Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

REGULAR COUNCIL MEETING ADJOURNED FROM JANUARY 19, 2021

NOTE: Closed Session Item C.3 & Item N.4 Updated

AGENDA
OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY
OXNARD FINANCING AUTHORITY
OXNARD HOUSING AUTHORITY

Council Chambers, 305 West Third Street

January 25, 2021

Closed Session - 4:30 PM

Appointment Items - 5:00 PM

Regular Meeting - 6:00 PM

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

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

The public may provide comments to the City Council via email at cityclerk@oxnard.org no later than 2:00 p.m. on the day of the meeting. Please identify the meeting date and agenda item in the Subject line.

A telephone option for public comments is also available at this time due to the State of California "Stay At Home" order. Requests to speak must be submitted no later than 2:00 p.m. on the day of the meeting. Use the form on the city's website to submit your request: Oxnard.org/city-meetings, or call the City Clerk's Office at (805) 385-7803, or email your request to cityclerk@oxnard.org.

*The City has filed pre-election and post-election lawsuits regarding the validity of Measure M. The judge has not yet ruled on the legal sufficiency of Measure M.

A. ROLL CALL, POSTING OF AGENDA

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

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 (4:30 PM)

1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
   Name of case: Patrick Dolan v. City of Oxnard
   Workers' Compensation Case Nos.: ADJ9891599; ADJ10119116; ADJ9798150; ADJ10119115; ADJ5565372; ADJ10373079; ADJ10373078
   Legislative Body: City Council

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

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

2. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Government Code Section 54956.9(d)(1))
Name of case: Aaron Starr v. City of Oxnard
Ventura County Superior Court, Case No. 56-2017-00494475-CU-WM-VTA
Legislative Body: City Council

3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code section 54956.9(d)(2))
Based on existing facts and circumstances, there is significant exposure to litigation against the City in one potential case.
Legislative Body: City Council

D. APPOINTMENT ITEMS (5:00 PM)

1. Public Works Department
SUBJECT: Award Contract for Hueneme Road Recycled Water Pipeline - Phase II.
RECOMMENDATION: That the City Council:

1. Award and authorize the Mayor to execute Agreement A-8241 with Blois Construction, Inc. in the amount of $13,713,961 (base bid + additive items) for the Hueneme Road Recycled Water Pipeline Phase II (Rebid 2) PW 17-42R2 (Project No. 106002).

2. Approve $1,371,396 for project contingency for the Hueneme Road Recycled Water Pipeline Phase II; and

3. Approve $1,371,396 for engineering, inspection, survey and project management for the Hueneme Road Recycled Water Pipeline Phase II.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/KtvUdXOqp7M
Legislative Body: City Council
Contact: Rosemarie Gaglione, (805) 385-8055

2. Public Works Department

SUBJECT: Award Contract for Aquifer Storage and Recovery (ASR) Completion Project PW 20-08R. (0/5/5)

RECOMMENDATION: That the City Council:
1. Award and authorize the Mayor to execute Agreement A-8261 with Spiess Construction Co., Inc. in the amount of $4,167,000 for the Aquifer Storage and Recovery (ASR) Completion Project (206502);
2. Approve $416,700 for project contingency for the ASR Completion Project; and
3. Approve $416,700 for engineering, inspection, survey and project management for the ASR Completion Project.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/VIWykcL4W8g

Legislative Body: City Council

Contact: Rosemarie Gaglione, (805) 385-8055

3. Finance Department

SUBJECT: 2021 Water Revenue Bonds. (15/10/10)

RECOMMENDATION: 1. That the City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed $30,000,000, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and

2. That the Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed $30,000,000, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto. (Finance & Governance Committee approved 3-0)

(Presentation will be live upon consultant's request).

Legislative Body: City Council
Financing Authority

Contact: Kevin Riper, (805) 385-7475

E. OPENING CEREMONIES (6:00 PM)

Pledge of allegiance to the flag of the United States.

F. CEREMONIAL ITEMS

G. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

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. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. If the allotted 30 minute time period expires before all speakers have had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

H. 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.

1. City Manager Department

SUBJECT: COVID-19 Update from Director of Emergency Services. (10/5/5)

RECOMMENDATION: That the City Council receive and file an update from the Director of Emergency Services on the COVID-19 Local Emergency.

Legislative Body: City Council

Contact: Alexander Nguyen, (805) 385-7430

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

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

1. City Manager Department

SUBJECT: Appointment of Councilmembers to Serve on Various Boards, Commissions, and Committees.

RECOMMENDATION: 1. That the Mayor, with the approval of the City Council, appoint members and alternates from the City Council to the:

a) Association of Water Agencies for Ventura County (one primary and alternate);
b) Beach Erosion Authority for Control of Operation & Nourishment (one primary and alternate);
c) Clean Power Alliance Board of Directors (one primary and two alternates)*
d) Cultural Arts Committee (two primary);
e) Economic Development Collaborative - Ventura County (one primary)
f) Gold Coast Transit District (one primary and alternate);
g) Las Cortes Housing Development Corporation (two primary);
h) Oxnard Convention & Visitors Bureau (one primary and alternate);
i) Oxnard Plain/RiverPark Reclamation and Recharge Joint Powers Authority (two primary and alternate);
j) Regional Defense Partnership for the 21st Century (one primary and alternate);
k) Ventura Council of Governments (one primary and one alternate);
l) Ventura County Animal Regulation Commission (one primary and alternate);
m) Ventura County Regional Energy Alliance (one primary and alternate);
n) Ventura County Transportation Commission (one primary)
o) Ventura Regional Sanitation District (one primary and alternate);

*Alternate may be a staff member.

2. That the City Council, as a whole, appoint two Councilmembers to the Oxnard Airport Authority and one Councilmember as an alternate.

Legislative Body: City Council

Contact: Alexander Nguyen, (805) 385-7430

J. 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.

K. 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.

L. INFORMATION/CONSENT AGENDA

1. Police Department

SUBJECT: Resolution Approving Extension of CalVIP Grant 2018-2020.

RECOMMENDATION: That the City Council adopts a resolution:
1. Authorizing the City Manager to approve an extension for use of the $500,000 in Board of State and Community Corrections (BSCC) grant funding for the 2018-2020 California Violence Intervention and Prevention (CalVIP) project to reduce gang and youth violence through direct intervention, youth employment, and community engagement;
2. Authorizing the City Manager or designee to execute a grant agreement for funding from the State of California/BSCC for the CalVIP Program from May 1, 2020 to December 31, 2021;
3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims; and
4. Authorizing the Oxnard Police Department/Office of Youth Safety to submit non-financial reports.

Legislative Body: City Council

Contact: Jason Benites, (805) 385-7626

2. Police Department

SUBJECT: Resolution Approving of CalVIP Grant 2020-2023.

RECOMMENDATION: That the City Council adopt a resolution:
1. Authorizing the City Manager to approve the grant application of $500,000 in Board of State and Community Corrections (BSCC) grant funding for the 2020-2023 California Violence Intervention and Prevention (CalVIP) project to be used for the Drag Racing Against Gangs and Graffiti (DRAGG) after school program offering high school youth mentorship, career exploration, employment preparation, social emotional learning, workplace soft skills, community engagement, and scholarships to its participants for continuing education;
2. Authorizing the City Manager or designee to execute a grant agreement for funding from the State of California/BSCC for the CalVIP Program from October 1, 2020 to December 31, 2023;
3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims; and
4. Authorizing the Oxnard Police Department/Office of Youth Safety to submit non-financial reports.

Legislative Body: City Council

Contact: Jason Benites, (805) 385-7626

3. Community Development Department

SUBJECT: Sixth Annual Recognized Obligation Payment Schedule 2021-2022 - Total Amount: $9,976,894

RECOMMENDATION: That the Community Development Commission Successor Agency adopt a Resolution approving the Sixth Annual Recognized Obligation Payment Schedule (ROPS) 21-22 covering the period of July 1, 2021 - June 30, 2022.

Legislative Body: Successor Agency

Contact: Ashley Golden, (805) 385-7478

4. Fire Department

SUBJECT: Approve submission of application for 2020 Emergency Management Performance Grant (EMPG)

RECOMMENDATION: That City Council adopt a resolution:
1. That ratifies the submission of the application for 2020 Emergency Management Program Grant (EMPG);
2. That authorizes the City Manager or designee to execute grant agreements in the amount of $46,604.75 for the purpose of offsetting the salary of the Emergency Services Manager;
3. That authorizes the Chief Financial Officer or designee to submit financial reports and grant claims, approve special budget appropriations for the use of the grant funds and perform all other required financial actions; and
4. That authorizes the Fire Chief or designee to submit non-financial reports.

Legislative Body: City Council

Contact: Alexander Hamilton, (805) 385-7708

5. City Attorney Department

SUBJECT: Council Vacancy Ordinance Adoption

RECOMMENDATION: That the City Council adopt Ordinance No. 2995 adding Section 2-3.1 to Chapter 2 of the Oxnard City Code regarding the filling of Council vacancies.

Legislative Body: City Council

Contact: Stephen Fischer, (805) 385-7483

6. Public Works Department

SUBJECT: Third-party Water Purveyor Pass-through Rate Adjustment Analysis.

RECOMMENDATION: That the City Council receive and file the third-party water purveyor pass-through rate adjustment analysis.

Legislative Body: City Council

Contact: Rosemarie Gaglione, (805) 385-8055

M. PUBLIC HEARINGS

N. REPORTS

1. Community Development Department

SUBJECT: Update on the City of Oxnard's Participation in The Clean Power Alliance. (0/10/10)

RECOMMENDATION: That the City Council receive and file an update on the Clean Power Alliance.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/dyBTK9EYD8g

Legislative Body: City Council

Contact: Jeff Pengilley, (805) 385-8208

2. Housing Department

SUBJECT: Encampment Response Project Plan Utilizing CARES Act for Coronavirus Response Grants (0/5/5)

RECOMMENDATION: That the City Council:

1. Receive and approve a plan to respond to an existing homeless encampment near Ormond Beach; and

2. Authorize the City Manager to procure and contract third party to administer temporary housing assistance to effectuate the objectives of the Encampment Response Project Plan.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/xX8QAMFxYsk

Legislative Body: City Council

Contact: Emilio Ramirez, (805) 385-8094

3. City Attorney Department

SUBJECT: Bridge Jumping Ordinance Introduction. (0/5/5)

RECOMMENDATION: That the City Council approve the first reading by title only and waive further reading of an ordinance adding Article XXIII to Chapter 7 of the Oxnard City Code prohibiting bridge jumping. (Public Safety Committee approved 3-0)

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/bQqOnvNzAp0

Legislative Body: City Council

Contact: Stephen Fischer, (805) 385-7483

4. Billing and Licensing Department

SUBJECT: Agreements with Elavon for Credit Card Merchant Services. (0/5/5)

RECOMMENDATION: That the City Council award and authorize the Mayor to execute the three-year agreements A-8268 (for over the counter non-utility payments), A-8269 (for over the counter utility payments) and A-8270 (for online utility payments) between Elavon, Inc. and the City of Oxnard for credit card merchant services in the amount of $954,000.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/YmP4xYjv1kI

Legislative Body: City Council

Contact: Eden Alomeri, (805) 385-7811

O. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

APPOINTMENT ITEMS (5:00 PM)
AGENDA ITEM NO. D.1

DATE: January 25, 2021

TO: City Council

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: Award Contract for Hueneme Road Recycled Water Pipeline - Phase II.

RECOMMENDATION

That the City Council:

1. Award and authorize the Mayor to execute Agreement A-8241 with Blois Construction, Inc. in the amount of $13,713,961 (base bid + additive items) for the Hueneme Road Recycled Water Pipeline Phase II (Rebid 2) PW 17-42R2 (Project No. 106002).

2. Approve $1,371,396 for project contingency for the Hueneme Road Recycled Water Pipeline Phase II; and

3. Approve $1,371,396 for engineering, inspection, survey and project management for the Hueneme Road Recycled Water Pipeline Phase II.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/KtvUdXOqp7M

BACKGROUND

To ensure a future reliable and affordable supply of high-quality water, the City of Oxnard has developed the Groundwater Recovery, Enhancement, and Treatment (GREAT) Program. The GREAT Program, initiated in the late 1990s and early 2000s, was intended as a water resources plan that combines wastewater recycling, groundwater injection, and groundwater desalination to provide local and regional water supply solutions.

Phase I of the Hueneme Road Recycled Water Pipeline Project was completed in 2013 and consisted of installation of 12,800 feet of 36-inch welded steel pipe from the Advanced Water Purification Facility (AWPF) to the intersection of Hueneme Road and Olds Road.

The next section of the GREAT program's recycled water pipeline will run along Hueneme Road from the end of the first phase of the pipeline at Olds Road and terminate at Wood Road. The length of this portion of high density polyethylene (HDPE) pipe is approximately three miles. The pipeline's outside diameter is 24 inches and the inside diameter is approximately 19 inches.

