help desk were not able to provide accurate information on how to obtain the BTC.
 - According to one business owner: "They're just mean and not helpful"

OUTCOME 2: To understand potential improvements the City could make to streamline the BTC process.

Based on this experience, what recommendations would the applicant have for the City?

- Stakeholders recommended a checklist or some kind of consistent format for submitting verification documents that would lessen the number of trips required to finalize BTC paperwork.
 - "How to open a business in the City of Oxnard"
- This checklist or guide should appear in easy to navigate as an online resource as well as in the building.
- Real estate agents and other businesses with similar agent-broker relationships should be taxed differently.
- Work to improve enforcement of BTC.

Project Permitting

OUTCOME 1: To understand the process for permitting projects in the City of Oxnard.

What experiences and expectations does each stakeholder have in obtaining a permit through the City?

- It was noted by participants that the plan check process was lengthy and required several revisions. Stakeholders expect the current process to take significant time and revisions, where their goal is to reduce the number of reviews and trips associated with each project.
 - "Time is money."
- The Small Business Program, or Fast Track set appointments that are allowed on Thursday mornings are popular with participants.
- The Chamber of Commerce focus group did not know about the Small Business Program available for permitting.
- As part of meeting to discuss plans, it was often the case that signing up for Small Business Program in advance would yield a faster meeting turnaround than trying to go in and meet on the project without it. It was noted that this was the case even when the meeting with the SBP was more than two weeks out from the current date.
- There is no expected timeline or turnaround on submissions, and this time costs businesses that are waiting through the process.
- Most projects moving through now are not new construction, but are tenant improvements and reconfigurations. The turnaround time on plans and permits for this process are inhibiting businesses from moving in on schedule.
- Camarillo was mentioned to have a 1 - week turnaround for plan check on tenant improvements with fees schedule the same day. This is not the case in Oxnard.

- Fee schedules often do not get completed for as long as two weeks beyond plan check or project approval, so the hold up in processing the paperwork slows down the applicants.
- When comparing to other cities like Camarillo, participants noted that the number of plan checks and the total cost and overall time was lower in Camarillo than in Oxnard.
- State regulations were also noted to be an issue, and was noted that there was not much this process could do to change that. Participants instead focused on what could be done to make the City's process better.
 - "Let's make Oxnard the best City to do business in the worst state"
- EDCO was mentioned by its members repeatedly as a great tool in the process for working through permits.
 - "I would not recommend anyone try to move a complex project through the City of Oxnard without their help."

What issues were uncovered across communication, paperwork, staff, and process while working through the application?

- Revisions varied based on which staffer worked on the plans- one staff person reviewed plans and created a checklist of items that needed to be corrected, the other marked directly on the plans.
- Participants noted that the lists or corrections were often, incomplete. After correcting all on the list, applicants would return to have a new set of corrections unrelated to the first set added to the project. In some cases, participants noted the first and second sets of corrections would contradict
- Staff is reluctant to make decisions. Often, decisions must be cleared up two or three levels of management before answers can be given. Participants noted that staff would also not give recommendations or solutions, but instead would give 'no' answers and not help applicants solve problems as they worked through their process.
 - "I hope I get a good planner"
- Staff is not necessarily familiar with manufacturing business processes, so working through permitting applications on unfamiliar business processes requires education that is currently not part of the process.
- Participants noted that sometimes it was faster to go directly to Matt and bypass staffers. There was also a story told where someone went directly to a City Councilmember who called in to help expedite the process.
 - "You shouldn't have to know someone to get something done."
- Communication between different departments is not apparent to applicants. Fire and building and safety are not in sync, so when corrections to plans come back, they are often in conflict.
- Plan checks are also released without all departments sign off, so different corrections will come on different drafts. There is no standard form for this process or no one person who takes ownership at the staff level to ensure all items are accurate before going back to the applicant.
- Fees are not consistent. Estimated fees for going through the process are often underestimated, giving businesses that make financial decisions based on this information a difficult time to accurately project costs.
- The same is true with timelines to move the through the process. It is felt amongst participants that the incentive to finish the project is with the applicant, where the staff is not held accountable to a set of deadlines.
- There is only one person who can approve ADA, so TI's and building reconfiguration is delayed.

- Because there is no standardization among staff communications, different planners cannot easily pickup other planners work, so when a planner is out on vacation or out of the office, the project is on hold.
- When planners are switched, because of the lack of consistency, often it sets back a project if not start over completely.
 - “There are five different people in a department, I got five different answers.”
- Six sets of plans are required for building and safety, and no digital plans are submitted. Often the same planner will work on multiple areas of the same project, so the number of paper copies could be reduced. Also, a digital copy could aid in lowering costs.
- There is no standard tracking component to determine where a project is in the process. One participant noted that a project's plans were actually lost in the process and they had to start over completely.
 - “An expedited plan is not an expedited plan”
- Regarding special use permits for events, SUPs are needed for regular event sites. Why can't the city develop a designation for an event site that does not require an SUP for each individual event?
- Code v. Policy - it was mentioned by two different participants that they received project feedback that referred to policies - these policies were not building code related, and staff was unable to produce such a written policy that existed.
 - “Who approves these policies, where are they posted, and can I get a copy? I was told no.”

OUTCOME 2: To understand potential improvements the City could make to streamline the permit process.

Based on this experience, what recommendations would the applicants have for the City?

- Create a set of plan-check standards that include a way to consistently communicate information across all planners, so different planners did not have different ways of communicating the same information.
- Expanding the Small Business Program (Fast Track) to include all businesses, and expand the time frame.
- Empower front-line staff at the counter to make decisions and incentivize a timetable and fee schedule that is more accurate so businesses can make appropriate planning and financial decisions with good information
- Prioritize or set aside more time for complex projects or manufacturing, as these projects can tend to take much longer than expected.
- Benchmark Oxnard's process against other cities and find out what they are doing well. It was mentioned that Camarillo's process was less of an issue for several participants.
- Track the timeline of each project and develop communication standards within the departments to communicate clear updates to applicants.

Summary & Recommended Changes

After conducting these focus groups and workshop, it is clear that there are recurring issues that should be addressed. Participants came back to recurring problems with both BTC and permitting.

The following summarized the top-level issues:

- Consistency & Standards
 - There is an overall lack of standardization across departments and within departments. Applicants do not have a set of consistent expectations on any given project
 - Lack of standardization is hurting communication between the City and applicants, and drawing out processes, costing time and money.
- Staffing & Management
 - BTC Staff working knowledge of business operations is limited, and stalled the BTC application process on several accounts.
 - Planning staff is not consistent in delivery of information to applicants.
 - Front line staff are not empowered to make decisions and this delays processes.
- Communication
 - Departments do not communicate well together, and there is not a standardization of information.
 - Within departments, the lack of standardization also hurt projects as they moved through. Conflicting information cost time and money.
- Fees & Timelines
 - Timelines suffered from a lack of consistency through the process, and delays cost businesses as they worked through.
 - Information on where in the process each application stood was hard to come by and so planning for these organizations is difficult.
 - Fee schedules are not timely or accurate, so cost overruns from the initial planning process for businesses hurt their finances.
- Lack of digital presence
 - There is a noted lack of online resources and ability to submit or initiate processes online. Participants felt making more information available before making the trip to the office would help clean up the process.

It should be noted that there were some positives that came from this process as well:

- The City should be applauded for taking this project on, and participants are hoping for real improvement to some of the systemic issues.
- EDCO was seen as a key participant by its members in making the process easier for businesses.
- The Small Business Program/Fast Track available to walk through plans was a hit with 2/3 focus groups familiar with it.
- Some planning staffers were noted to be friendly and provide good information, despite some of the comments to the contrary. Department heads were also complimented on their in-depth knowledge of the process and ability to help.
- Services used to be located across the city; the consolidation of services in one building is more convenient.

Recommendations

- Develop a checklist for how to open a business in Oxnard, put this resource online as well as make it more prominent in the office.
- Review the realtor-broker BTC process to reduce double-taxation.
- Develop a standard set of communications or forms within each department and between departments so information that ultimately is given as feedback to the applicants has consistency. Any person dealing with plans in any department should be able to communicate messages clearly through this system.
- Develop a tracking system for fees and timeline, have this system accessible for applicants online to check the status without calling in or coming down to the office. Link standard communications to this system.
- Expanding the Small Business Program (Fast Track) to include all businesses, and expand the time frame.
- Prioritize or set aside more time for complex projects or manufacturing, as these projects can tend to take much longer than expected.
- Benchmark Oxnard's process against other regional cities or similar sized cities and find out what they are doing well.
- Work with staff on communication with applicants to develop ability and empower staff to make more front-line decisions.
- Finally, improve and enhance online information both to those in applications and those look to apply for both BTC and permits.

CONTACT INFO

Chris Collier
President
Rincon Strategies
chris@rinconstrategies.com
805-413-4077 x 101



Meeting Date: 10/28/14

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☒ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Stephen M. Fischer, Interim City Attorney *SMF*Agenda Item No. *S-1*Reviewed By: City Manager *JM*City Attorney *SMF*Finance *QC*

Other (Specify) _____

DATE: September 4, 2012**TO:** City Council**FROM:** Stephen M. Fischer, Interim City Attorney
City Attorney *[Signature]***SUBJECT:** Third Amendment to Attorney Services Agreement with Gibbs Giden Locher
Turner Senet & Wittbrodt, LLP Relating to South Oxnard Library Litigation**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute the Third Amendment to the Attorney Services Agreement with Gibbs Giden Locher Turner Senet & Wittbrodt, LLP ("Gibbs Giden") to increase the amount by \$225,000 for a total of \$350,000 for litigation services relating to design and construction defects at the South Oxnard Library (Agreement No. 5333-11-CA) and extend the contract expiration date to June 30, 2015.