The Hueneme Road Recycled Water Pipeline - Phase II project will bring recycled water to the large agricultural customers on the east side of the Oxnard Plain. In 2016, the United Water Conservation District, Pleasant Valley County Water District (PVCWD), and the Hueneme Road agricultural group entered into an agreement with the City to purchase recycled water. In accordance with that agreement, each customer, in order to receive a reduced purchase price, is

required to turn over some of its groundwater allocation to the City. The City was granted the right to pump the groundwater at the Forebay per Fox Canyon Groundwater Management Agency resolution number 2013-02.

The City obtained a special use permit from the Los Angeles Regional Water Quality Control Board to deliver recycled water to the PVCWD and the Hueneme Road agricultural group via the Calleguas Salinity Management Pipeline (SMP). However, the special use permit expired on December 31, 2020.

Many agricultural customers along Hueneme Road have agreed to allow the City to install the Phase II Pipeline within their properties. Installing the pipeline within private properties is a substantial cost savings as opposed to constructing the pipeline within Ventura County's roadway. Traffic control for the project will be kept to a minimum by installing the pipeline outside the roadway. Easements for the pipeline will be recorded for the portions of the pipeline within private properties. In the areas where the customers will not allow the pipeline to install the pipeline within their property, the pipeline will be built in the County's right of way. Approximately forty percent of the pipeline will be located within private easements. The area of the proposed pipeline project is outside of the coastal zone and will not need a Coastal Commission permit.

It is anticipated that work will start February 2021 and will be completed by January 2022. The bulk of the construction will take place Monday through Friday between 7:00 a.m. and 6:00 p.m. There will also be some weekend, evening and night work, which will allow construction work to be expedited, minimizing the duration of traffic impacts.

CIP Reference:
Project No. 106002 – Hueneme Road Recycled Water Pipeline - Phase II - CIP 2020-2025 - Adopted June 16, 2020 - Page 230

DISCUSSION

The specific work for this project includes furnishing all necessary labor, materials, equipment and other incidentals and appurtenant work to furnish and install approximately 16,700 feet of 24-inch diameter HDPE recycled water pipeline along Hueneme Road from Olds Road to Wood Road with an expected useful life of 50 to 75 years. The alignment of the pipeline intersects several road crossings, the Oxnard Drainage District No 2 Mugu Drain, Caltrans Right of Way at State Highway 1 and several existing utilities.

The notice inviting formal bids (NIFB) on the Project was originally published on February 28, 2019; however, all bids were rejected due to them coming in over budget. Staff revisited the Technical Memorandum and determined that the objectives could still be met if the size of the pipe was reduced. The project was re-designed to fit within the project budget, while meeting the project objectives. This resulted in a savings of approximately $7,000,000.

The rebid of this project was published on July 9, 2020, and all bids were rejected. The scope of work to be performed changed once the County confirmed that a non-cementitious backfill option would not be allowed in its right-of-way. This was confirmed after bids were opened. The second rebid of the project--this time with the slurry backfill as required by the County--was published on November 26, 2020, and all bids were due on December 16, 2020. (Bids were opened on December 17, 2020, due to 24-hour bid quarantining). The City received the following four bids:

Blois Construction, Inc. (lowest bidder): $13,713,961.00

Teichert Energy & Utilities Group, Inc.: $14,188,000.00
(with Small Local Business Purchasing Preference, considered $14,138,000.00)

Toro Enterprises, Inc.: $15,242,499.60

Vido Artukovich & Son, Inc.: $15,704,944.00

The lowest bidder is Blois Construction, Inc., and its bid is responsive to the City's NIFB. Following this determination, staff reviewed all documentation received from Blois any and its subcontractors. Furthermore, staff verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, and verified registration with the California Department of Industrial Relations (DIR). Staff has no reason at this time to believe that either the contractor or its subcontractors are not legally responsible, which means trustworthy and fit and capable to satisfactorily complete the project. Thus, staff recommends that the City Council award the contract for this project to Blois Construction, Inc.

The base bid of the project included the work items to furnish and install the 24-inch HDPE recycled water pipeline. Additionally, the packet requested pricing from bidders on possible additive items. These are items that, at the time of putting out the bid packet, staff was not certain would be needed, for reasons that will be explained below. There were a total of nine additive items. Additive items #54-56 are for curb and gutter repairs or replacement, as needed during construction. Additive items #57-60 are intended for relocation of existing domestic and irrigation water lines along the new recycled water pipeline, as needed during construction. Additive items #61-62 are intended for miscellaneous paving as required by Ventura County inspectors during construction. The City Engineer recommends Council approve the project including the base bid and all nine additive items (#54-62). This is because there will likely be repairs, replacement, or relocations of asphalt, concrete, and piping as a result of the work that is being performed. These additive items will allow for the project to cover these conditions as they arise.

If Council approves a contract of the base bid and all nine additive items, the contract total will be $13,713,961. Additional funds estimated in the amount of $2,742,792 are needed for the project, which includes $1,371,396 (10 percent of the contract costs) for project contingency and $1,371,396 (10 percent of the contract costs) for the cost for engineering services and City staff to perform the following activities during construction: engineering, inspection, survey and project management. This brings the total estimated cost of the project to $16,456,753.

STRATEGIC PRIORITIES

This item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve the City's infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 4. Ensure proper construction and maintenance of infrastructure to provide maximum benefit with lowest life cycle cost following CIP plans.
Goal 4a. Implement CIP Plans.

FINANCIAL IMPACT

The total cost for the Hueneme Road Recycled Water Pipeline - Phase II Project (106002) is $16,456,753. Project appropriations to date total $23.8 million from the following sources: Resource Development Fee (Fund 603) $11.9 million, Water Cap. Facility (Fund 605) $700,000, Water Resource Fee (Fund 606) $800,000 and Water Bonds (Fund 609) $10.4 million.

The original bids, contingency (before redesign), engineering, inspection, survey and project management were collectively $25.8 million. The redesign was completed post CIP approval and resulted in a $7 million savings, which can be used for other water projects. Staff will return to Council during the FY 2020-21 Budget Mid-Year Review with a request to unappropriate excess funds.

The 2021 Water Revenue Bonds recommended to be issued to pay for this long-lived capital project appear as the third appointment item on this meeting agenda. This agenda item for the construction contract and the 2021 Water Revenue Bonds agenda item to pay for the construction contract should be considered by City Council in tandem. This is because it makes sense to authorize a bond issuance only if City Council awards the construction contract. Similarly, it makes sense to award the construction contract only if the City Council agrees with the recommendation on how to pay for the project.

As part of the FY 2020-21 Budget Mid-Year Review, staff will recommend a Budget Appropriation Request for Fund 609 Water Bond Fund to appropriate the estimated bond proceeds for the Hueneme Road Recycled Water Pipeline project. Since the bonds will not be sold until after the Mid-Year Review, the Budget Appropriation Request will be a close approximation of the forthcoming bond sale, but obviously not an exact one. If the results of the actual bond sale deviate too much from the assumptions used for the Mid-Year Review, then staff will return to City Council again for a refinement of the appropriation of the bond proceeds in the Water Bond Fund.

COMMITTEE OUTCOME

This item did not originate in Committee as this is a capital improvement project specifically listed in the City's Capital Improvement Program.

Prepared by: Tatiana Arnaout, City Engineer

ATTACHMENTS

1. A-8241 Blois Hueneme Road PW 17-42R2
2. Hueneme Road Recycled Water Pipeline Map
3. Presentation Hueneme Road Recycled Water Pipeline Ph II Award

CONTRACT

CITY OF OXNARD CONTRACT FOR
HUENEME ROAD RECYCLED WATER PIPELINE PHASE II (REBID 2) SPECIFICATION NO. PW 17-42R2

THIS CONTRACT ("Contract") is made and entered this _____ day of _____, 20___ ("Effective Date"), by and between the CITY OF OXNARD, a California municipal corporation ("City") and BLOIS CONSTRUCTION, INC. ("Contractor"). Contractor's license number is 256065.

In consideration of the covenants set forth herein, the parties hereto agree as follows:

1. Incorporation. The Contract consists of all Contract Documents, which shall include the Notice Inviting Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, Standard Plans, Greenbook, Reference Specifications, Bid (including documentation accompanying the Bid and post-Bid documentation submitted before the notice of award), insurance documentation, Bonds, the City business license, permits from regulatory agencies, Addenda, Change Orders and Supplemental Agreements. These documents are incorporated herein by reference.

2. Scope of Services. Contractor shall perform the Work in a good and workmanlike manner for the project identified as Hueneme Road Recycled Water Pipeline Phase II (Rebid 2) Specification No. PW 17-42R2 ("Project"), as described in this Contract and in the incorporated Contract Documents.

3. Compensation. In consideration of the services rendered hereunder, City shall pay Contractor a not to exceed amount of thirteen million seven hundred thirteen thousand nine hundred sixty one dollars ($13,713,961.00) in accordance with the prices as submitted in the Bid, attached hereto as Exhibit "A" and incorporated herein by this reference.

4. Antitrust Claims. In entering into this Contract, Contractor assigns to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business and Professions Code Section 16700 *et seq*.) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time City tenders final payment to Contractor without further acknowledgment by the parties.

5. Prevailing Wages. City and Contractor acknowledge that the Project is a public work to which prevailing wages apply. Copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.

6. Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Contract, the Contractor certifies as follows: "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance

in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

7. Titles. The titles used in this Contract are for convenience only and shall in no way define, limit or describe the scope or intent of this Contract or any part of it.

8. Authority. Any person executing this Contract on behalf of Contractor warrants and represents that he or she has the authority to execute this Contract on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

9. Entire Agreement. This Contract, including all incorporated documents, constitutes the entire agreement between the parties hereto with respect to the Project, and supersedes all previous agreements, promises, proposals, representations, understandings and negotiations, whether written or oral, between the parties regarding the subject matter.

10. Amendment. No Contract modification, amendment or supplement to this Contract other than Change Orders will be binding unless written and signed by the parties' duly authorized representatives.

11. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Contract transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Contract for all purposes.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the first written above.

CITY OF OXNARD

☒ John C. Zaragoza, Mayor[1] Date
☐ Alexander Nguyen, City Manager
☐ Daniel Willhite, Purchasing Manager
☐ [name] , Buyer

ATTEST:

Rose Chaparro, City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney (always required) Date

BLOIS CONSTRUCTION, INC.

James Blois, CEO [2] Date

Craig Blois, Secretary Date

[1] The City Council must authorize and the Mayor must sign any agreement over $200,000 annually. The City Manager may authorize and sign any agreement over $100,000 but up to $200,000 annually. The Purchasing Manager may authorize and sign any agreement up to $100,000 annually. A Buyer may authorize and sign any agreement up to $25,000 annually.

[2] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

Exhibit INS-G

INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS (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 $2,000,000 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. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

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-G. 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 sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. A-8241
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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-G 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. 12/20

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-G.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.
CODESUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER ASPECIFY 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** [x] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE $2,000,000 PRODUCTS COMP/OP AGG. $2,000,000 PERSONAL & ADV. INJURY $2,000,000 EACH OCCURRENCE $2,000,000 FIRE DAMAGE (Any one fire) $ MED. EXPENSE (Any one person) $
A	**AUTOMOBILE LIABILITY** [x] 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 Contract				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: Insurance Compliance** **Reference No.___A-8241____** **P.O. Box 100085 – OX** **Duluth, GA 30096** **Via Email: cityofoxnard@ebix.com** **Via Fax: 678-259-1007**	**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

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the ACity@)

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ❒ Included in Limits
❒ In Addition to Limits

❒ 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

GENERAL LIABILITY
❒ COMMERCIAL GENERAL LIABILITY ❒ Claims Made
❒ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____
❒ OWNERS & CONTRACTORS PROTECTIVE _____
❒ Occurrence

OTHER PROVISIONS

COVERAGES

	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
❒ GENERAL		
❒ PRODUCTS/COMPLETED OPERATIONS		
❒ PERSONAL & ADVERTISING INJURY		
❒ FIRE 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, 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, Aoccurrence@ 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: Insurance Compliance
Reference No. A-8241
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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 _____

Rev. 12/20 INS-G.doc

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the ACity@)

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ❒ Included in Limits
❒ In Addition to Limits

❒ 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.

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 Automobile Liability Coverage, Aoccurrence" form CA0001, code (Aany auto@); or

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: Insurance Compliance
Reference No.____A-8241____
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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 _____

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Bond No. _____

PAYMENT BOND
(LABOR AND MATERIALS)

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), State of California, has awarded to _____
_____
_____("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as HUENEME ROAD RECYCLED WATER PIPELINE PHASE II (REBID 2), SPECIFICATION NO. PW 17-42R2.

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of any Work, to file a good and sufficient Payment Bond with the Agency to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and _____
_____
_____
(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, and our heirs, assignees, successors, executors and administrators are held and firmly bound, jointly and severally, unto the Agency and all Contractors, Subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of ___ _____Dollars ($_____), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this Work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this Bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor

Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract, including all incorporated documents, shall in any manner affect its obligations on this Bond. The Surety hereby waives notice of any such change, extension, alteration, or addition. Additionally, the Surety hereby waives California Civil Code 2845 and 2849 as well as any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"	"Surety"
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____
By: _____	By: _____
Its: _____	Its: _____
(Seal)	*(Seal)*

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

Bond No. _____

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), has awarded to _____

_____

_____ ("Principal")

(Name and address of Contractor)

a contract (the "Contract") for the Work described as HUENEME ROAD RECYCLED WATER PIPELINE PHASE II (REBID 2) SPECIFICATION NO. PW 17-42R2.

WHEREAS, Principal is required under the terms of the Contract to furnish a Bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and _____

_____

_____,_____

(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Agency in the penal sum of _____ _____Dollars ($_____), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, assignees, successors, executors and administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Contract and any alteration thereof made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Agency, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void one (1) year from the date of recordation of the Notice of Completion for the Project; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. Surety hereby waives any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, including all incorporated documents, or of the Work to be performed thereunder or the Specifications accompanying the same shall in any way affect the Surety's obligations under this Bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the Specifications.

Surety hereby waives California Civil Code 2845 and 2849. The City is the principal beneficiary of this Bond and has all rights of a party hereto.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"	"Surety"
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____
By: _____	By: _____
Its: _____	Its: _____
(Seal)	*(Seal)*

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

EXHIBIT A

CITY OF OXNARD

BID SHEETS FOR HUENEME ROAD RECYCLED WATER PIPELINE PROJECT PHASE II (Rebid 2) SPECIFICATION NO. PW 17-42R2

Bidder's Name: Blois Construction, Inc.

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the City Engineer at the following prices:

BASE AMOUNT:

ITEM NO.	DESCRIPTION **(Refer to Specification Section 3000 for description)**	UNIT OF MEASURE	EVALUATION QTY	UNIT PRICE	TOTAL AMOUNT
	RECYCLED WATERLINE INSTALLATION				
1	Mobilization Preparatory Work and Demobilization (no greater than 3% of total bid)	LS	1	$320,000	$320,000.00
2	Traffic Control and Public Convenience and Safety	LS	1	$765,000	$765,000.00
3	SWPPP; Water and Air Pollution Control; Dust, Noise, Vibration Control	LS	1	$50,000	$50,000.00
4	Furnish and Install Adequate Sheeting, Shoring, and Bracing	LS	1	$765,000	$765,000.00
5	Dewatering	LS	1	$1,205,000	$1,205,000.00
6	Furnish and Install Complete 36-Inch Butterfly Valve Assembly and Fittings; and Connect To Existing 36-Inch CML&C WSP At Olds Rd & Hueneme Rd Intersection As Shown On The Drawings	LS	1	$80,000	$80,000.00
7	Furnish and Install 36-Inch CML&C Welded Steel Pipes and Fittings in paved areas At Olds Rd & Hueneme Rd Intersection As Shown On The Drawings.	LF	20	$3,250	$65,000.00
8	Furnish and Install 24-Inch DR11 HDPE 4710 Pipe and Fittings In Paved Areas Along Hueneme Rd.	LF	8,935	$575	$5,137,625.00
9	Furnish and Install 24-Inch DR11 HDPE 4710 Pipe and Fittings In Unpaved Areas Along Hueneme Rd.	LF	6,650	$235	$1,562,750.00
10	Furnish and Install Complete 48" Steel Casing With 24-Inch DR11 HDPE 4710 Carrier Pipe Using Jack & Bore	LF	291	$2,950	$858,450.00

11	Furnish and Install Complete 48-Inch Steel Casing With 24-Inch DR11 HDPE 4710 Carrier Pipe In Caltrans ROW Using Open Trench Construction (Night Work Only)	LF	465	$1,350	$627,750.00
12	Furnish and Install Complete 20-Inch Butterfly Valve Assembly and Fittings Along Hueneme Rd As Shown On The Drawings	EA	7	$24,000	$168,000.00
13	Furnish and Install Complete 8-Inch Blow-Off Valve Assembly and Fittings Along Hueneme Rd As Shown On The Drawing	EA	12	$12,500	$150,000.00
14	Furnish and Install Complete 4-Inch Combination Air Vacuum & Air Release Valve Assembly Along Hueneme Rd As Shown On The Drawings	EA	13	$18,000	$234,000.00
15	Furnish and Install Complete 10-Inch RW Service Turnout Assembly As Shown On The Plans	EA	5	$56,000	$280,000.00
16	Remove Existing 12-Inch RW Service Turnout Assemble At Perkins Rd & Hueneme Rd Intersection and Relocate To Stan 262+70.00; Furnish and Install Complete RW Service Turnout Assembly As Shown On The Plans	LS	1	$34,000	$34,000.00
17	Remove Existing 12-Inch RW Service Turnout Assemble At NE of Las Posas Rd & Hueneme Rd Intersection and Relocate To Stan 271+22.99; Furnish and Install Complete RW Service Turnout Assembly As Shown On The Plans	LS	1	$34,000	$34,000.00
18	Furnish and Install Complete 12-Inch RW Outlet Assembly- Alternative 1 As Shown On The Plans	EA	18	$16,000	$288,000.00
19	Furnish and Install Complete 18-Inch RW Outlet Assembly- Alternative 2 As Shown On The Plans	EA	7	$5,700	$39,900.00
20	Furnish and Install Complete 24-Inch RW Outlet Assembly- Alternative 3 As Shown On The Plans	EA	2	$6,600	$13,200.00
21	Furnish and Install Complete New 24-inch HDPE FL x FL Joint Along Hueneme Rd As Shown On The Plans. As Directed*	EA	6	$4,800	$28,800.00
22	Remove Existing 16-Inch PVC RW Pipe; Furnish and Install 36" DR11 HDPE 4710 Pipe and Fittings; Connect to Existing 36" HDPE Pipe In Unpaved Areas Along Perkins Rd.	LF	368	$500	$184,000.00
23	Furnish and Install 30-Inch CML&C Welded Steel Pipes and Fittings; Connect To Existing 30" FL Outlet In Paved Areas Along Perkins Rd.	LF	30	$2,300	$69,000.00
24	Furnish and Install Complete 30-Inch Butterfly Valve Assembly and Fittings At Perkins Rd & Hueneme Rd Intersection As Shown On The Drawings	LS	1	$28,000	$28,000.00

25	Furnish and Install Complete 8-Inch Blow-Off Valve Assembly and Fittings As Shown On The Drawing Along Perkins Rd	EA	1	$17,500	$17,500.00
26	Furnish and Install Complete 4-Inch Combination Air Vacuum & Air Release Valve Assembly As Shown On The Drawings	EA	1	$18,000	$18,000.00
27	Abandon Existing 16" PVC RW Pipeline; Disconnect and End Cap the Existing SMP Tie-in. At Hueneme Rd and Perkins Rd As Shown On The Drawing.	LS	1	$13,000	$13,000.00
28	Disconnect and Restore SMP Blow-off; Abandon In Place Existing 12-Inch PVC Pipes; Tie-in 24-Inch HDPE RW Pipeline To 12-Inch RW Service Turnout; Tie-in 12-inch RW Outlet To Existing 12-Inch PVC RW Service Line. At Wood Rd and Hueneme Rd. As Shown On The Drawing	LS	1	$52,500	$52,500.00
29	Disconnect and Restore SMP Blow-off; Disconnect and End Cap PVCWD Tee; Remove Existing Pipes, Valves and Fittings At Las Posas Rd and Hueneme Rd. As Shown On The Drawing	LS	1	$53,000	$53,000.00
30	Disconnect and Restore SMP Manhole; Abandon In Place Existing 12-Inch PVC Pipes. At Las Posas Rd and Hueneme Rd. As Shown On The Drawing	LS	1	$41,000	$41,000.00
31	Disconnect and Restore SMP AVAR Valve Assembly; Remove Existing and Tie-in Exist 4-Inch RW Service turnout To 12-Inch RW Outlet At Sta 156+62.49	LS	1	$13,000	$13,000.00
32	Furnish and Install 12-Inch Rock Stabilization Along Full Width Of The Trench Bottom, Required In Unsuitable Soil. As Shown On the Drawing. As Directed	LF	9,000	$26	$234,000.00
33	Relocate Existing Waterline Complete Per City Standard Plate 313	EA	2	$18,500	$37,000.00
34	Relocate Existing Potable Water Service Lateral (2-Inch and below) Complete In Place As Shown On The Drawing	EA	2	$3,500	$7,000.00
35	Furnish and Install Traffic Inductive Loop Detector (Type D)	EA	7	$700	$4,900.00
36	Furnish and Install Traffic Inductive Loop Detector (Type E)	EA	14	$700	$9,800.00
	Pavement Striping and Pavement Marking				
37	Install "AHEAD" Pavement Marking-Thermoplastic	EA	1	$425	$425.00
38	Install "KEEEP" Pavement Marking-Thermoplastic	EA	2	$300	$600.00
39	Install "CLEAR" Pavement Marking-Thermoplastic	EA	2	$425	$850.00

40	Install "STOP" Pavement Marking Thermoplastic	EA	2	$300	$600.00
41	Install Arrow Type IV Pavement Marking-Thermoplastic	EA	8	$150	$1,200.00
42	Install Arrow Type VI Pavement Marking-Thermoplastic	EA	3	$400	$1,200.00
43	Install Arrow Type VII(L) Pavement Marking-Thermoplastic	EA	3	$225	$675.00
44	Install 6" Solid White Stripe-Thermoplastic	LF	42	$2	$84.00
45	Install 12" Solid White Stripe-Thermoplastic	LF	496	$5	$2,480.00
46	Install Detail 6 Stripe-Thermoplastic	LF	2910	$1	$2,910.00
47	Install Detail 12 Stripe -Thermoplastic	LF	347	$2	$694.00
48	Install Detail 22 Stripe-Thermoplastic	LF	1589	$2	$3,178.00
49	Install Detail 27B Stripe-Thermoplastic	LF	1743	$1	$1,743.00
50	Install Detail 29 Stripe-Thermoplastic	LF	160	$2	$320.00
51	Install Detail 36 Stripe -Thermoplastic	LF	348	$2	$696.00
52	Install Detail 38 Stripe -Thermoplastic	LF	782	$2	$1,564.00
53	Install Detail 38B Stripe -Thermoplastic	LF	289	$3	$867.00
				BASE AMOUNT TOTAL : $	13,508,261.00

ADDITIVE ITEMS:

54	Remove and Replace 6-Inch Curb Face AC Berm (D1-6) Per City Standard Plate 111.	LF	200	$60	$12,000.00
55	Remove and Replace 6-Inch Curb Face PCC Curb & Gutter (A2-6) Per City Standard Plate 111.	LF	100	$89	$8,900.00
56	Remove and Replace 6-Inch Curb Face PCC Curb (A1-6) Per City Standard Plate 111.	LF	100	$44	$4,400.00
57	Remove and Replace 8 through 12-Inch PVC Class 200	LF	200	$180	$36,000.00
58	Install 2-Inch Combination Air-Vacuum Valve Per City Standard Plate 308	EA	2	$11,500	$23,000.00
59	Install 4-Inch Blow Off Assembly Per City Standard Plate 307	EA	2	$8,000	$16,000.00
60	Relocate Existing Waterline Complete Per City Standard Plate 312 (8" through 14")	EA	2	$27,000	$54,000.00
61	Cold Mill AC Pavement (2- Inch Max.)	SY	1800	$8	$14,400.00
62	Furnish and Install Asphalt Concrete Type III (DGAC – C2 PG64 – 10)	TN	200	$185	$37,000.00

TOTAL BID PRICE: $	13,713,961.00

Note: Several items may be adjusted or deleted. Any changes to the quantities for these items shall not classify as a substantial change as stipulated in Greenbook Section 7-3.5.1. Regardless of total actual volume compared to estimated quantities, the unit prices provided above shall be applied to the final quantity when payment is calculated for these items. No adjustment in the unit prices will be allowed. The City reserves the right to not use any of the estimated quantities, and if this right is exercised, the Contractor will not be entitled to any additional compensation. The cost of all labor, materials, export of material shall be included in the above unit costs; no additional compensation will be granted for such expenses.

TOTAL BID PRICE = BASE AMOUNT + ALL ADDITIVE ITEMS

TOTAL BID PRICE IN DIGITS: $ 13,713,961.00

TOTAL BID PRICE IN WORDS: THIRTEEN MILLION SEVEN HUNDRED THIRTEEN THOUSAND NINE HUNDRED SIXTY ONE DOLLARS.