DISCUSSION

On January 24, 2012, the City Council in closed session, after discussion with Special Counsel Theodore Senet, authorized the City Attorney to initiate litigation against several parties involved in the design and construction of the South Oxnard Library. The agreement has been previously amended to increase the not to exceed amount to cover litigation expenses (including testing and analysis by engineering expenses) and to extend the term of the agreement. Staff anticipates that the total amount billed under the contract to complete settlement negotiations is not to exceed \$350,000 and that the case will be settled prior to the June 30, 2015 expiration of the contract.

FINANCIAL IMPACT

There is no impact to the General Fund. The future costs of the litigation will now be covered from the Liability Fund. Any recovery will be reimbursed first to the Liability Fund and second to the project.

Attachment #1 – Third Amendment to Agreement for Attorney Services No. 5333-11-CA

THIRD AMENDMENT TO AGREEMENT FOR ATTORNEY SERVICES

This Third Amendment ("Third Amendment") to the Agreement for Attorney Services ("Agreement") is made and entered into in the County of Ventura, State of California, this 28th day of October 2014, by and between the City of Oxnard, a municipal corporation ("City"), and Gibbs, Giden, Locher, Turner, Senet & Wittbrodt, LLP ("Special Counsel") formerly known as Gibbs, Giden, Locher, Turner & Senet, LLP. This Third Amendment amends the Agreement entered into on January 13, 2011, by City and Special Counsel. The Agreement previously has been amended on January 26, 2012, by a First Amendment and by a Second Amendment on January 8, 2013.

City and Special Counsel agree as follows:

1. In Section 8. of the Agreement, the date "January 13, 2015" is deleted and replaced with the date "June 30, 2015".
2. In Section 10a. of the Agreement, the figure "\$125,000" is deleted and replaced with "\$350,000".
3. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD

SPECIAL COUNSEL

Gibbs, Giden, Locher, Turner, Senet &
Wittbrodt, LLP

Tim Flynn, Mayor

Theodore L. Senet, Esq., Partner

ATTEST:

APPROVED AS TO AMOUNT:

Daniel Martinez, City Clerk

Greg Nyhoff, City Manager

APPROVED AS TO FORM AND CONTENT:

APPROVED AS TO INSURANCE:

Stephen M. Fischer, Interim City Attorney

James Cameron, Risk Manager

ATTACHMENT NO. 1
PAGE 2 OF 2

MINUTES

OXNARD CITY COUNCIL

Regular Meeting

October 7, 2014

A. ROLL CALL/POSTING OF AGENDA

At 6:01 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers. Councilmembers Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla and Bert Perello were present. The City Clerk stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Mayor Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Greg Nyhoff, City Manager; Stephen Fischer, Interim City Attorney; Jeri Williams, Police Chief; James Williams, Fire Chief; Martin Erickson, Deputy City Manager; Michael Henderson, General Services Manager; Kymberly Horner, Interim Redevelopment Services Manager; Phillip Gregoire, Streets Manager and Brian Woolley, Police Sergeant.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence.

E. CEREMONIAL CALENDAR

1. SUBJECT: Presentation of Proclamation Designating October 13, 2014 as "Community Safety and Anti-Violence Day"
ACTION: Mayor Flynn presented a proclamation to the Police Chief for this event.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from: Ed Ellis; Daniel Lechlitter; Vincent Stewart; Lucy Cartagena; Larry Stein; Gary Blum; Jacinta Garcia; Maria Ponce; Elliot Gabriel; Monica Morales; Dan Pinedo; Pete Placencia; Patrick Barrios; Pat Brown; George Miller; Betty Tuttle; Leo Martinez and Juan Delgado.

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

J. APPOINTMENT ITEMS

L. REPORT OF CITY MANAGER**Public Works Department**

2. **SUBJECT:** Verbal Update on City of Oxnard Arterial Street Resurfacing Project.

RECOMMENDATION: Receive verbal report.

DISCUSSION: The General Services Manager and Interim Redevelopment Services Manager commented on planned street resurfacing, funding and locations of projects. The Streets Manager estimated that the overlay plan of Harbor Boulevard would last 4-5 years.

Public comments were received from: Larry Stein; Virgil Lockhart; Alison Gabel; Warner Younis; Patricia Younis; David Valenzula; Jim Lavery; Alexis Browning; Roy Prince and George Miller.

The Council discussed: funding of projects; traffic-street load; hiring of local businesses; working with bicycle community; County Transportation tax; difference of minor/major road repair and possible additional funding for Harbor Boulevard.

ACTION: The City Council provided comments and directions to staff.

K. REPORTS**Fire Department**

1. **SUBJECT:** Request for a Budget Appropriation to Maintain Truck Staffing. (001)

RECOMMENDATION: Approve an appropriation of \$300,000 to maintain the staffing for a second truck company to ensure compliance with the 2011 Staffing for Adequate Fire and Emergency Response (SAFER) grant and to enhance the City's likelihood of receiving a 2014 SAFER grant award.

DISCUSSION: The Fire Chief outlined the use of the SAFER grant and funding issues including use of Measure "O" funds. The Deputy City Manager reviewed the use of Measure "O" funds.

Public comments were received from: Jim Lavery; Daniel Lechlitter; Larry Stein and George Miller.

The Council discussed: funding of Fire Station 8, including personnel and equipment; ratio of Firefighters; use of Measure "O" funds; and use of grants.

ACTION: Approved the appropriation of \$300,000 with staff updating Council in the future. (Perello/Ramirez). Ayes: Ramirez, MacDonald, Padilla, Perello and Flynn.

L. REPORT OF CITY MANAGER

1. **SUBJECT:** Verbal Update on Thompson Park Restrooms.

RECOMMENDATION: Receive verbal report.

DISCUSSION: Public comment was received from: Francine Castanon.

ACTION: Continue to future date.

M. CITY COUNCIL BUSINESS/COMMITTEE REPORTS**N. PUBLIC COMMENTS ON REPORTS**

O. PUBLIC COMMENTS ON STUDY SESSIONP. STUDY SESSIONQ. REVIEW OF INFORMATION/CONSENT AGENDA

Public comments were received from: Police Chief and Police Officer Woolley S-1(c); Police Chief S-1(d); and Deputy City Manager (S-2).

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comments were received from: Steve Nash (S-3) and Dan Pinedo (S-1(d)).

S. INFORMATION/CONSENT AGENDACity Manager Department

1. SUBJECT: Agreements for City Council Review. (003)
RECOMMENDATION: Approve and authorize the City Manager, to execute the attached agreements/contracts and change orders/amendments in amounts more than \$25,000 but no more than \$250,000, which are described on the attached list.
2. SUBJECT: First Amendment to Agreement for Trade Services with Select Staffing for Contract Labor Services at the Del Norte Regional Recycling and Transfer Station. (007)
RECOMMENDATION: Approve and authorize the Mayor to execute a First Amendment to Agreement for Trade Services with Select Staffing (A-7632) to increase the amount by \$400,000 to a not to exceed amount of \$2,000,000 for contract labor services at the Del Norte Regional Recycling and Transfer Station (Del Norte).

Development Services Department

3. SUBJECT: Special Budget Appropriation for Oxnard Boulevard Bicycle and Pedestrian Path. (011)
RECOMMENDATION: Approve a special budget appropriation recognizing federal revenue and appropriating \$138,000 to "Oxnard Blvd. Pedestrian and Bike Path" to construct the bicycle and pedestrian path east of Oxnard Boulevard and south of Gonzales Road.

Public Works Department

4. SUBJECT: Agreement with Solenis LLC for Supply and Delivery of Praestol K144L Polymer to the Wastewater Treatment Plant. (013)
RECOMMENDATION: Approve and authorize the Mayor to execute the Agreement with Solenis LLC (A-7720) in the amount of \$329,000 for supply and delivery of Praestol K144L Polymer to the Wastewater Treatment Plant for a one year term from October 7, 2014 to October 7, 2015 with an option to extend up to two additional one-year terms for a not to exceed amount of \$987,000.

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended. (Ramirez/MacDonald) Ayes: MacDonald, Padilla, Perello, Flynn and Ramirez.

L. REPORT OF CITY MANAGER

The City Manager commented on the removal of a former Halaco building and future discussion of water conservation measures.

M. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

Councilmembers commented on various items including: maintenance of restrooms in parks; questions regarding Proposition 218; announcement regarding being a partner in hosting the Special Olympics; Colonia Memorial Gym; Colonia Boxing facility; street lights at Olive Street and other streets; "War Comes Home" series at Oxnard Library; animal rabies clinic; Multi-Cultural festival; and Veteran's Day activities.

T. ADJOURNMENT

At 9:52 p.m. the City Council concurred to adjourn the meeting.