*** The lowest Bid shall be the lowest Total Bid Price, including the Base Amount Total and all Additive items.

Contractor must complete all Work within two hundred and fifty (250) Working Days of the City's Notice to Proceed.

Bidder acknowledges receipt of all addenda

Addendum:	Date Received:	Addendum:	Date Received:
#01	12/2/2020	#03	
#02		#04	

Bidder's Name (Company): Blois Construction, Inc.

Signature: James Blois — Title: President

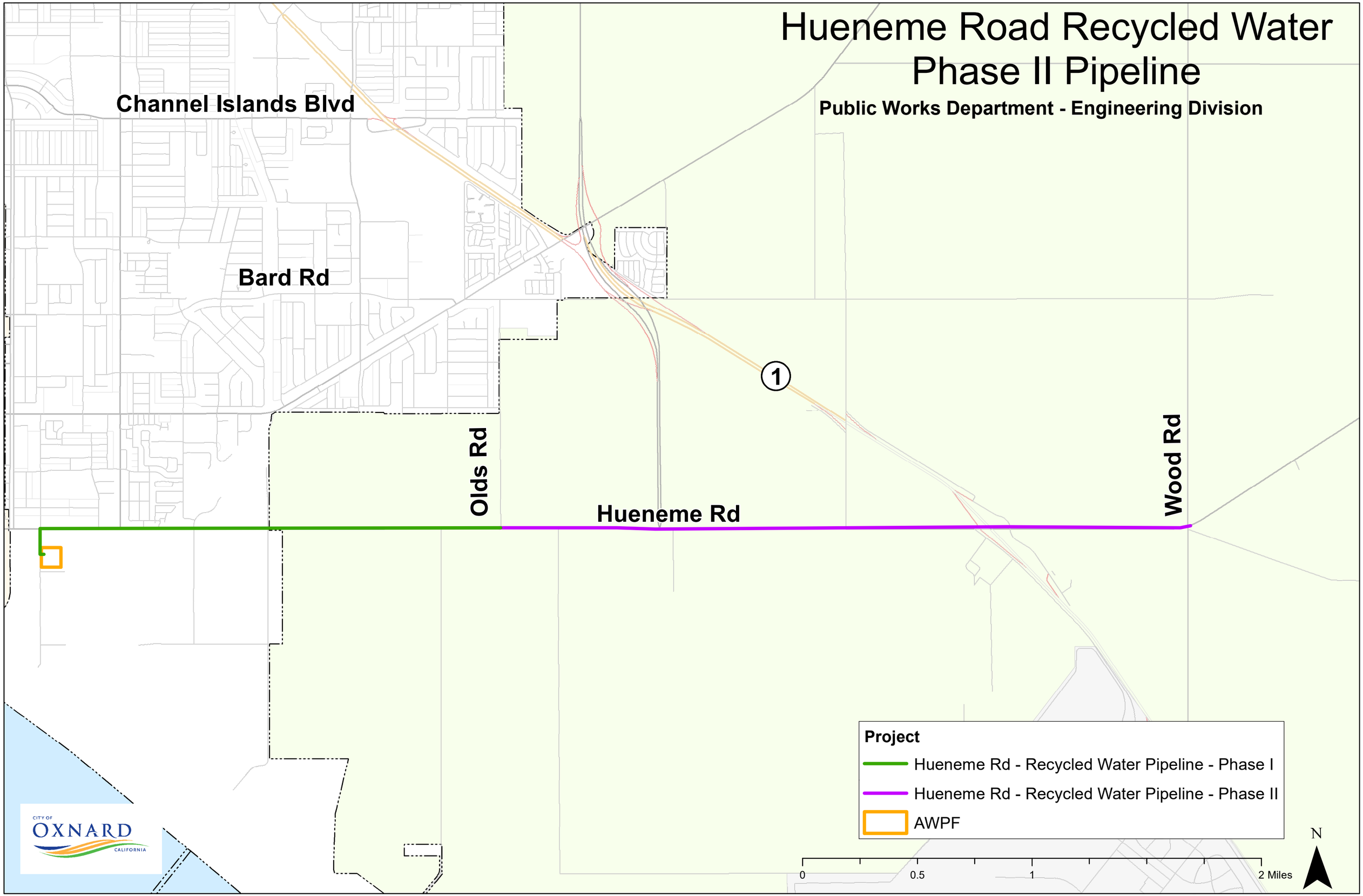
Print: James Blois — Date: 12/8/2020

Signature: Craig Blois — Title: Secretary

Print: Craig Blois — Date: 12/8/2020

Hueneme Road Recycled Water Phase II Pipeline

Public Works Department - Engineering Division



Award Contract for Hueneme Road Recycled Water Pipeline - Phase II (Rebid 2) PW 17-42R

City Council

January 19, 2020

Tatiana Arnaout

City Engineer

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the City Council:

1. Award and authorize the Mayor to execute Agreement A-8241 with Blois Construction, Inc. in the amount of $13,713,961 (base bid + additive items) for the Hueneme Road Recycled Water Pipeline Phase II (Rebid 2) PW 17-42R2 (Project No. 106002).

2. Approve $1,371,396 for project contingency for the Hueneme Road Recycled Water Pipeline Phase II; and

3. Approve $1,371,396 for engineering, inspection, survey and project management for the Hueneme Road Recycled Water Pipeline Phase II.

BACKGROUND

Purpose of the GREAT Program:

To ensure future reliable and affordable supply of high-quality water, the City of Oxnard has developed the Groundwater Recovery, Enhancement, and Treatment (GREAT) Program.

History of Program

The GREAT Program, initiated in the 1990s and early 2000s, was intended as a water resources plan that combines wastewater recycling, groundwater injection, and groundwater desalination to provide regional water supply solutions to the City of Oxnard and potentially the region.

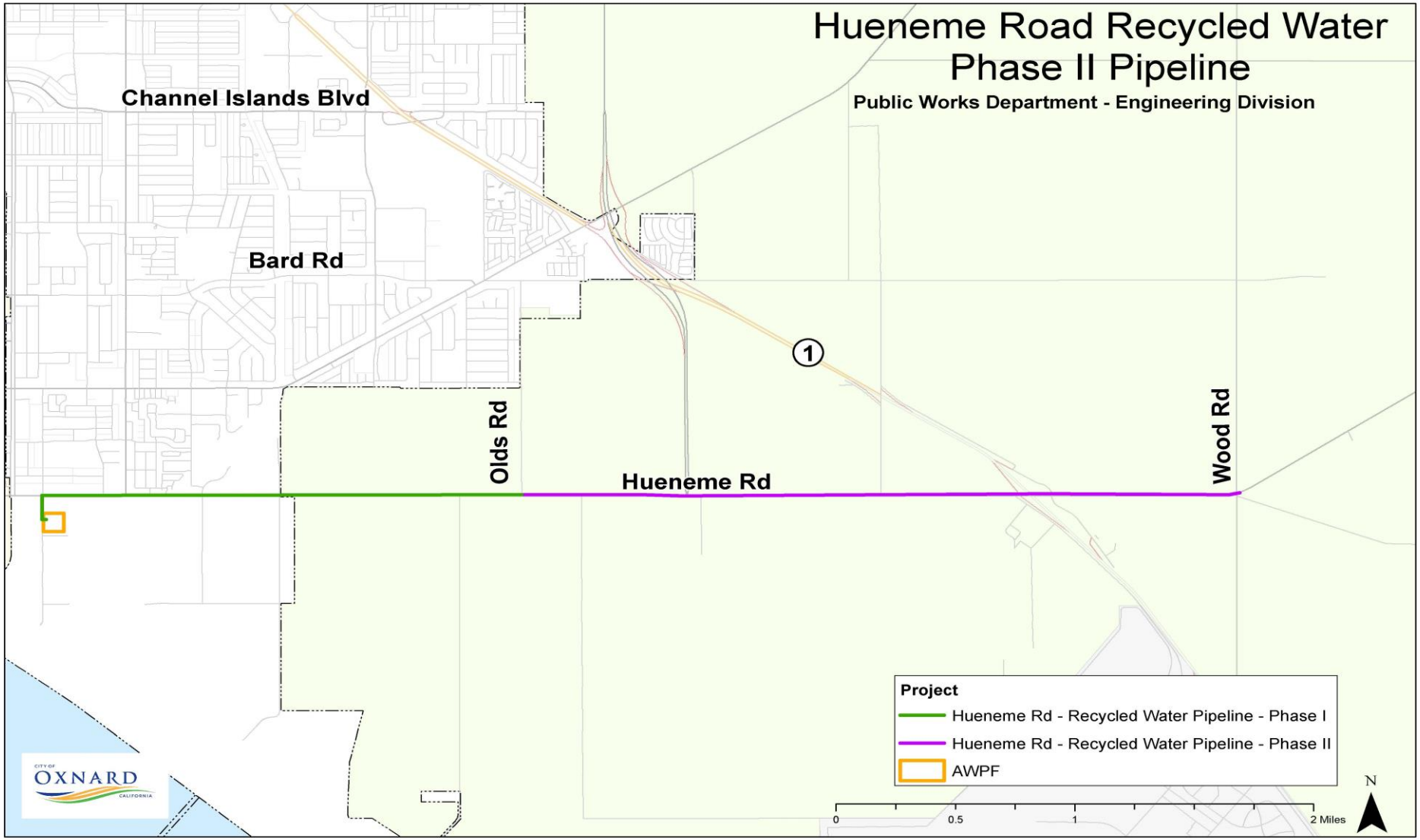
BACKGROUND (continued)

Hueneme Road Recycled Water Pipeline

- Phase I was completed in 2013 and included the installation of 12,800 feet of 36-inch welded steel pipe from the Advanced Water Purification Facility (AWPF) to the intersection of Hueneme Road and Olds Road.

- This next project of the GREAT Program's recycled water pipeline will run along Hueneme Road from the end of the first phase of the pipeline at Olds Road and terminate at Wood Road. The length of this 24-inch high density polyethylene (HDPE) pipe is three miles.

PROJECT AREA MAP



PROJECT PURPOSE

- The Hueneme Road Recycled Water Pipeline Phase II project will bring recycled water to the agricultural customers on the east side of the Oxnard Plain. The Calleguas Salinity Management Pipeline (SMP) has been temporarily used for this purpose.

- The City obtained a special use permit from the Los Angeles Water Quality Control Board to deliver recycled water to the PVCWD and the Hueneme Road agricultural group via the SMP. However, the special use permit expired on December 31, 2020.

PROJECT PURPOSE (continued)

- In 2016, The United Water Conservation District, Pleasant Valley County Water District, and the Hueneme Road agricultural group entered into an agreement with the City to purchase recycled water.

- In accordance with that agreement, in order to receive water at a reduced cost, each customer is required to turn over its groundwater allocation to the City. This ensures that both the customer and the City's ratepayers are receiving good value.

- The City was granted the right to pump the groundwater at the Forebay per Fox Canyon Groundwater Management Agency resolution number 2013-02.

PROJECT SCOPE & SCHEDULE

The Hueneme Road Recycled Water Pipeline Project – Phase II:

- Includes installation of install approximately 16,700 feet of 24” diameter HDPE recycled water pipeline and related appurtenances
- Is scheduled to begin in February of 2021 and be completed by January of 2022

CONSTRUCTION BID AWARD SUMMARY

OPEN FOR BIDS

Bid Opening December 17, 2020

BIDS RESULTS

Blois Construction, Inc. was the low bidder

COUNCIL APPROVAL

City Council approval anticipated January 19, 2021

START CONSTRUCTION

Scheduled to begin construction February 2021

COMPLETE CONSTRUCTION

Estimated completion January 2022

Total Project Cost: $16,456,753

*including Contingency, Engineering, Inspection, Survey, & Project Management

PROJECT SAVINGS

- The notice inviting formal bids (NIFB) on the Project was originally published on February 28, 2019, however the bid was rejected due to the bids coming in over budget.
- The project was re-designed to fit within the project budget, while meeting the project objectives.
- This resulted in a savings of approximately $7,000,000.
- Project was rebid in July 2020, however after bid opening, the County confirmed non-cementitious backfill option would not be allowed in their right-of-way; staff rejected bids and rebid with slurry backfill option only.