DANIEL MARTINEZ
City Clerk

TIM FLYNN
Mayor

MINUTES
OXNARD HOUSING AUTHORITY
Regular Meeting
June 3, 2014

A. ROLL CALL/POSTING OF AGENDA

At 6:32 p.m., the regular meeting of the Oxnard Housing Authority convened in the Council Chambers, concurrently with the City Council. Commissioners Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla, Bert Perello, Jose Andrade and Francisco Vega were present. The Secretary Designate stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Chairperson Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, Secretary Designate; Greg Nyhoff, Executive Secretary; Stephen Fischer, Interim General Counsel; James Cameron, Chief Financial Officer; Jeri Williams, Police Chief and Martin Erickson, Deputy City Manager.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence.

E. CEREMONIAL CALENDAR

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

J. APPOINTMENT ITEM

City Manager Department

1. SUBJECT: Consideration of Resolution Revising Housing Authority Procedures and of a Proposal from the Procedures Committee to form an Ethics Advisory Committee. (021)

RECOMMENDATION: Approve **Resolution No. 1279** containing revisions to Housing Authority Procedures.

DISCUSSION: The Deputy City Manager reviewed the proposed revising procedures. The Interim City Counsel reviewed appointments to citizen committees and changes to the proposed provisions.

Public comments were received from: Nancy Pedersen, Pat Brown, Larry Stein, Dan Pinedo, Steve Nash, Al Velasquez and Daniel Lechlitter.

The Council discussed the proposed changes including "meeting" procedures, proposed speaking limits for public and creating an "ethics advisory" committee.

ACTION: Moved to approved parts 2 to 9 of the resolution as flexible guidelines and forming of Ethics Advisory Committee. (Padilla/Ramirez) Ayes: Ramirez, Padilla, Perello, Flynn, Andrade and Vega. Noes: MacDonald.

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

K. REPORTS

L. PUBLIC COMMENTS ON REPORTS

M. REPORT OF SECRETARY

N. HOUSING AUTHORITY BUSINESS/COMMITTEE REPORTS

O. STUDY SESSION

P. PUBLIC COMMENTS ON STUDY SESSION

Q. REVIEW OF INFORMATION/CONSENT AGENDA

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

S. INFORMATION/CONSENT AGENDA

CITY COUNCIL

At 8:44 p.m. the joint meeting with the City Council concluded.

T. ADJOURNMENT

At 8:44 p.m., the Housing Authority concurred to adjourn the meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY

Regular Meeting

June 10, 2014

A. ROLL CALL/POSTING OF AGENDA

At 6:08 p.m., the regular meeting of the Oxnard Housing Authority convened in the Council Chambers, concurrently with the City Council and Community Development Commission Successor Agency. Commissioners Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla, Bert Perello, Jose Andrade and Francisco Vega were present. The Secretary Designate stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Chairperson Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, Secretary Designate; Greg Nyhoff, Executive Secretary; Karen Burnham, Assistant Executive Secretary; Stephen Fischer, Interim General Counsel

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

E. CEREMONIAL CALENDAR

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Q. REVIEW OF INFORMATION/CONSENT AGENDA

The Housing Director outlined the Housing voucher program and some differences of programs.

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Public comments Melissa Campbell Langdell

S. INFORMATION/CONSENT AGENDA

Housing Department

2. SUBJECT: Housing Authority Investment Policy. (103)
RECOMMENDATION: Adopt **Resolution No. 1280** adopting an investment policy for the Housing Authority of the City of Oxnard for FY 2014-2015.
3. SUBJECT: Revision to the Utility Allowances for Public Housing Residents and Section 8 Housing Choice Voucher Participants. (115)
RECOMMENDATION: Adopt **Resolution No. 1281** to adopt the revised utility allowance schedules for the Section 8 Housing Choice Voucher program and the Public Housing program.

4. SUBJECT: Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds. (127)
RECOMMENDATION: Adopt post-issuance tax compliance procedures for tax-exempt bonds.
5. SUBJECT: Selection of the Courts Project for the Section 8 Project Based Voucher Program. (133)
RECOMMENDATION: Approve the selection of the Courts project for Section 8 Project Based Vouchers and authorize the Housing Director to enter into a Housing Assistance Payment contract and any other necessary documents.

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended.
(MacDonald/Ramirez) Ayes: MacDonald, Padilla, Perello, Andrade, Vega, Flynn and Ramirez.

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

ACTION: Chairperson Flynn declared the public hearing open.

DISCUSSION: The Secretary Designate reported on posting, publication and that there were no written communications received.

Finance Department

2. SUBJECT: FY 2014-15 Operating and Capital Budget Public Hearing. (063)
RECOMMENDATION: Conduct a public hearing on the Fiscal Year 2014-15 operating and capital budgets for the Oxnard Housing Authority.
DISCUSSION: The Executive Secretary and Chief Financial Officer commented on budget issues including: a comparison of projected balances; hiring of PAC manager; increasing General Fund Reserve; the Chairperson's recommendations; moving to a performance/priority based budgeting; and golf course issues.

Public comment received from: Larry Stein; Paul Garcia; Alex Mireles; Anthony Mireles; David Valenzuela; and Danny Zaragoza.

The Commissioners discussed various issues: use of enterprise funds vs. general funds; Golf course; street repairs; maintenance of infrastructure and local job preferences for City projects.

ACTION: Close the public hearing. (Padilla/Flynn) The Commission received the report and provided comments to staff.

J. APPOINTMENT ITEMS

K. REPORTS

L. REPORT OF SECRETARY

M. HOUSING AUTHORITY BUSINESS/COMMITTEE REPORTS

N. PUBLIC COMMENTS ON REPORTS

O. PUBLIC COMMENTS ON REPORTS

P. STUDY SESSION

O. STUDY SESSION

CITY COUNCIL/COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY

At 9:09 p.m. the joint meetings with the City Council and Community Development Commission Successor Agency concluded.

T. ADJOURNMENT

At 9:09 p.m., the Housing Authority concurred to adjourn the meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES
OXNARD HOUSING AUTHORITY
Regular Meeting
June 17, 2014

A. ROLL CALL/POSTING OF AGENDA

At 6:06 p.m., the regular meeting of the Oxnard Housing Authority convened in the Council Chambers, concurrently with the City Council and Community Development Commission Successor Agency. Commissioners Tim Flynn, Carmen Ramirez, Dorina Padilla, Bert Perello, Jose Andrade and Francisco Vega were present. Commissioner Bryan A. MacDonald was absent. The Secretary Designate stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Chairperson Flynn presided and called the meeting to order. Staff members present were: Daniel Martinez, Secretary Designate; Greg Nyhoff, Executive Secretary; Karen Burnham, Assistant Executive Secretary and Stephen Fischer, Interim General Counsel.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

E. CEREMONIAL CALENDAR

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Q. REVIEW OF INFORMATION/CONSENT AGENDA

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

Finance Department

2. SUBJECT: FY 2014-15 Operating and Capital Budget Adoption. (013)

RECOMMENDATION: Adopt a resolution approving the Housing Authority's Fiscal Year 2014-15 Operating and Capital Budget.

DISCUSSION: The Chief Financial Officer provided information on the proposed budget.

Public comments were received from: Larry Stein; George Miller and Jim Lavery.

The Commissioners commented on: the reserve budget and the budget approval process.

ACTION: Moved to postpone this item. (Ramirez/Perello). Ayes: Padilla, Perello, Andrade, Vega, Flynn and Ramirez. Absent: MacDonald.

J. APPOINTMENT ITEMSK. REPORTSL. REPORT OF SECRETARYM. HOUSING AUTHORITY BUSINESS/COMMITTEE REPORTSN. PUBLIC COMMENTS ON REPORTS

At 10: 27 p.m., Chairperson Flynn left the meeting and Vice-Chairperson Ramirez presided.

O. PUBLIC COMMENTS ON REPORTSP. STUDY SESSIONO. STUDY SESSIONS. INFORMATION/CONSENT AGENDACity Clerk Department

1. SUBJECT: Minutes of the Regular Meetings of the Oxnard Housing Authority for April 8, 15 and 22, May 6, 13 and 20, 2014 (059)
RECOMMENDATION: Approve.

INFORMATION/CONSENT AGENDA ACTION: Approved as recommended. (Padilla/Perello)
Ayes: Andrade, Vega, Ramirez, Padilla and Perello. Absent: Flynn and MacDonald.

CITY COUNCIL/COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY / FINANCING AUTHORITY

At 10:51 p.m. the joint meetings with the City Council, Community Development Commission Successor Agency and Financing Authority concluded.

T. ADJOURNMENT

At 10:51 p.m. the Housing Authority concurred to adjourn the meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

CARMEN RAMIREZ
Vice-Chairperson

MINUTES
OXNARD HOUSING AUTHORITY
Regular Meeting
June 24, 2014

A. ROLL CALL/POSTING OF AGENDA

At 6:16 p.m., the regular meeting of the Oxnard Housing Authority convened in the Council Chambers, concurrently with the City Council and Community Development Commission Successor Agency. Commissioners Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Dorina Padilla, Bert Perello, Jose Andrade and Francisco Vega were present. The Secretary Designate stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Chairperson Flynn presided and called the meeting to order.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

D. OPENING CEREMONIES

The meeting opened with the pledge of allegiance to the flag of the United States, followed by a moment of silence. Mayor Flynn presided. Staff members present were: Daniel Martinez, Secretary Designate; Greg Nyhoff, Executive Secretary; Karen Burnham, Assistant Executive Secretary; Stephen Fischer, Interim General Counsel; William "Bill" Wilkins, Housing Director and Grace Magistrale Hoffman, Deputy Executive Secretary.

E. CEREMONIAL CALENDAR

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

G. TRANSMITTAL OF INFORMATION ONLY ITEMS

H. INFORMATION/CONSENT PUBLIC HEARINGS

I. PUBLIC HEARINGS

J. APPOINTMENT ITEMS

K. REPORTS

Finance Department

1. SUBJECT: FY 2014-15 Operating and Capital Budget Adoption. (023)

RECOMMENDATION: Adopt **Resolution No. 1282** approving the Housing Authority's Fiscal Year 2014-15 Operating and Capital Budget.

DISCUSSION: The Chief Financial Officer reviewed several issues including "Vacancy Savings"; golf course; PAC; water fund; wastewater fund; environmental resources fund; bond rating and debt service. The Executive Secretary commented on the debt ratio of the City.

Public comments received from: Larry Stein and George Miller.

The Commissioners discussed several issues including: public Housing funding; bond rating and water costs.

ACTION: Approved as recommended. (MacDonald/Ramirez). Ayes: MacDonald, Flynn, Ramirez and Andrade. Noes: Padilla, Perello and Vega.

L. REPORT OF SECRETARY

M. HOUSING AUTHORITY BUSINESS/COMMITTEE REPORTS

2. SUBJECT: Verbal Update Concerning Las Cortes Relocation Issues (28 Acres East of Marquita Street and North of First Street and Approximately 4 Acres of City Parkland to the North of The Courts). (Vice-Chairperson Ramirez)

DISCUSSION: The Housing Director reviewed the moving process and assistance being provided to residents.

ACTION: The Commissioners provided comments to staff.

N. PUBLIC COMMENTS ON REPORTS

O. PUBLIC COMMENTS ON REPORTS

HOUSING AUTHORITY BUSINESS/COMMITTEE REPORTS

P. STUDY SESSION

O. STUDY SESSION

Q. REVIEW OF INFORMATION/CONSENT AGENDA

R. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

S. INFORMATION/CONSENT AGENDA

CITY COUNCIL/COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY

At 9:41 p.m. the joint meetings with the City Council and Community Development Commission Successor Agency concluded.

T. ADJOURNMENT

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY
Regular Meeting
July 1, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY
Regular Meeting
July 8, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY

Regular Meeting

July 15, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ

Secretary Designate

TIM FLYNN

Chairperson

MINUTES

OXNARD HOUSING AUTHORITY
Regular Meeting
July 22, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY

Regular Meeting
September 9, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY

Regular Meeting

September 16, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES

OXNARD HOUSING AUTHORITY
Regular Meeting
September 23, 2014

Because there were no items requiring consideration on this date, there was no regular meeting.

DANIEL MARTINEZ
Secretary Designate

TIM FLYNN
Chairperson

MINUTES
OXNARD HOUSING AUTHORITY
Special Meeting
July 29, 2014

- A. ROLL CALL/POSTING OF AGENDA
- B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS
- C. CLOSED SESSION
- D. OPENING CEREMONIES

At 6:15 p.m., the special meeting of the Oxnard Housing Authority reconvened in the Council Chambers, concurrently with the City Council and the Parking Authority. Commissioners Tim Flynn, Carmen Ramirez, Bryan A. MacDonald, Bert Perello, Jose Andrade and Francisco Vega were present. Commissioner Dorina Padilla was present via conference call from Octolan, Mexico. The Deputy Secretary Designate stated that the agenda was posted on Thursday in the Library and City Clerks Office. Chairperson Flynn presided and called the meeting to order. Staff members present were: Greg Nyhoff, Executive Secretary; Karen Burnham, Assistant Executive Secretary; Rahsaan Tilford, Deputy General Council; Martin Erickson, Deputy Executive Secretary; Lyn McGraw, Deputy Secretary Designate. Additional staff members present were: Kymberly Horner, Interim Redevelopment Services Manager; and Maria Herrera, Community Development Administrative Secretary.

E. APPOINTMENT ITEM

Community Development Department

1. SUBJECT: Property-Based Improvement District ("PBID") Ballot. (001)
RECOMMENDATION: Authorize the City Manager to sign, on behalf of the City of Oxnard, Oxnard Housing Authority, and Oxnard Parking Authority, as owners of certain properties located in the Oxnard Downtown Management District ("District"), the ballot in support of the renewal and boundary modification of the District.

DISCUSSION: The Interim Redevelopment Services Manager reviewed the ODMC ballot process including the vote of the council. Abel Magana, Executive Director of ODMD, answered questions regarding maintenance issues, public safety and business development.

Comments received from Commissioners regarding: maintenance issues, public safety and business development.

Public comments received from: Francine Castanon; Larry Stein; Ines Tuttle; Martin Jones; Fernando Garcia; Alejandro Rivera; and Tom Garon.

ACTION: Move to support the renewal and boundary modification of ODMD.
(Ramirez/Perello). Approved unanimously.

F. PUBLIC HEARINGS

H. REPORTS

I. PUBLIC COMMENTS ON REPORTS

J. REVIEW OF INFORMATION/CONSENT AGENDA

K. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

L. INFORMATION CONSENT

CITY COUNCIL/PARKING AUTHORITY

At 7:26 p.m. the joint meetings with the Oxnard City Council and the Oxnard Parking Authority concluded.

T. ADJOURNMENT

At 7:26 p.m. the Housing Authority adjourned.

LYN MCGRAW
Deputy Secretary Designate

TIM FLYNN
Chairperson



Meeting Date: 10/28/2014

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☒ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Greg Nyhoff, City Manager

Agenda Item No. S-3

Reviewed By: City Manager [Signature] City Attorney JBB Finance J.C Other (Specify) _____

DATE: October 9, 2014

TO: City Council

FROM: Greg Nyhoff, City Manager
City Manager's Office

SUBJECT: Agreements for City Council Review

RECOMMENDATION

That City Council, pursuant to Ordinance 2835, and Resolution No. 13,932, approve and authorize the City Manager, to execute the agreements/contracts and change orders/amendments in amounts more than \$25,000 but no more than \$250,000, which are described on the attached list.

DISCUSSION

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

FINANCIAL IMPACT

Funding information is included on the attached list.

Attachment - #1 – List of Agreements/Contracts and/or Change Orders/Amendments

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

City Manager Contract List for 10/28/2014

Item	Type	Department/Contact	Vendor/Agreement Number	Description/Purpose	Amount
A	Original Agreement	Public Works/Water Dan Rydberg 890-1257	Applied Spectrometry Associates, Inc. Agreement No. A-7711	Maintenance for Two ChemScan Water Analyzers Maintenance services for two ChemScan water analyzers located at Blending Station 1 and at Blending Station 3. The ChemScan system was installed at Blending Station No. 1 as part of the desalter improvement project (public bid project) back in 2006. The same system was used in Blending Station No. 3 during the relocation of the station to its new location on Solar Drive, also publicly bid. The ChemScan system met the design and performance specifications and was approved for use to monitor and analyze the water being produced for distribution into the City's potable water system. It is a vital component of the water production system monitored and regulated by the Health Department. The ChemScan system has proprietary components and software that can only be serviced by Applied Spectrometry Associates, the manufacturer of the system therefore this is a sole source. Total Contract Amount: \$35,600 FundingSource: Water Operating Funds	\$35,600
B	Original Agreement	Finance Rena Bassett 385-7472	York Insurance Services Group Agreement No. 6871	Provide Liability Claims Management An RFP was issued in April 2014 to solicit proposals for liability claims management. The City received 5 proposals. York Insurance Group proposal provided the necessary services at the lowest cost. The City has contracted with York Insurance Group in the past and has been satisfied with services provided. The not to exceed amount of the agreement is \$186,000 for one year for general investigative, adjustment, administrative and legal support services. The funding source is the Public Liability Fund. The term of the agreement is July 1, 2014 to June 30, 2015. Total Contract Amount: \$186,000 FundingSource: Public Liability Fund	\$186,000

ATTACHMENT # 1
OF 3

City Manager Contract List for 10/28/2014

Item	Type	Department/Contact	Vendor/Agreement Number	Description/Purpose	Amount
C	Original Agreement	General Services Dept./ Facilities Maintenance Division Michael Henderson 385-7946	West Coast Air Conditioning Agreement No. 6906-14-CM	Remove existing 80 ton chiller, furnish and install new Trane 80 ton chiller at Main Library Vendor to remove, recover refrigerant, and recycle the existing 80 ton chiller unit. Vendor to furnish and install new 80 ton Trane Air Cooled Scroll chiller. Vendor to pull all necessary City permits and FAA permits, refill water, start and test new chiller. Price includes 4 year warranty. 4 bids were procured and West Coast Air Conditioning provided the lowest bid. Total Contract Amount: \$80,702 FundingSource: Internal Service Funds	\$80,702
D	Original Agreement	Police Alex Arnett 486-6211	Ventura County District Attorney Agreement No. A-7697	Gang Injunction/In House DA Prosecutor This is the renewal of a contract the City has with the DA to partially fund a Gang Prosecutor and an in-house DA Prosecutor. The Gang Prosecutor assists with vertical prosecution of cases related to the Gang Injunction. The in-house Community Prosecutor assists officers and detectives reviews cases and search warrants prior to presentation to a judge Total Contract Amount: \$98,668 FundingSource: General Fund	\$98,668
E	Amendment	Human Resources Ann Goodrich 385-7596	The E Group, LLC Agreement No. 4860-09-HR Amendment 3	Unemployment Management Services The E Group, LLC has been serving as the agent to represent the City of Oxnard in all unemployment compensation matters by maintaining the lowest unemployment costs possible utilizing a claims appeal procedure that will result in favorable resolutions. E Group participates in hearings where benefit liability is affected, as permitted by State regulations. The Human Resources Department has had an agreement with The E Group, LLC since July 1, 2009 having received a proposal for the services that had previously been provided by TALX Corporation UCeXpress. Total Contract Amount: \$27,000 FundingSource: General Fund	\$4,500