BIDDING PROCESS & RESULTS

- Notice Inviting Formal Bids for the second rebid was published November 26, 2020, and all bids were due on December 16, 2020

- The City received 4 bids:

1. Blois Construction, Inc. (lowest responsive): $13,713,961.00

2. Teichert Energy & Utilities Group, Inc.: $14,188,000.00
   (with Small Local Business Purchasing Preference, considered $14,138,000.00)

3. Toro Enterprises, Inc.: $15,242,499.60

4. Vido Artukovich & Son, Inc.: $15,704,944.00

- Staff researched and verified all required contractor credentials

AWARD OF BASE BID AND ADDITIVE ITEMS

Bid Item	Purpose	Recommended Award by City Engineer?
Base Bid	The work items to furnish and install the 24-inch HDPE recycled water pipeline.	Yes
Additive items #54-56	Curb and gutter repairs or replacement, as needed during construction.	Yes
Additive items #57-60	Relocation of existing domestic and irrigation water lines along the new recycled water pipeline, as needed during construction.	Yes
Additive items #61-62	Miscellaneous paving that may be required by Ventura County inspectors during construction.	Yes

PROJECT COST

Base bid + additive items	$13,713,961
Contingency (10%)	$1,371,396
EISPM (10%)	$1,371,396
TOTAL	**$16,456,753**

FINANCIAL IMPACT

- The total cost for the Hueneme Road Recycled Water Pipeline - Phase II Project (106002) is $16,456,753
- The 2021 Water Revenue Bonds recommended to be issued to pay for this long-lived capital project appear as appointment item 3
- Both this agenda item for the construction contract and the 2021 Water Revenue Bonds agenda item to pay for the construction contract should be considered by City Council in tandem

QUESTIONS?

CITY OF
OXNARD
CALIFORNIA

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

APPOINTMENT ITEMS (5:00 PM)
AGENDA ITEM NO. D.2

DATE: January 25, 2021

TO: City Council

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: Award Contract for Aquifer Storage and Recovery (ASR) Completion Project PW 20-08R. (0/5/5)

RECOMMENDATION

That the City Council:
1. Award and authorize the Mayor to execute Agreement A-8261 with Spiess Construction Co., Inc. in the amount of $4,167,000 for the Aquifer Storage and Recovery (ASR) Completion Project (206502);
2. Approve $416,700 for project contingency for the ASR Completion Project; and
3. Approve $416,700 for engineering, inspection, survey and project management for the ASR Completion Project.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/VIWykcL4W8g

BACKGROUND

To ensure a future reliable and affordable supply of high-quality water, the City of Oxnard has developed the Groundwater Recovery, Enhancement, and Treatment (GREAT) Program. The GREAT Program, initiated in the late 1990s and early 2000s, was intended as a water resources plan that combines wastewater recycling, groundwater injection, and groundwater desalination to provide local and regional water supply solutions.

Furthermore, the City initiated the Groundwater Replenishment Reuse Project (GRRP) for recycled water as part of the GREAT Program. The GRRP consists of using Aquifer Storage and Recovery (ASR) wells to inject recycled water into the groundwater and includes ASR Well #1 at Campus Park. Under the ASR Project, recycled water will be injected into a local groundwater aquifer for groundwater recharge. The water recovered from the ASR wells will then be blended with City groundwater water sources and delivered as potable water. Use of the recovered groundwater from the ASR wells could be used to offset future groundwater pumping cutbacks from the Fox Canyon Groundwater Management Agency and future population growth.

The ASR component consists of injecting advanced treated (ultra-pure) recycled water from the Advanced Water Purification Facility (AWPF) into the ground, holding the water in the aquifer for at least 3.1 months, and then withdrawing the water via extraction wells for potable reuse.

The ASR's critical role in the GREAT Program will be implemented in three (3) phases:

- Phase 1 of the ASR component includes the construction of one demonstration ASR well, pump, piping, and appurtenances located at Campus Park, as well as three monitoring wells. Phase 1 will also consist of the construction of a tie-in from the Ventura Road Recycled Water Backbone Pipeline to the ASR Well at Campus Park, temporary well facilities from demonstration testing, and a pipeline to convey water from Campus Park to

Blending Stations #1 and #6.

- Phase 2 of the ASR component consists of expanding the City's AWPF to produce 12.5 million gallons per day (mgd) of advanced treated recycled water, construction of four duty and four standby ASR wells, associated pumps, piping, and appurtenances located at the Campus Park and Blending Stations #1 and #6, and associated monitoring wells.
- Phase 3 of the ASR component will further expand the City's AWPF to produce 18.75 mgd of advanced treated recycled water and requires the construction of six duty and three standby ASR wells, associated pumps, piping and appurtenances located at the City's Blending Stations #1, #3 and #6, and associated monitoring wells.

The demonstration ASR well, three (3) monitoring wells and the tie-in from the Ventura Road Recycled Water Backbone Pipeline to ASR Well have already been constructed. The final step to complete Phase 1 includes the installation of the pump house with the pump, piping, and appurtenances located within as well as a maintenance access road in order to begin the demonstration period.

CIP Reference
Project No. **206502** – Aquifer Storage and Recovery (ASR) Completion - CIP 2020-2025 - Adopted June 16, 2020 - Page 202.

DISCUSSION

The specific work for this project includes furnishing all necessary labor, materials, equipment and other incidentals to construct final well site improvements and a fully operational ASR facility for storage and extraction of highly purified recycled water to conduct the subsequent demonstration operations for groundwater storage and recovery.

The location of the project is shown on the attached map. The work is tentatively scheduled to begin in January 2021 and will take approximately one year to complete.

The notice inviting formal bids (NIFB) on the Project was originally published on July 9, 2020, and all bids were due on September 2, 2020. The City received two (2) bids on the project, but one bidder did not use the correct bid forms and as a result the bid failed to include costs that were pertinent to the project. The second bidder did not include the required transformer in its bid. So, all bids on the project were rejected, and the project was rebid. The NIFB for the rebid was published on October 8, 2020, and all bids were due on October 27, 2020. The following bids were received:

Spiess Construction Co., Inc: $4,167,000.
Caliagua, Inc.: $4,395,778.

The lowest bid was from Spiess Construction Co., Inc. for $4,167,000, and its bid is responsive to the City's NIFB. Following this determination, procurement staff reviewed all documentation received from Spiess Construction Co., Inc. and its subcontractors. Procurement staff verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, and verified registration with the California Department of Industrial Relations (DIR). Staff has no reason at this time to believe that either the contractor or its subcontractors are not legally responsible, which means trustworthy and fit and capable to satisfactorily complete the project. Thus, staff recommends that the City Council award the contract for this project to Spiess Construction Co., Inc.

Additional funds estimated in the amount of $833,400 are needed for the project, which includes $416,700 (10 percent of the contract cost) for project contingency and $416,700 (10 percent of the contract cost) for the cost for engineering services and City staff to perform engineering, inspection, survey and project management during construction. This brings the total estimated cost of the project to $5,000,400.

STRATEGIC PRIORITIES

This item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to establish, preserve and improve the City's infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 4. Ensure proper construction and maintenance of infrastructure to provide maximum benefit with lowest life cycle cost following CIP plans.

FINANCIAL IMPACT

The total cost for the Aquifer Storage and Recovery (ASR) Completion Project (206502) is $5,000,400.

The 2021 Water Revenue Bonds recommended to be issued to pay for this long-lived capital project appear as the third appointment item on this meeting agenda. This agenda item for the construction contract and the 2021 Water Revenue Bonds agenda item to pay for the construction contract should be considered by City Council in tandem. This is because it makes sense to authorize a bond issuance only if the City Council awards the construction contract. Similarly, it makes sense to award the construction contract only if City Council agrees with the recommendation on how to pay for the project.

As part of the FY 2020-21 Budget Mid-Year Review, staff will recommend a Budget Appropriation Request for Fund 609 Water Bond Fund to appropriate the estimated bond proceeds for the Aquifer Storage and Recovery Completion project. Since the bonds will not be sold until after the Mid-Year Review, the Budget Appropriation Request will be a close approximation of the forthcoming bond sale, but obviously not an exact one. If the results of the actual bond sale deviate too much from the assumptions used for the Mid-Year Review, then staff will return to City Council again for a refinement of the appropriation of the bond proceeds in the Water Bond Fund.

COMMITTEE OUTCOME

This item did not originate in Committee, as this is a capital improvement project specifically listed in the City's Capital Improvement Program.

Prepared by: Tatiana Arnaout, City Engineer

ATTACHMENTS

1. A-8261 Spiess ASR Well PW 20-08R
2. ASR Well Completion Project Location
3. ASR Presentation

CONTRACT

CITY OF OXNARD CONTRACT FOR ASR (AQUIFER STORAGE RECOVERY) WELL #1 PROJECT (REBID) SPECIFICATION NO. PW 20-08R

THIS CONTRACT ("Contract") is made and entered this _____ day of _____, 20___ ("Effective Date"), by and between the CITY OF OXNARD, a California municipal corporation ("City") and SPEISS CONSTRUCTION CO., INC. ("Contractor"). Contractor's license number is 333989.

In consideration of the covenants set forth herein, the parties hereto agree as follows:

1. Incorporation. The Contract consists of all Contract Documents, which shall include the Notice Inviting Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, Standard Plans, Greenbook, Reference Specifications, Bid (including documentation accompanying the Bid and post-Bid documentation submitted before the notice of award), insurance documentation, Bonds, the City business license, permits from regulatory agencies, Addenda, Change Orders and Supplemental Agreements. These documents are incorporated herein by reference.

2. Scope of Services. Contractor shall perform the Work in a good and workmanlike manner for the project identified as ASR (Aquifer Storage Recovery) Well #1 Project (Rebid) Specification No. PW 20-08R ("Project"), as described in this Contract and in the incorporated Contract Documents.

3. Compensation. In consideration of the services rendered hereunder, City shall pay Contractor a not to exceed amount of four million one hundred sixty seven thousand dollars ($4,167,000) in accordance with the prices as submitted in the Bid, attached hereto as Exhibit "A" and incorporated herein by this reference.

4. Antitrust Claims. In entering into this Contract, Contractor assigns to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business and Professions Code Section 16700 *et seq*.) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time City tenders final payment to Contractor without further acknowledgment by the parties.

5. Prevailing Wages. City and Contractor acknowledge that the Project is a public work to which prevailing wages apply. Copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file with the Project Coordinator at City Hall and will be made available to any interested party on request. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.

6. Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Contract, the Contractor certifies as follows: "I am aware of the provisions of Section 3700 of the Labor Code which require every

employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

7. Titles. The titles used in this Contract are for convenience only and shall in no way define, limit or describe the scope or intent of this Contract or any part of it.

8. Authority. Any person executing this Contract on behalf of Contractor warrants and represents that he or she has the authority to execute this Contract on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

9. Entire Agreement. This Contract, including all incorporated documents, constitutes the entire agreement between the parties hereto with respect to the Project, and supersedes all previous agreements, promises, proposals, representations, understandings and negotiations, whether written or oral, between the parties regarding the subject matter.

10. Amendment. No Contract modification, amendment or supplement to this Contract other than Change Orders will be binding unless written and signed by the parties' duly authorized representatives.

11. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Contract transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Contract for all purposes.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the first written above.

CITY OF OXNARD

☒ John C. Zaragoza, Mayor[1] Date
☐ Alexander Nguyen, City Manager
☐ Purchasing Manager
☐ [name] , Buyer

ATTEST:

Rose Chaparro, City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney (always required) Date

SPIESS CONSTRUCTION CO., INC.

Barry L. Matchett, Vice President[2] Date

Jeff Davidson, Secretary Date

[1] The City Council must authorize and the Mayor must sign any agreement over $200,000 annually. The City Manager may authorize and sign any agreement over $100,000 but up to $200,000 annually. The Purchasing Manager may authorize and sign any agreement up to $100,000 annually. A Buyer may authorize and sign any agreement up to $25,000 annually.

[2] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

Exhibit INS-G

INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS (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 $2,000,000 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-G. 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 sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. A-8261
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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-G 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 <u>and</u> 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-G.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.
CODESUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER ASPECIFY 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** [x] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE $2,000,000 PRODUCTS COMP/OP AGG. $2,000,000 PERSONAL & ADV. INJURY $2,000,000 EACH OCCURRENCE $2,000,000 FIRE DAMAGE (Any one fire) $ MED. EXPENSE (Any one person) $
A	**AUTOMOBILE LIABILITY** [x] 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 Contract				Minimum coverage $1,000,000 Each consultant/ $500,000 & listed sub-consultant

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER	CANCELLATION
CITY OF OXNARD **Attn: Insurance Compliance** **Reference No._A-8261** **P.O. Box 100085 – OX** **Duluth, GA 30096** **Via Email: cityofoxnard@ebix.com** **Via Fax: 678-259-1007**	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

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the ACity@)

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ❒ Included in Limits
❒ In Addition to Limits

❒ 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

GENERAL LIABILITY
❒ COMMERCIAL GENERAL LIABILITY ❒ Claims Made
❒ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____
❒ OWNERS & CONTRACTORS PROTECTIVE ❒ Occurrence

OTHER PROVISIONS

COVERAGES

	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
❒ GENERAL		
❒ PRODUCTS/COMPLETED OPERATIONS		
❒ PERSONAL & ADVERTISING INJURY		
❒ FIRE 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, 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.

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:

2.1 Insurance Services Office Commercial General Liability Coverage, Aoccurrence@ form CG0001; or

2.2 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: Insurance Compliance
Reference No. A-8261
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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 _____

Rev. 10/20 INS-G.doc

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the ACity@)

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ❒ Included in Limits
❒ In Addition to Limits

❒ 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:

2.1 Insurance Services Office Automobile Liability Coverage, Aoccurrence" form CA0001, code (Aany auto@); or

2.2 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: Insurance Compliance
Reference No. A-8261
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

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 _____

Bond No. _____

PAYMENT BOND
(LABOR AND MATERIALS)

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), State of California, has awarded to _____
_____
_____("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as ASR (AQUIFER STORAGE RECOVERY) WELL #1 PROJECT (REBID) SPECIFICATION NO. PW 20-08R.

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of any Work, to file a good and sufficient Payment Bond with the Agency to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and _____
_____
_____
(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, and our heirs, assignees, successors, executors and administrators are held and firmly bound, jointly and severally, unto the Agency and all Contractors, Subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of _____Dollars ($_____), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this Work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this Bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to

Labor Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract, including all incorporated documents, shall in any manner affect its obligations on this Bond. The Surety hereby waives notice of any such change, extension, alteration, or addition. Additionally, the Surety hereby waives California Civil Code 2845 and 2849 as well as any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"	"Surety"
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____
By: _____	By: _____
Its: _____	Its: _____
(Seal)	*(Seal)*

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

Bond No. _____

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), has awarded to _____
_____
_____ ("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as ASR (AQUIFER STORAGE RECOVERY) WELL #1 PROJECT (REBID) SPECIFICATION NO. PW 20-08R.

WHEREAS, Principal is required under the terms of the Contract to furnish a Bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and _____
_____
_____,_____
(Name and address of Surety)

a corporation organized and existing under the laws of the State of _____ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Agency in the penal sum of _____ _____Dollars ($_____), this amount being not less than a hundred percent (100%) of the total Contract Price in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, assignees, successors, executors and administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Contract and any alteration thereof made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Agency, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void one (1) year from the date of recordation of the Notice of Completion for the Project; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. Surety hereby waives any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, including all incorporated documents, or of the Work to be performed thereunder or the Specifications accompanying the same shall in any way affect the Surety's obligations under this Bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the

Specifications. Surety hereby waives California Civil Code 2845 and 2849. The City is the principal beneficiary of this Bond and has all rights of a party hereto.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

"Principal"	"Surety"
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____
By: _____	By: _____
Its: _____	Its: _____
(Seal)	*(Seal)*

Notes: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. Date of Bond must not be before the Effective Date of the Contract. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

CITY OF OXNARD

BID SHEETS FOR ASR (AQUIFER STORAGE RECOVERY) WELL #1 PROJECT

SPECIFICATION NO. PW 20-08

Bidder's Name: SPIESS CONSTRUCTION CO., INC.

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Project Manager at the following prices:

BASE AMOUNT:

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	PAYMENT REFERENCE	UNIT PRICE
1.	Mobilization and demobilization (5% maximum of Total Bid Price)	LS	GP Section 2, 3, 7-3.4. SP Sections 01010, 01025, 01500, 01505, 01780, & 02200	$ 156,000.-
2.	Site Work per Plans and Specifications	LS	GP Sections 2, 3, 4, & 9. SP Sections 01010, 01500, Plan Sheets C-1 through C-10	$ 745,000.-
3.	Furnish And Install ASR Building, Complete-In-Place	LS	SP Section 02100 Plans Sheets B1 & B2	$ ~~1,404,000.-~~ 1,324,000.- SAC
4.	Furnish And Install Mechanical for ASR Well #1	LS	SP Section 01810 Plans Sheets M-1 through M-9	$ 1,081,000.-

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	PAYMENT REFERENCE	UNIT PRICE
5.	Furnish And Install Electrical for ASR Well #1, Including the Transformer.	LS	SP Section 02600 Plan Sheets E-1 through E-6	$ 289,000.-
6.	Furnish and Install Instrumentation for ASR Well #1	LS	Plan Sheets I-1 through I-7	$ 251,000.-
7.	Furnish and Install Electrical Transformer	LS	Plan Sheet C-7, E-1, & E-4	$ 47,000.-
8.	ASR Well Redevelopment and Testing	LS	SP Section 02200	$ 172,000.-
9.	Ground-Water Data Logger and Dedicated Sampling System	LS	SP Sections 02300 & 02400	$ 102,000.-
			TOTAL BID PRICE: $	4,167,000.-

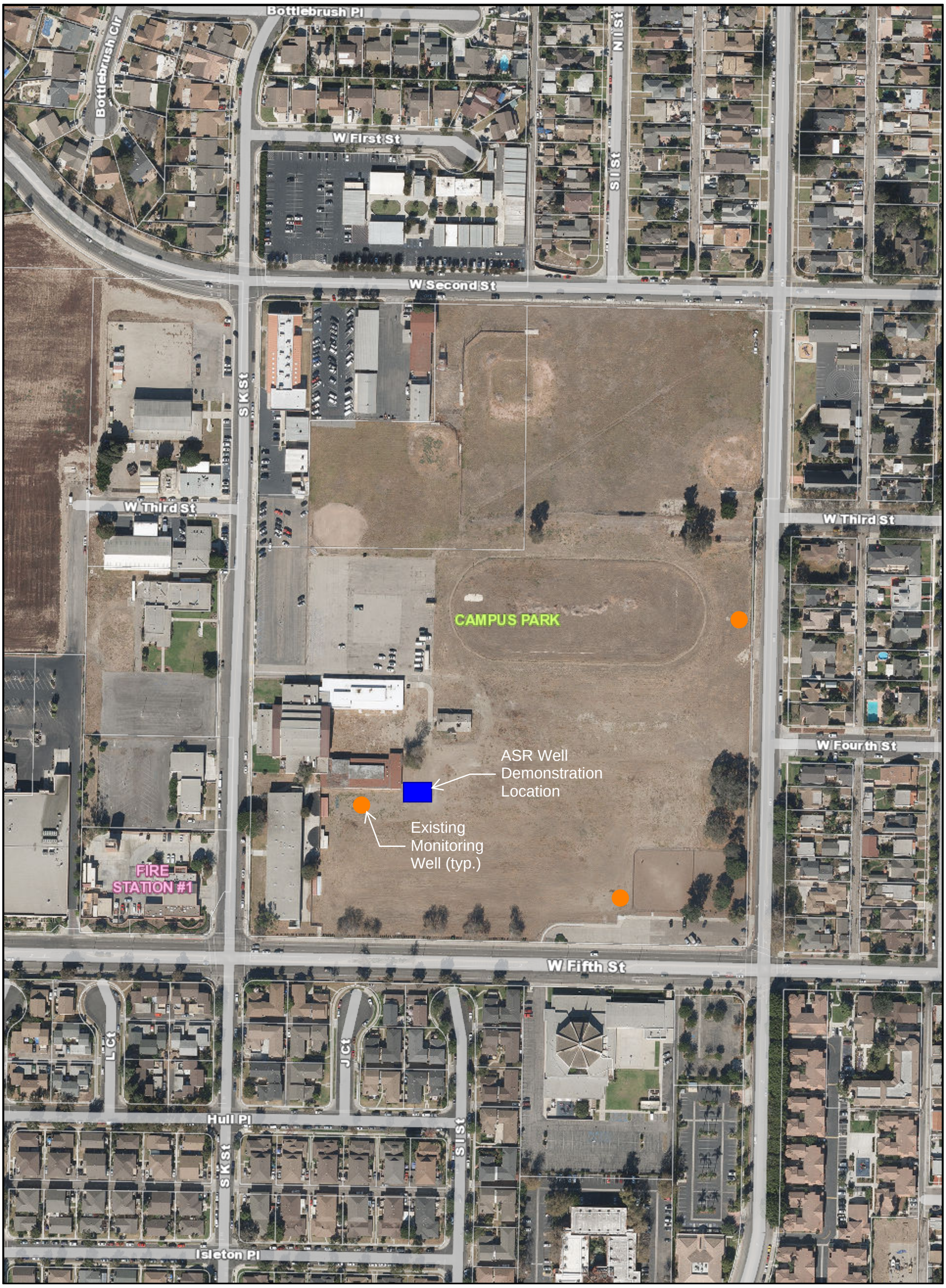
Note: Several items may be adjusted or deleted. Any changes to the quantities for these items shall not classify as a substantial change as stipulated in Greenbook Section 7-3.5.1. Regardless of total actual volume compared to estimated quantities, the unit prices provided above shall be applied to the final quantity when payment is calculated for these items. No adjustment in the unit prices will be allowed. The City reserves the right to not use any of the estimated quantities, and if this right is exercised, the Contractor will not be entitled to any additional compensation. The cost of all labor, materials, export of material shall be included in the above unit costs; no additional compensation will be granted for such expenses.

TOTAL BID PRICE IN DIGITS: $ 4,167,000.-

TOTAL BID PRICE IN WORDS: Four Million One Hundred Sixty Seven Thousand

Contractor must complete all Work within three hundred and sixty-five (365) Calendar Days of the City's Notice to Proceed.

ASR Well Completion Project Location



October 26, 2020

1:2,400

0 0.03 0.06 0.11 mi

0 0.04 0.09 0.17 km

City of Oxnard GIS
The City of Oxnard GIS Division

LEGEND

ASR Well Demonstration Location

Existing Monitoring Well

City of Oxnard

Award Contract for Aquifer Storage and Recovery (ASR) Completion Project PW 20 -08R

City Council

January 19, 2021

Tatiana Arnaout

City Engineer

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the City Council:

1. Approve and authorize the Mayor to execute Agreement A-8261 with Spiess Construction Co., Inc. in the amount of $4,167,000 for the Aquifer Storage and Recovery (ASR) Completion Project (206502);

2. Approve $416,700 for project contingency for the Aquifer Storage and Recovery (ASR) Completion Project; and

3. Approve $416,700 for engineering, inspection, survey and project management for the Aquifer Storage and Recovery (ASR) Completion Project.

BACKGROUND

Purpose of Program:

To ensure future reliable and affordable supply of high-quality water, the City of Oxnard has developed the Groundwater Recovery, Enhancement, and Treatment (GREAT) Program.

Groundwater Replenishment Reuse Project

- The Groundwater Replenishment Reuse Project (GRRP) for recycled water is part of the GREAT Program.
- The GRRP consists of using Aquifer Storage and Recovery (ASR) wells to inject recycled water into the groundwater and includes ASR Well #1 at the Campus Park.
- The ASR component consists of injecting advanced treated recycled water from the AWPF into the ground, holding the water in the aquifer for at least 3.1 months, and then withdrawing the water from the same wells for potable reuse.

BACKGROUND (continued)

The ASR's critical role in the GREAT Program will be implemented in three phases:

- Phase 1 (current) - complete installation of one demonstration ASR well and obtain permits for indirect potable reuse from the State Division of Drinking Water. After permit approval, construction of pipeline to Blending Stations #1 & #6 will be necessary.

- Phase 2 - expand the City's AWPF to produce 12.5 mgd of advanced treated recycled water, construct four additional ASR wells, associated pumps, piping, and appurtenances located at the Campus Park and Blending Stations #1 & #6, and its associated monitoring wells.

- Phase 3 - further expand the City's AWPF to produce 18.75 mgd of advanced treated recycled water and required the construction of six duty and three standby ASR wells, associated pumps, piping and appurtenances located at the City's Blending Stations #1 & #6 and Blending Station #3, and associated monitoring wells.