ATTACHMENT
PAGE 2 OF 3

City Manager Contract List for 10/28/2014

Item	Type	Department/Contact	Vendor/Agreement Number	Description/Purpose	Amount
F	Purchase Order	Fire Sergio Martinez	Home Depot Purchase Order No. 1794	Purchase of 2000 Smoke Alarms The Assistance to Firefighters Grant FY13 requires the purchase and installation of 2,000 smoke alarms in homes of residents with children 14 years or younger and senior citizens 65 or older. Three bids were obtained. Preferred vendor offers the lowest price. Total Contract Amount: \$35,143 FundingSource: Assistance to Firefighters Grant FY13 - Prevention	\$35,143
G	Change Order	Utilities / Water & Wastewater David Birch/Jeff Miller 207-0543/797-7604	JCI Jones Chemical Agreement No. Change Order 2	Supply & Delivery of Sodium Bisulfite & Sodium Hypochlorite to the WWTP & Sodium Hypochlorite to water Change Order No. 2 is to extend the expiration date from October 16, 2014 to October 16, 2015, the second year of the option to renew for three additional one-year periods, and increase the Purchase Order from \$501,803 to \$723,803. The price per gallon for this term will remain \$0.8952 for Sodium Bisulfite and \$0.5769 for Sodium Hypochlorite for the Wastewater Treatment Plant, and \$0.7081 for Sodium Hypochlorite for the Water Division. A Request for Bid for treatment chemicals for the Water Resources Division was issued August 1, 2012. JCI Jones Chemical was the lowest bidder for Sodium Bisulfite and Sodium Hypochlorite. Total Contract Amount: \$723,083 FundingSource: Utility Funds	\$222,000
H	Change Order	Development Services-- Transportation Planning Cynthia Daniels 385-7871	Security Paving Co., Inc. Agreement No. A-7228 Change Order 112	Project Specification PW03-19 Construction of Rice/101 Interchange The change order adjusts the quantities of bid items exceeding 125% of the bid schedule of work and prices as permitted in the specifications. The contractor was the lowest bidder. Contract was awarded October 2009. Total Contract Amount: \$35,543,312 FundingSource: Circulation System Improvement Fees	\$168,287

ATTACHMENT
PAGE 3 OF 3

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☒ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: James Combs, Assistant Planner Agenda Item No. 5-4

Reviewed By: City Manager *JM* City Attorney *PA* Finance *PC* Other (Specify) _____

DATE: October 28, 2014

TO: City Council

FROM: Matthew Winegar, Development Service Director
Development Services Department

SUBJECT: **Planning & Zoning Permit No. 14-300-01 (Tentative Parcel Map for Condominium Purposes), The Colonial House Mixed-Use Project, Located at 705 N. Oxnard Boulevard (southwest corner of Oxnard Boulevard and Roderick Avenue). Filed by Huitt-Zollars Inc. on behalf of Oxnard Pacific Associates.**

RECOMMENDATION

That City Council adopt a resolution approving Tentative Parcel Map No. 14-300-01 dividing an existing parcel into two parcels, subject to certain findings and conditions, located at 705 N. Oxnard Boulevard.

DISCUSSION

On September 23, 2008, the City Council approved entitlements to develop the 2.18 acre site with a three-story mixed-use building having commercial and residential uses. Four subsequent minor modifications (PZ No. 10-140-13, PZ No. 12-140-31, PZ No. 12-140-36, and PZ No. 12-140-39) were approved which, among other modifications, changed design elements, increased the number of residential units, and converted the residential units from for-sale condos to affordable for-rent apartments.

On September 4, 2008, the Planning Commission adopted Resolution No. 2008-54 recommending to City Council the approval of a tentative parcel map (Planning and Zoning Permit No. 08-300-05) to merge three legal lots totaling 2.18 acres into one parcel for condominium purposes. City Council subsequently adopted Resolution No. 13,556 on September 23, 2008, approving said tentative map.

Construction was completed and a certificate of occupancy was issued for the Colonial House in June 2014. To date, the commercial portion of the project is vacant pending the approval of the subject map.

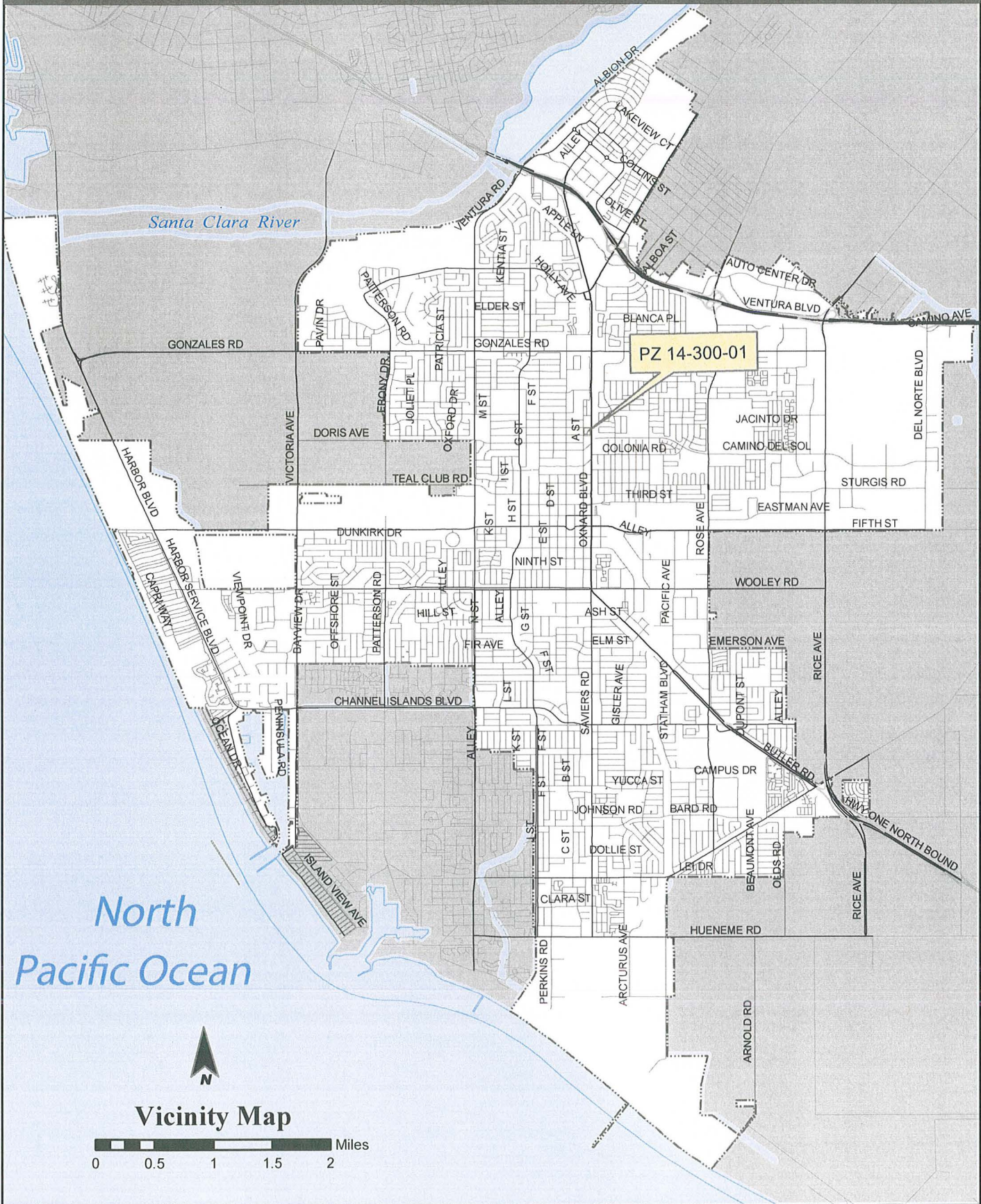
On September 4, 2014, the Planning Commission adopted Resolution No. 2014–15 recommending the City Council approve the subdivision of an improved 2.187-acre mixed-use development (Lot 1 of Tract No. 5796) into two parcels: one parcel will contain 44 residential apartment units, and one parcel will contain 7 commercial condominium units. Government Code Section 6642(c) provides for the subject request to be approved as a parcel map where a subdivision map may normally be required.

FINANCIAL IMPACT

None.

Attachment #1 – Location map
#2 – Tentative Parcel Map 14-300-01
#3 – Resolution

Vicinity Map



Vicinity Map

0 0.5 1 1.5 2 Miles

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO [PZ No. 14-300-01]

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING PLANNING & ZONING PERMIT NO. 14-300-01 (TENTATIVE PARCEL MAP) FOR PROPERTY LOCATED AT 705 NORTH OXNARD BOULEVARD (APN: 200-0-252-120, 200-0-252-020, and 200-0-252-130) SUBJECT TO CERTAIN CONDITIONS. FILED BY HUITT-ZOLLARS, INC., ON BEHALF OF PROPERTY OWNER OXNARD PACIFIC ASSOCIATES, 430 EAST STATE STREET, SUITE 100, EAGLE, IDAHO, 83616.

WHEREAS, the City Council has reviewed Planning & Zoning Permit No 14-300-01. (Tentative Map) for property located at 705 North Oxnard Boulevard, filed by Huitt-Zollars, Inc. on behalf of property owner Oxnard Pacific Associates, 430 East State Street, Suite 100, Eagle, Idaho 83616; and

WHEREAS, the City Council has carefully reviewed Planning Commission Resolution No. 2014-15, recommending approval of the Tentative Map, subject to certain conditions; and

WHEREAS, the City Council finds that the Tentative Map complies with all requirements of the Subdivision Map Act and the Oxnard City Code; and

WHEREAS, the City Council finds that the Tentative Map and the design and improvement of the proposed development are consistent with the General Plan and any applicable Specific Plan thereunder; and

WHEREAS, the City Council finds that the proposed site is suitable for the type and density of development requested and the development will not cause substantial environmental damage, serious public health problems or conflict with any public utility or service easements; and

WHEREAS, the City Council finds that the Tentative Map is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15315 (Minor Land Divisions) and 15301(k) (Existing Facilities) as set forth in Section 5 of the Planning Commission Staff Report and as a result further finds that there is no substantial evidence that the Tentative Map may have a significant effect on the environment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD RESOLVES:

Planning & Zoning Permit No. 14-300-01 (Tentative Parcel Map) is hereby approved, subject to the conditions set forth in Planning Commission Resolution No. 2014-15.

PASSED AND ADOPTED this 28th day of October 2014, by the following vote:

AYES:

NOES:

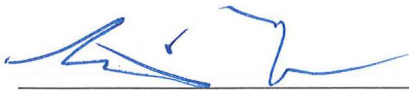
ABSENT:

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, Interim City Attorney

Attachment 3

Page 2 of 2



ACTION	TYPE OF ITEM
☐ Approved Recommendation	☒ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: James Cameron

Agenda Item No. 5-5Reviewed By: City Manager JM City Attorney SMF Finance JC Other (Specify) _____**DATE:** October 20, 2014**TO:** City Council**FROM:** James Cameron, Chief Financial Officer
Finance Department

SUBJECT: Budget Appropriation for Improvements to Audio Visual Systems and Accessibility of City Council Chamber**RECOMMENDATION**

That City Council approve a budget appropriation in the amount of \$60,000 from the PEG Fee Capital Improvement Fund.

DISCUSSION

On October 14, 2014, the City Council heard a report on proposed improvements to the audio visual systems and accessibility of City Council Chambers. The City Council approved the award of a task order for professional architectural design services in the amount of \$48,360. Council did not approve the appropriation of funding for this work.

This item is to request a budget appropriation in the amount of \$60,000 from the PEG Fee Capital Improvement Fund. This amount will provide for the original task order approved by City Council and costs for additional sessions to hear input as requested by City Council. Finally, the proposed budget would provide for contingencies and incidental costs.

FINANCIAL IMPACT

Adequate funds are available from the PEG Fee Capital Improvement Fund (\$1.8 million fund balance) for the recommended \$60,000 budget appropriation.

Attachment #1 - Budget Appropriation

BUDGET APPROPRIATION

Department: Finance
Project/Program _____
Manager: James Cameron

Date: October 28, 2014
Phone: 7461

Reason for Appropriation:

Appropriate \$60,000 for professional services related to improvements to the audio visual systems and accessibility of City Council Chambers

Accounts and Descriptions

AMOUNT

Fund: **PEG FEES CAPITAL IMPROVEMENT FUND (311)**

Expenditures/Transfers Out

City Manager - Cable Television (1402)

311-1402-821.82-01 Contracts and Services-Architecture/Eng. 60,000

Sub-total Expenditures 60,000

Net Change to Fund Balance (60,000)

Net Appropriation Change 60,000

Approvals

Department Director

Chief Financial Officer

City Manager

James Cameron
James Cameron
Greg Nylund



Meeting Date: 10/28/14

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☒ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Phillip Gregoire  Agenda Item No. S-6Reviewed By: City Manager  City Attorney  Finance  Public Works

DATE: October 1, 2014

TO: City Council

FROM: Michael Henderson, General Services Director 
General Services

SUBJECT: Agreement A-7716 with Safety Striping Service, Inc. for Street Striping and Marking Services

RECOMMENDATION

That City Council approve and authorize the Mayor to execute Agreement No. A-7716 with Safety Striping Service, Inc. to increase Purchase Order No. 4603 from \$150,000 to \$300,000 and extend the expiration date to September 18, 2015 for street striping and marking services.

DISCUSSION

On September 17, 2013, Council approved Purchase Order No. 4603 with Safety Striping Service, Inc. in the amount of \$150,000 for a one year period based upon the terms of the Request for Bid which stated that the contract would be for a one year period with an option for two (2) additional one year terms. Agreement No. A-7716 will increase the Purchase Order No. 4603 an additional \$150,000 for a total of \$300,000 and extends the contract for one additional year.

On August 8, 2013, the City sent out a competitive Request for Bid (RFB) for a company to provide on-call, as needed street striping and marking services of streets, roadways and parking lots within the Oxnard city limits. The RFB was posted on the City's Website, and sent to six (6) known firms that provide this type of service, with a closing bid date of August 26, 2013. Four (4) firms responded with proposals. The criteria for ranking the proposals are the unit cost, mobilization costs and time and materials. When comparing the four companies' proposals, the City used the most common job which utilizes a 4" thermoplastic stripe. Of the four (4) proposals, Safety Striping Service, Inc. supplied the most qualified response as their bid was lower on the cost for items the City uses most often and they have the lowest labor cost.

FINANCIAL IMPACT

There is sufficient budget in FY 2014-15 from Gas Tax Streets Maintenance & Repair, Measure O Half Cents Sales Tax Streets Maintenance & Repair, and Measure O Half Cents Sales Tax Parking Lot & Alleyway Maintenance accounts to cover the cost of the agreement.

Attachment #1 - Agreement No. A-7716

**AGREEMENT FOR TRADE SERVICES
(INCLUDES LIVING WAGE REQUIREMENTS EFFECTIVE FROM 7/1/14)**

THIS AGREEMENT FOR TRADE SERVICES ("Agreement") is entered into in Ventura County, California, this 16th day of September, 2014, by and between the City of Oxnard ("City") and Safety Striping Service, Inc. ("Vendor"), subject to the following terms and conditions:

1. Vendor shall provide to City the following services: Street Striping and Marking Services within the Oxnard city limits as described in Exhibit B attached hereto and incorporated by this reference in full herein (the "Services").

2. Vendor shall provide the Services during the term of this Agreement, as set forth in Section 3 below on an on-call, as needed basis. Vendor shall be excused for delays resulting from causes beyond the control of Vendor.

3. This Agreement shall begin on September 16, 2014, and shall end on September 15, 2015 with the option to extend an additional one (1) one-year term. City may terminate this Agreement at any time, with or without cause, by giving written notice to Vendor, specifying the effective date of termination. Unless City asserts that Vendor has breached the Agreement, City agrees to pay Vendor in full for the Services satisfactorily performed as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise. If City pays for any materials, City shall be entitled to the title and possession of such materials.

4. City shall pay Vendor an amount not to exceed \$150,000 for the Services performed during the term of this Agreement at the rates set forth in Section D of the Bid Documents for PW14-01. Vendor's acceptance of final payment made pursuant to this Agreement shall constitute a release of City from all claims and liabilities for compensation to Vendor for anything completed, finished or relating to the Services. Vendor agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Vendor or its employees, subcontractors, agents and sub-vendors for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Vendor, its employees, subcontractors, agents and sub-vendors. Vendor shall provide City with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service. If any sales tax is due for the Services performed by Vendor or materials or products provided to City by Vendor, Vendor shall pay the sales tax. City shall not reimburse Vendor for sales taxes paid by Vendor.

5. a. Vendor shall compensate any employee of Vendor who provides services under this Agreement in accordance with the Living Wage Policy, attached hereto and incorporated herein by reference as Exhibit A. While this Agreement is in effect, Vendor shall pay such employee no less than \$14.75 per hour for each hour that such employee provides services under

this Agreement. This hourly rate shall be adjusted on July 1, 2015, and each July 1 thereafter, according to the percentage change in the Consumer Price Index, all items, prepared by the Bureau of Labor Statistics for the Los Angeles, Riverside, Orange County area relating to all urban consumers (CPI-U), index base 1967 + 100, comparing May of the previous year to May of the current year. In addition, while this Agreement is in effect, Vendor shall provide to such employee no less than 96 hours of paid leave per calendar year.

b. Vendor agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by the Oxnard City Council on July 9, 2002, and effective October 1, 2002.

c. If Vendor fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to Vendor, effective immediately.

d. In addition, if Vendor fails to comply with the Living Wage Policy in any manner, Vendor shall pay to City a fine of \$500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. Vendor shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to Vendor of the amount owed.