BACKGROUND (continued)

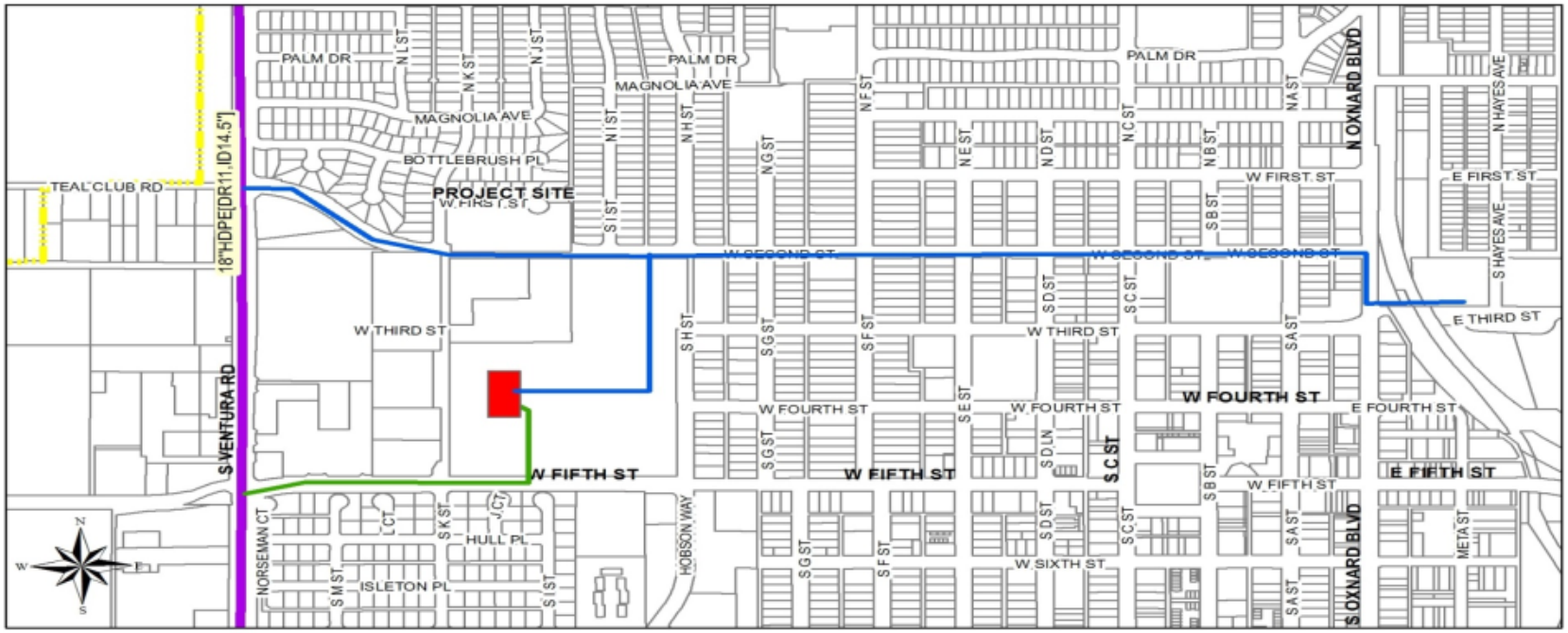
LEGEND

ASR Well Project at Campus Park

Connection to existing recycled water system in Ventura Road

Connection of ASR Well to Blending Stations #1 & #6

Existing Recycled Water Line



GREAT Program - Phase 1 (Current)

PROJECT AREA MAP

PROJECT AREA PHOTO

Pipeline from AWPF to ASR Well

Existing Pipeline from AWPF to ASR Well at Campus Park

PROJECT AREA PHOTO

MONITORING WELL

ASR WELL

Existing ASR Well at Campus Park

PROJECT PURPOSE

Aquifer Storage and Recovery (ASR) Wells provide a method of injecting and storing recycled water in aquifer zones and pumping back as needed. This well will:

- Provide a place to store recycled water when demand is low and retrieval when demand is high;
- Provide retention time required by the Regional Board and the Department of Drinking water in order to pump back and treat for potable use; and
- Reduce or eliminate the need to either shut down the Advanced Water Purification Facility (AWPF) or discharge production to the ocean.

PROJECT SCOPE & SCHEDULE

- ASR Completion Project No. 206502 includes:
  - installation of pump house;
  - installation of pump, piping, and appurtenances located within the pump house; and
  - construction of maintenance access road
- Scheduled to begin in February of 2021 and completed by January of 2022

CONSTRUCTION BID AWARD SUMMARY

OPEN FOR BIDS

Bid Opening Oct. 27, 2020

BIDS RESULTS

Spiess Construction Co, Inc. was the low bidder at $4,167,000

COUNCIL APPROVAL

City Council approval anticipated January 19, 2021

START CONSTRUCTION

Scheduled to begin construction February 2021

COMPLETE CONSTRUCTION

Estimated completion January 2022

Total Project Cost: $5,000,400

*including Contingency, Engineering, Inspection, Survey, & Project Management

BIDDING PROCESS & RESULTS

- Notice Inviting Formal Bids published October 8, 2020 and all bids were due on October 27, 2020

- The City received the bids listed below:

Spiess Construction Co., Inc:	$4,167,000
Caliagua, Inc.:	$4,395,778

- Lowest, responsive bidder: Spiess Construction Co., Inc

- Staff researched and verified all required contractor credentials

PROJECT COST

Base bid	$4,167,000
Contingency (10%)	$416,700
EISPM (10%)	$416,700
TOTAL	**$5,000,400**

FINANCIAL IMPACT

- The total cost for the Aquifer Storage and Recovery (ASR) Completion Project No. 206502 is $5,000,400
- The 2021 Water Revenue Bonds recommended to be issued to pay for this long-lived capital project appear elsewhere on this meeting agenda
- Both this agenda item for the construction contract and the 2021 Water Revenue Bonds agenda item to pay for the construction contract should be considered by City Council in tandem

QUESTIONS?

CITY OF
OXNARD
CALIFORNIA

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

APPOINTMENT ITEMS (5:00 PM)
AGENDA ITEM NO. D.3

DATE: January 25, 2021

TO: City Council
Financing Authority

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

SUBJECT: 2021 Water Revenue Bonds. (15/10/10)

RECOMMENDATION

1. That the City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed $30,000,000, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and

2. That the Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed $30,000,000, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto. (Finance & Governance Committee approved 3-0)

(Presentation will be live upon consultant's request).

BACKGROUND

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

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

DISCUSSION

The FY 2020-25 Adopted Capital Improvement Program (CIP) for the Water Fund contains two long-lived capital projects slated to begin construction this year. The construction contracts for both projects appear as the first two appointment items on the agenda for this meeting. The two CIP projects are the ASR Completion project ($5.000 million project cost) and the Hueneme Road Recycled Water Pipeline Phase II project ($16.457 million project cost).

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

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

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

In addition to this "new money" component of the 2021 Water Revenue Bonds, the bond financing team and City staff recommend taking advantage of low interest rates by simultaneously refunding two previous water bond issues: Series 2010A, $3.6 million outstanding, and Series 2012, $5.9 million outstanding. Detailed savings projections for refunding both bond issues appear on slide 7 of the accompanying PowerPoint presentation. Furthermore, there are economies of scale in costs of issuance by combining the two refundings with the "new money" component of the 2021 Water Revenue Bonds.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

The construction contracts for the two projects recommended to be financed by the 2021 Water Revenue Bonds appear as the first two appointment items on the agenda for this meeting. Both the 2021 Water Revenue Bonds and the construction contracts should be considered by City Council in tandem. This is because it makes sense to authorize the bond issuance only if City Council awards the construction contracts. Similarly, it makes sense to award the construction contracts only if City Council agrees with the staff recommendation on how to pay for them.

As described above, the two projects being financed by the 2021 Water Revenue Bonds serve both growth and the existing ratepayer base. Together, 56 percent of the cost of the two projects is attributable to growth, and 44 percent is for the benefit of the existing water system. Therefore, 56 percent of the debt service for the new-money component of the 2021 bonds will be paid over time by Fund 603 Resource Development Fee, and the remaining 44 percent of debt service will be paid by Fund 601 Water Operating, because the latter is the percentage of the project that benefits existing ratepayers. Both of these funds, 601 and 603, are part of the overall Water Fund as reported in the City's Comprehensive Annual Financial Report each year.

Both funds have the financial capacity to pay their share of the debt service on the proposed 2021 Water Revenue Bonds for at least several years, at current water rates and customer consumption levels, which drive Water Fund revenue. Fund 603 Resource Development Fee has $18.3 million of cash as of November 30, 2020. As of the same date, Fund 601 Water Operating has $29.2 million of cash, which is expected to be spent down at the rate of $5.725 million per year from the current fiscal year through FY 2023-24 on a third Water Fund CIP project -- the Automated Meter Infrastructure Replacement project (page 206 of the FY 2020-25 Adopted CIP document). The Water Fund as a whole is projected to

generate sufficient annual revenue to cover existing and proposed debt service by a factor of around two times for at least the next several years.

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

While the internal allocation of debt service between "growth" and "existing ratepayers" is important for City policy purposes, the capital markets care about the overall health of the Water Fund, not its individual components. Thus, the City's revenue pledge supporting the 2021 Water Revenue Bonds is all ratepayer charges, not just "existing system" or "growth"-related. Municipal bond investors would never consider buying bonds backed solely by growth-related connection fees, resource development fees, AB 1600 development impact fees, or any similar revenue source subject to fluctuations and the vagaries of the economy.

Due to the "wrapping" of debt service for the recommended 2021 Revenue Bonds shown on slide 9 of the accompanying PowerPoint presentation, the actual debt service that Fund 603 Resource Development Fee and Fund 601 Water Operating will combine to pay on the $19.4 million project financing component of the bonds will be "interest only" (meaning, of course, no principal) through FY 2039-40, at an estimated $775,000 per year. Beginning in FY 2040-41 and continuing to final maturity of the bonds in FY 2054-55, Fund 603 Resource Development Fee and Fund 601 Water Operating will combine to pay an estimated $1.75 million annually in debt service, both principal and interest.

For the current fiscal year and next fiscal year only, the two funds will combine to pay $1.56 million and $2.36 million, respectively, for debt service on the 2021 bonds. The debt service totals from FY 2020-21 through FY 2029-30 are higher than for FY 2030-31 through FY 2039-40 because they include the payment of principal and interest on the Series 2010A and Series 2012 bonds being refunded as part of this transaction.

The FY 2020-21 Adopted Budget has sufficient appropriations in the aggregate in the Water Fund to pay the debt service scheduled for the Series 2021 Water Revenue Bonds, but all of the appropriation is in Fund 601 Water Operating. As explained above, growth needs to pay a significant share of the debt service on the 2021 Bonds. This will be done with Fund 603 Resource Development Fee. Therefore, staff will return to City Council with a Budget Appropriation Request for Fund 603 Resource Development Fee as part of the FY 2020-21 Budget Mid-Year Review. The Budget Appropriation Request will involve reducing the appropriation for debt service in Fund 601 Water Operating, and increasing the appropriation for debt service in Fund 603 Resource Development Fee.

Attached are current drafts of the documents related to the bond issue. Exhibit A to each resolution is required by State law and is incorporated by reference into this staff report. As explained at the bottom of page A-1 and the top of page A-2, there is an estimated "Total Payment Amount" (principal plus interest) on the bonds over their 35-year life: $48,628,436. This figure is helpful in illustrating the entire amount that future generations of water ratepayers will pay to service the debt incurred for the two projects from which they will be benefiting.

Also notable among the attachments is the Preliminary Official Statement, which is akin to an offering prospectus for the bonds. Investors and their advisors review and rely on the Preliminary Official Statement for information about the City, the Water Fund, and the 2021 bonds being offered for sale.

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

Also attached is the bond rating report from S&P Global Ratings (once known as Standard & Poor's). S&P has affirmed its existing "A" rating, with a stable outlook, on the City's Water Revenue Bonds. The whole report is worth reading for an independent analysis of the City's water system and its recent financial performance. The report ends bluntly: "Based

on our financial management assessment, we view the water system to be a '4' on a six-point scale, with '1' being the strongest. While financial policies and practices exist in most areas, we view the water system's past insufficient financial performance without timely correction as a significant weakness."

COMMITTEE OUTCOME

The Finance and Governance Committee approved 3-0 on November 10, 2020, to approve the staff recommendation and to forward the item for Council approval.

In the two months since the Committee meeting, however, there have been some updates to the financing, including a $5,000,000 reduction in the not-to-exceed bond par amount authorized by the two resolutions. This reduction is mostly a result of bids for the ASR Completion project and the Hueneme Road Recycled Water Pipeline Phase II project coming in at a combined cost of $3 million less than estimated in November. Secondarily, the reduction is a result of obtaining a bid for a surety reserve policy from a bond insurer, removing the need for the City to fund a $2 million debt service reserve fund for the transaction.

In addition to the reduction in the not-to-exceed bond par amount, the total estimated costs of issuance for the bonds have decreased approximately $100,000 compared with the November estimates. Primarily, this is due to a reduction in the expenses that are a function of the bond par amount due to the lower project costs discussed above.

A secondary factor in the lower estimated costs of issuance is that the City received actual bids for bond insurance and surety reserve policies -- bids that were lower than the conservative estimates made in November.

The third change since November is that the City selected Build America Mutual Assurance Company ("BAM") as the bond insurer after a competitive bid process. BAM's bid was the lowest of the bids received. Due to the nature of the ASR Completion project and the Hueneme Road Recycled Water Pipeline Phase II project, BAM determined that the City's 2021 Water Revenue Bonds are eligible for BAM's GreenStar certification - a testament to the sustainable nature of the City's projects. There is no additional upfront or ongoing cost of having the GreenStar certification and it may be a benefit to the City by increasing demand for the City's bonds from investors focusing on environmental/sustainable bond financings.