6. a. To the fullest extent permitted by law, Vendor shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the "**Indemnified Party**") from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with Vendor's performance of this Agreement or Vendor's failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Vendor's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section are the result of the sole active negligence or sole willful misconduct of the Indemnified Party.

b. The duty to defend is a separate and distinct obligation from Vendor's duty to indemnify. Vendor shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Vendor of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Vendor from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Vendor asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of the Indemnified Party, Vendor may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs.

c. The review, acceptance or approval of Vendor's work or work product by the Indemnified Party shall not affect, relieve or reduce Vendor's indemnification or defense obligations. This Section shall survive completion of the Services or termination of this Agreement. The provisions of this Section shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

7. Vendor shall continuously maintain adequate protection of all of Vendor's work from damage and shall protect the City's property from any and all injury or loss arising in connection with this Agreement. Vendor shall take all necessary precaution for the safety of employees on the job and shall comply with all applicable provisions of federal, state and municipal safety laws and building codes to prevent accidents or injury to persons on, about or adjacent to any premises where the work is being performed.

8. a. Vendor shall obtain and maintain during the performance of the Services under this Agreement the insurance coverages specified in **Exhibit INS-D**, attached hereto and incorporated herein by reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Vendor obtain and maintain such insurance coverages.

b. Vendor shall, prior to performance of the Services, file with the Risk Manager evidence of insurance coverage as specified in **Exhibit INS-D**.

c. Maintenance of insurance coverages by Vendor is a material element of this Agreement. Vendor's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered a material breach of this Agreement.

9. In performing the Services under this Agreement, Vendor is an independent contractor. Vendor and Vendor's agents, employees, subcontractors and other persons acting on Vendor's behalf are not officers or employees of City.

10. Vendor shall not, without the written consent of City's Purchasing Officer, assign this Agreement, or any interest therein, or any money due thereunder.

11. In performing the Services under this Agreement, Vendor shall comply with all applicable laws, ordinances and regulations. Before performing the Services under this Agreement, Vendor shall obtain all required licenses and permits, including a City business tax certificate.

12. This Agreement may be amended only by a written document signed by both City and Vendor.

13. Any notices to Vendor may be delivered personally or by mail addressed to: Safety Striping Service, Inc., Attention: Dave Preston, President, P.O. Box 1020, Goshen, CA 93227. Any notices to City may be delivered personally or by mail addressed to: City of Oxnard, Streets Division, Attention: Philip Gregoire, Streets Manager, 1060 Pacific Avenue, Building 2, Oxnard, CA 93030.

14. This Agreement constitutes the entire agreement of City and Vendor regarding the subject matter described herein and supersedes all prior communications, agreements and promises, either oral or written.

15. Vendor agrees that City or its auditors shall have access to and the right to audit and reproduce any of Vendor's relevant records to ensure that City is receiving all the Services to which City is entitled under this Agreement or for any other purpose relating to the Agreement. Vendor shall maintain and preserve all such records for a period of at least three years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Vendor agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

CITY OF OXNARD

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, Interim City Attorney

APPROVED AS TO CONTENT:

Michael Henderson, General Services Director

Philip Gregoire, Streets Manager

VENDOR

Dave Preston, President
Safety Striping Service, Inc.

APPROVED AS TO INSURANCE:

James Cameron, Risk Manager

APPROVED AS TO AMOUNT

Greg Nyhoff, City Manager

EXHIBIT A

LIVING WAGE POLICY

The Living Wage Policy of the City of Oxnard is hereby adopted by the City Council on July 9, 2002 to be effective October 1, 2002.

1. Pursuant to this Living Wage Policy, a service contractor shall pay those employees who provide services to the City under contract:
 - (a) Effective October 1, 2002, at least \$9.00 an hour for the time during which the employee is providing services to the City;
 - (b) Effective July 1, 2003, at least \$9.25 an hour for the time during which the employee is providing services to the City and 32 hours of paid leave per every calendar year in which an employee provides services to the City;
 - (c) Effective July 1, 2004, at least \$10.59 an hour for the time during which the employee is providing services to the City and 64 hours of paid leave per every calendar year in which an employee provides services to the City; and
 - (d) Effective July 1, 2005, at least \$12.22 an hour for the time during which the employee is providing services to the City and 96 hours of paid leave per every calendar year in which an employee provides services to the City.
2. The hourly rates established in Section 1 shall be adjusted July 1, 2006 and, each July 1 thereafter, according to the percentage change since July 1, 2005 in the Consumer Price Index prepared by the Bureau of Labor Statistics for the Los Angeles, Anaheim, Riverside area relating to all urban consumers.
3. A service contractor executing a service contract with the City for which the City will pay the contractor \$25,000 or more during the contract term shall be subject to the Living Wage Policy.
4. A service contractor executing more than one service contract with the City, and the combined monetary total of the payments by the City pursuant to such contracts is \$25,000 or more for the combined contract terms shall be subject to the Living Wage Policy.
5. This Living Wage Policy shall not govern the following types of contracts for: (a) the purchase, rental or lease of goods, products, equipment, supplies or other personal property; (b) public works projects as defined in State or local law; and (c) professional services.

EXHIBIT A
Page 1 of 4

Attachment No. 1
Exhibit A
Page 5 of 16

6. This Living Wage Policy shall not govern the following service contractors: (a) nonprofit entities organized under IRS Code section 501(c)(3); (b) public entities such as cities, counties, special districts, states and the federal government; and (c) businesses employing fewer than five persons.
7. The City Attorney is directed to include in all standard trade services contracts and all contracts involving unique trade services, the language set forth in Exhibit 1 attached hereto and incorporated herein by this reference.
8. If a service contractor fails to comply with this Living Wage Policy, the City Manager is directed to terminate the subject service contract immediately and to impose appropriate fines and penalties as set forth in the service contract.
9. The City Manager and the City Attorney are responsible for the administration and enforcement, respectively, of the Living Wage Policy. If an employee of a service contractor governed by the Living Wage Policy concludes that he/she has been retaliated against for the exercise of rights under the Living Wage Policy, the employee should contact the City Manager at 385-7430.
10. The City Manager shall reasonably cooperate with representatives of the Ventura County Living Wage Coalition to ensure the effective administration and enforcement of the Living Wage Policy.
11. This Living Wage Policy may be changed only by City Council and only after a duly noticed public hearing.
12. The City Manager is directed to ensure that the City Council will review the Living Wage Policy as part of the FY 2003-2004/05 budget process.

EXHIBIT A
Page 2 of 4

Exhibit 1

Living Wage Policy

Pursuant to the Living Wage Policy adopted July 9, 2002 by the City Council and effective October 1, 2002, the City Manager and City Attorney are directed to include the following language in all standard trade services contracts and all unique trade services contracts governed by the Living Wage Policy.

- A. (Contractor or Vendor) shall compensate any employee of (Contractor or Vendor) who provides services under this Agreement in accordance with the Living Wage Policy, attached hereto and incorporated herein by reference as Exhibit _____. While this Agreement is in effect, (Contractor or Vendor) shall pay such employee no less than \$_____ per hour for each hour that such employee provides services under this Agreement. In addition, while this Agreement is in effect, (Contractor or Vendor) shall provide to such employee no less than _____ hours of paid leave per calendar year.
- B. (Contractor or Vendor) agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by City Council on July 9, 2002 and effective October 1, 2002.
- C. If (Contractor or Vendor) fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to (Contractor or Vendor), effective immediately.
- D. In addition, if (Contractor or Vendor) fails to comply with the Living Wage Policy in any manner, (Contractor or Vendor) shall pay to City a fine of \$500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. (Contractor or Vendor) shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to (Contractor or Vendor) of the amount owed.

**CITY OF OXNARD LIVING WAGE REQUIREMENTS
EFFECTIVE JULY 1, 2014**

5. a. Vendor shall compensate any employee of Vendor who provides services under this Agreement in accordance with the Living Wage Policy, attached hereto and incorporated herein by reference as Exhibit 1. While this Agreement is in effect, Vendor shall pay such employee no less than **\$14.75 per hour** for each hour that such employee provides services under this Agreement. **This hourly rate shall be adjusted on July 1, 2015, and each July 1 thereafter, according to the percentage change in the Consumer Price Index, all items, prepared by the Bureau of Labor Statistics for the Los Angeles, Riverside, Orange County area relating to all urban consumers (CPI-U), index base 1967 + 100, comparing May of the previous year to May of the current year.** In addition, while this Agreement is in effect, Vendor shall provide to such employee no less than 96 hours of paid leave per calendar year.

b. Vendor agrees to post, at a location readily accessible to those employees providing services to the City, a copy of the Living Wage Policy adopted by the Oxnard City Council on July 9, 2002 and effective October 1, 2002.

c. If Vendor fails to compensate such employee pursuant to the Living Wage Policy, the City Manager or designee shall terminate this Agreement on written notice to Vendor, effective immediately.

d. In addition, if Vendor fails to comply with the Living Wage Policy in any manner, Vendor shall pay to City a fine of \$500 and shall pay to any employee providing services under this Agreement a penalty of three times the amount or value of the compensation owed to such employee under the Living Wage Policy. Vendor shall pay such fine and penalty within 15 days after the City Manager or designee provides written notice to Vendor of the amount owed.

e. The foregoing requirements are restated on pages 1 and 2 of the Agreement for Trade Services.

EXHIBIT A
Page 4 of 4

EXHIBIT B
SCOPE OF SERVICES AND VENDOR RESPONSIBILITIES

The scope of work performed by the contractor is for on-call, as needed services for new installation, removal and replacement of pavement striping and markings, including traffic control and public safety within the City limits. The contractor shall be responsible for furnishing all materials, tools, equipment, and labor required to complete the assigned work as per the material and price specifications indicated in Section D – Bid Documents.

SCOPE FOR PAVEMENT STRIPING AND MARKING SERVICES

The work shall consist of furnishing and installing traffic striping, pavement markings, and raised pavement markers on an on-call, as needed basis in accordance with the Standard Specifications, and Standard Plans of the State of California, Department of Transportation, dated 2010, and these Special provisions.

WORK TO BE ACCOMPLISHED

- ❖ Install traffic stripes and pavement markings in thermoplastic, per the detail and at the locations shown on the plan for each project and in accordance with Caltrans Standard Plans dated 2010.

All work necessary to establish satisfactory lines for stripes and all layout work required for pavement markings (surface cleaning, applying primer coat) shall be performed by the contractor at his expense.

Prior to removal of existing pavement striping, Contractor shall inventory all striping. One (1) copy of the inventory shall be provided to the City inspector prior to construction.

If required, removal of conflicting striping shall be accomplished using the grinding method. Grinding shall be smooth, as to not cut deep grooves in existing pavement and shall remove, at a minimum, 98% of existing paint and/or thermoplastic markings. A coat of asphalt slurry shall be applied to ground pavement that is six months old or newer.

Cat tracking shall consist of stretching a rope on a straight line between control points on tangent alignment and on a true arc through control points on curved alignment and placing spots of paint along the rope. The spots shall be not more than 3 inches in width and not more than 5 feet apart on curves or 10 feet apart on tangents.

Dribble lines shall consist of marking the pavement with a thin line of paint using a striping machine or other suitable device. Dribble lines shall be on a straight line between control points on tangent alignment and on a true arc through control points on curved alignment.

Paint for cat tracks and dribble lines shall be the same color as the traffic stripe for which they are placed.

Laser guidance equipment shall be capable of maintaining the alignment of traffic stripes with an accuracy equivalent to, or better than, that obtainable through use of cat tracking or dribble lines, as determined by the Engineer.

All cat tracking for all striping (lane lines, limit lines, crosswalks, and pavement markings) shall be reviewed and approved by the Project Engineer prior to installing the final striping.

PROTECTION. - Newly painted traffic stripes and pavement markings shall be protected from damage by public traffic or other causes until the paint is thoroughly dry.

MEASUREMENT AND PAYMENT

Payment for performing the work shall be made on unit price basis as indicated in the Bid Schedule of Work & Prices.

Such a price for traffic stripings, curb and pavement markings and pavement markers shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved.

SCOPE FOR TRAFFIC CONTROL AND PUBLIC CONVENIENCE AND SAFETY

The Contractor shall provide, for the protection of the public, all necessary barricades, traffic cones, warning signs, flagmen, lights, and other safety devices in accordance with Section 12-3 of the State Standard Specifications and the current requirements set forth in the "Manual of Traffic Controls for construction and Maintenance Work Zones, 1990" published by the Department of Transportation, State of California.

Except for installing, maintaining and removing traffic control devices, whenever work is performed or equipment is operated in the following work areas the Contractor shall close the adjacent traffic lane unless otherwise provided in the specifications.

Approach speed of public traffic (Posted Limit Miles Per Hour)	Work Areas
Over 45	Within 6 feet of the traffic lane but not on a traffic lane.
35 to 45	Within 3 feet of a traffic lane but not on a traffic lane

When traffic cones or delineators are used to delineate a temporary edge of traffic lane, the line of cones or delineators shall be considered to be the edge of traffic lane, however, the contractor shall not reduce the width of an existing lane to less than 10 feet without written approval from the Engineer. The lane closure provisions of this section shall not apply if the work area is protected by permanent or temporary railing or barrier.

The Contractor shall furnish the Project Engineer with the written names and phone numbers of personnel to be contacted after hours for hazardous conditions to traffic that may require additional protective measures. Failure to respond to reasonable request for additional nighttime protection to traffic will result in the agency causing the work to be performed by others and costs withheld from moneys due. All traffic control devices shall meet the standards and be placed in accordance with the California State Manual of Traffic Controls for Construction and Maintenance Work Zones.

Traffic control devices not placed in accordance with approved plans shall be cause to stop construction by a City Inspector. All warning devices used during hours of darkness shall be reflectorized. All damaged City owned traffic control devices within the vicinity shall be replaced in kind or better at the Contractor's expense.

SOUND CONTROL REQUIREMENT

Sound control shall conform to the provisions in Section 7-1.011, "Sound Control Requirement" of the State Standard Specifications and these Special Provisions.

The noise level from Contractor's operations, between the hours of 9:00 p.m. and 6:00 am, shall not exceed 86 dbA at a distance of 50 feet. This requirement in no way relieves the Contractor from responsibility for complying with local ordinances regulating noise level.

Said noise level requirement shall apply to all equipment on the job or related to the job, including but not limited to trucks, transit mixers or transient equipment that may or may not be owned by the Contractor. The use of loud sound signals shall be avoided in favor of light warnings except those required by safety laws for the protection of personnel.

Full compensation for conforming to the requirements of this Section shall be considered as included in the prices paid for the various contract items of work involved and no additional compensation will be allowed therefore.

WORK TO BE ACCOMPLISHED

Traffic control plans must be approved by City prior to beginning construction.

**INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS
(WITHOUT BUILDER'S RISK REQUIREMENT)**

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than \$1,000,000, with neither Contractor nor listed subcontractors having less than \$500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than \$1,000,000 per claimant.

2. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-D. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. _____
300 West Third Street, Suite 302
Oxnard, California 93030

3. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages (**this must be endorsed**). Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

INS-D.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CODE

SUB-CODE

COMPANIES AFFORDING INSURANCE COVERAGE

INSURED

COMPANY
LETTER A

SPECIFY COMPANY NAMES IN THIS SPACE

COMPANY
LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☒ CLAIMS MADE ☒ OCCUR ☒ OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$1,000,000 PRODUCTS COMP/OP AGG. \$1,000,000 PERSONAL & ADV. INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000
A	OTHER Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Agreement				Minimum coverage \$1,000,000 Each consultant/ & listed sub-consultant \$500,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER

City of Oxnard

Attn: Risk Manager

Reference No.

300 W. Third Street, Suite 302

Oxnard CA 93030

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Attachment No. 1

Exhibit INS-D

Page 14 of 16

GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO. _____

ISSUE DATE (MM/DD/YY) _____

PRODUCER _____

POLICY INFORMATION:

Insurance Company: _____

Policy No.: _____

Policy Period: (from) _____ (to) _____

LOSS ADJUSTMENT EXPENSE ☐ Included in Limits

☐ In Addition to Limits

Telephone: _____

NAMED INSURED _____

☐ Deductible ☐ Self-Insured Retention (check which) of \$ _____
with an Aggregate of \$ _____ applies to _____
coverage. ☐ Per Occurrence ☐ Per Claim (which) _____

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

TYPE OF INSURANCE

GENERAL LIABILITY

- ☐ COMMERCIAL GENERAL LIABILITY
☐ COMPREHENSIVE GENERAL LIABILITY
☐ OWNERS & CONTRACTORS PROTECTIVE

☐ Claims Made

Retroactive Date _____

☐ Occurrence

OTHER PROVISIONS

COVERAGES

LIABILITY LIMITS IN THOUSANDS \$

EACH OCCURRENCE

AGGREGATE

- ☐ GENERAL
☐ PRODUCTS/COMPLETED OPERATIONS
☐ PERSONAL & ADVERTISING INJURY
☐ FIRE DAMAGE
☐ _____
☐ _____

Underwriter=s representative for claims pursuant to this insurance.

CLAIMS:

Name: _____

Address: _____

Telephone: () _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

- INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
- CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
- SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
- CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
- PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
- SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
 - Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
 - If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD

Attn: Risk Manager

Reference No. _____

300 W. Third Street, Suite 302

Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____
(original signature required)

Telephone: () _____ Date Signed _____

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO. _____

ISSUE DATE (MM/DD/YY) _____

PRODUCER _____

POLICY INFORMATION:

Insurance Company: _____

Policy No.: _____

Policy Period: (from) _____ (to) _____

LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

Telephone: _____

NAMED INSURED _____

☐ Deductible ☐ Self-Insured Retention (check which) of \$ _____
with an Aggregate of \$ _____ applies to _____
coverage. ☐ Per Occurrence ☐ Per Claim _____ (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS _____

TYPE OF INSURANCE☐ COMMERCIAL AUTO POLICY☐ BUSINESS AUTO POLICY☐ OTHER _____**OTHER PROVISIONS****LIMIT OF LIABILITY**

\$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: _____

Address: _____

Telephone: () _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:

a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or

b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD

Attn: Risk Manager

Reference No. _____

300 W. Third Street, Suite 302

Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE☐ Broker/Agent☐ Underwriter☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____

(original signature required)

Telephone: () _____ Date Signed _____