Prepared by:

ATTACHMENTS

1. Oxnard 2021 RBs - Resolution of the City-c1-c1
2. Oxnard 2021 RBs - Resolution of the Authority-c1-c1
3. Oxnard 2021 Water Revenue Bonds - Official Statement 4812-8293-6259 v.8
4. Oxnard 2021 RBs - Installment Purchase Agreement-c1-c1
5. Oxnard 2021 RBs - Indenture of Trust-c1-c2
6. Oxnard 2021 RBs - Escrow Deposit and Trust Agreement (2010)-c1-c1
7. Oxnard 2021 RBs - Escrow Deposit and Trust Agreement (2012)-c1-c1
8. Oxnard 2021 Water Bonds - Continuing Disclosure Certificate
9. Bond Purchase Contract - City of Oxnard - 2021 Water Revenue Bonds
10. RatingsDirect_SummaryOxnardFinancingAuthorityCaliforniaWaterSewer_46381159_Nov-03-2020
11. City Council Water Bonds and Refunding Presentation for 1-19-21 Meeting 201228 v.2

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING AN INSTALLMENT PURCHASE AGREEMENT, INDENTURE OF TRUST, A CONTINUING DISCLOSURE AGREEMENT, ESCROW AGREEMENTS, AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE ISSUANCE BY THE CITY OF OXNARD FINANCING AUTHORITY OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $30,000,000, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PREPARATION OF A FINAL OFFICIAL STATEMENT AND OTHER MATTERS PERTAINING THERETO

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

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

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

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

WHEREAS, the City Council has considered financing additional Projects of benefit to the Water System in an amount of $21,900,000 (the "2021 Project");

WHEREAS, the City has determined to finance the 2021 Project and refinance the Prior Bonds through the issuance by the Authority of an aggregate principal amount of bonds in an amount not to exceed $30,000,000 (the "2021 Bonds"), pursuant to an Indenture of Trust to be entered into among the City, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, under the terms of an Installment Purchase Agreement between the City and the Authority (the "Installment Purchase Agreement") the Authority will sell the Prior Projects and the 2021 Project to the City and the City will agree to make installment payments to the Authority; and

WHEREAS, there has been presented to the City Council a form of Bond Purchase Agreement (the "Bond Purchase Agreement") whereby Stifel, Nicolaus & Company, Incorporated (the "Underwriter") will purchase the 2021 Bonds; and

WHEREAS, there has also been presented to the City Council a Preliminary Official statement with respect to the 2021 Bonds and the City Council has determined that said Preliminary Official Statement should be approved, that the Underwriter should be authorized to

distribute said Preliminary Official Statement in connection with the marketing of the 2021 Bonds, and that the preparation of a final Official Statement, based on said Preliminary Official Statement, should be authorized; and

WHEREAS, the 2021 Project will be used, and the proceeds of the Prior Bonds were used, for projects improving sustainable water management and environmentally sustainable management of living natural resource and land use and the 2021 Bonds are to be designated "Green Bonds" by the City and the Authority; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the 2021 Bonds, good faith estimates of (a) the true interest cost of the 2021 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2021 Bonds, (c) the amount of proceeds of the 2021 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds, and (d) the sum total of all debt service payments on the 2021 Bonds calculated to the final maturity of the 2021 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the 2021 Bonds;

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

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the issuance of the 2021 Bonds hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such issuance for the purpose, in the manner and upon the terms herein provided;

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

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

Section 2. Refunding of Prior Bonds and Funding 2021 Project; 2021 Bonds as Green Bonds. The City Council hereby approves the issuance of the 2021 Bonds by the Authority for the refinancing and refunding of all or any portion of the Prior Bonds, and for the purposes of raising new money for the 2021 Project with the proceeds of the 2021 Bonds on the terms and conditions detailed in the documents presented at this meeting. Additionally, the 2021 Bonds shall pay costs incurred in connection with the issuance of the 2021 Bonds, all in accordance with the provisions of this Resolution and the Indenture of Trust as finally executed and delivered. The 2021 Project will be used, and the proceeds of the Prior Bonds were used, for projects improving sustainable water management and environmentally sustainable management of living natural resource and land use and the 2021 Bonds are to be designated "Green Bonds" by the City.

Section 3. Approval of Installment Purchase Agreement. The agreement entitled "Installment Purchase Agreement (Series 2021)" to be entered into by and between the City and the Authority, which provides generally for (i) the sale of the Prior Projects by the City to the Authority, (ii) the acquisition of the 2021 Project by the Authority, (iii) the purchase by the City from the Authority of the Prior Projects and the 2021 Project, and (iv) the payment by the City to the Authority of Installment Payments in amounts which will be sufficient to pay the principal of and interest owing on the 2021 Bonds until the 2021 Bonds are fully paid, is hereby approved and the Mayor, Mayor Pro Tem, the City Manager, Chief Finance Officer and City Clerk (each an "Authorized Representative") are, and each such officer is, authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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

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

Section 6. Approval of Bond Purchase Agreement and Conditions of Approval. The form of Bond Purchase Agreement presented at this meeting is hereby approved and is hereby authorized to accept, for and in the name of the City, such Bond Purchase Agreement in substantially the form hereby approved with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the principal amount of 2021 Bonds of the Authority to be sold pursuant to the Bond Purchase Agreement shall not exceed $30,000,000 and the Underwriter's discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.45% of the principal amount of 2021 Bonds sold.

Section 7. Approval of Preliminary Official Statement. The Preliminary Official Statement presented at this meeting is approved, and the City Manager and the Chief Finance Officer are, and each such officer is, authorized to consent to and assist in the preparation of the Preliminary Official Statement and to deem the information therein final and accurate in all material respects, and the Underwriter is authorized to distribute said Preliminary Official Statement as approved hereby, or as modified with the consent of the City Manager or the Chief Finance Officer, to prospective purchasers of the 2021 Bonds. The City Manager and the Chief Finance Officer are, and each such officer is, authorized to participate in the preparation of the

Final Official Statement, based on the Preliminary Official Statement, and to make such modifications thereto as may be necessary in order to make the discussion therein full and accurate in all material respects and agreed to by Bond Counsel and the Underwriter. The City Manager and the Chief Finance Officer are, and each such officer is, also hereby authorized and directed to deem the Preliminary Official Statement final within the meaning of Rule 15c2 12 of the Securities Exchange Act of 1934 (the "Rule"), omitting only such information as permitted by the Rule and to execute a certificate stating the City's determination that the Preliminary Official Statement has been deemed final within the meaning of the Rule.

Section 8. Continuing Disclosure Agreement. The agreement entitled "Continuing Disclosure Agreement" relating to the 2021 Bonds to be executed by City and the Authority in connection with the issuance of the 2021 Bonds, is hereby approved and any Authorized Representatives authorized and directed to execute, acknowledge and deliver said agreement on behalf of the City in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Other Acts. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance of the 2021 Bonds, the refunding of the Prior Bonds and the financing of the 2021 Project or otherwise to effectuate the purpose of this Resolution, including obtaining bond insurance or other guarantee of the 2021 Bonds, and such actions previously taken by such officers are hereby ratified and confirmed.

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

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

PASSED AND ADOPTED this ___ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

_____
Rose Chapparo, City Clerk

APPROVED AS TO FORM:

_____
Stephen Fischer, City Attorney

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

I, Rose Chapparo, City Clerk of the City of Oxnard, do hereby certify the attached to be a true and correct copy of City of Oxnard, City Council Resolution No. _____, adopted at the Oxnard City Council Meeting held on _____, 2021. The original resolution is on file in the City Clerk's Office at 300 W. Third Street, Oxnard, California 93030.

DATED this ___ day of _____, 2021.

_____
Rose Chapparo
City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2021 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2021 Bonds to be sold is $25,940,000, (the "Estimated Principal Amount").

True Interest Cost of the 2021 Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the 2021 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2021 Bonds, is 3.08%.

Finance Charge of the 2021 Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the 2021 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2021 Bonds), is $469,444.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the City for sale of the 2021 Bonds, less the finance charge of the 2021 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds, is $29,101,482.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the 2021 Bonds, plus the finance charge for the 2021 Bonds, as described above, not paid with the proceeds of the 2021 Bonds, calculated to the final maturity of the 2021 Bonds, is $48,628,436, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of January 4, 2021, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2021 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2021 Bonds being different than the date assumed for purposes of such estimates, (b) the

actual principal amount of 2021 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2021 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2021 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2021 Bonds and the actual principal amount of the 2021 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2021 Bonds and other factors. The actual interest rates borne by the 2021 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2021 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the City, or the Municipal Advisor.

BOARD OF DIRECTORS OF
THE CITY OF OXNARD FINANCING AUTHORITY

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF CITY OF OXNARD FINANCING AUTHORITY APPROVING AN INSTALLMENT PURCHASE AGREEMENT, INDENTURE OF TRUST, A CONTINUING DISCLOSURE AGREEMENT, ESCROW AGREEMENTS, AND A BOND PURCHASE AGREEMENT WITH RESPECT TO THE ISSUANCE OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $30,000,000, APPOINTING A TRUSTEE, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PREPARATION OF A FINAL OFFICIAL STATEMENT AND OTHER MATTERS PERTAINING THERETO

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

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

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

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

WHEREAS, the City Council has considered financing additional Projects of benefit to the Water System in an amount of $21,900,000 (the "2021 Project");

WHEREAS, the City has determined to finance the 2021 Project and refinance the Prior Bonds through the issuance by the Authority of an aggregate principal amount of bonds in an amount not to exceed $30,000,000 (the "2021 Bonds"), pursuant to an Indenture of Trust to be entered into among the City, the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"); and

WHEREAS, under the terms of an Installment Purchase Agreement between the City and the Authority (the "Installment Purchase Agreement") the Authority will sell the Prior Projects and the 2021 Project to the City and the City will agree to make installment payments to the Authority; and

WHEREAS, there has been presented to the City Council a form of Bond Purchase Agreement (the "Bond Purchase Agreement") whereby Stifel, Nicolaus & Company, Incorporated (the "Underwriter") will purchase the 2021 Bonds; and

WHEREAS, there has also been presented to the Board of Directors a Preliminary Official Statement with respect to the 2021 Bonds and the Board of Directors has determined

that said Preliminary Official Statement should be approved, that the Underwriter should be authorized to distribute said Preliminary Official Statement in connection with the marketing of the 2021 Bonds, and that the preparation of a final Official Statement, based on said Preliminary Official Statement, should be authorized; and

WHEREAS, the 2021 Project will be used, and the proceeds of the Prior Bonds were used, for projects improving sustainable water management and environmentally sustainable management of living natural resource and land use and the 2021 Bonds are to be designated "Green Bonds" by the City and the Authority; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the 2021 Bonds, good faith estimates of (a) the true interest cost of the 2021 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2021 Bonds, (c) the amount of proceeds of the 2021 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds, and (d) the sum total of all debt service payments on the 2021 Bonds calculated to the final maturity of the 2021 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the 2021 Bonds;

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

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the issuance of the 2021 Bonds hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such issuance for the purpose, in the manner and upon the terms herein provided;

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

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

Section 2. Refunding of Prior Bonds and Funding 2021 Project; 2021 Bonds as Green Bonds. The Board of Directors hereby approves the issuance of the 2021 Bonds for the refinancing and refunding of all or any portion of the Prior Bonds, and for the purposes of raising new money for the 2021 Project with the proceeds of the 2021 Bonds on the terms and conditions detailed in the documents presented at this meeting. Additionally, the 2021 Bonds shall pay costs incurred in connection with the issuance of the 2021 Bonds, all in accordance with the provisions of this Resolution and the Indenture of Trust as finally executed and delivered. The 2021 Project will be used, and the proceeds of the Prior Bonds were used, for projects improving sustainable water management and environmentally sustainable management

of living natural resource and land use and the 2021 Bonds are to be designated "Green Bonds" by the Authority.

Section 3. Approval of Installment Purchase Agreement. The agreement entitled "Installment Purchase Agreement (Series 2021)" to be entered into by and between the City and the Authority, which provides generally for (i) the sale of the Prior Projects by the City to the Authority, (ii) the acquisition of the 2021 Project by the Authority, (iii) the purchase by the City from the Authority of the Prior Projects and the 2021 Project, and (iv) the payment by the City to the Authority of Installment Payments in amounts which will be sufficient to pay the principal of and interest owing on the 2021 Bonds until the 2021 Bonds are fully paid, is hereby approved and the Chair, Vice-Chair, the Executive Director, Chief Financial Officer and Secretary of the Board of Directors (each an "Authorized Representative") are, and each such officer is, authorized and directed to execute, acknowledge and deliver said agreement on behalf of the Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

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

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

Section 6. Approval of Bond Purchase Agreement and Conditions of Approval. The form of Bond Purchase Agreement presented at this meeting is hereby approved and is hereby authorized to accept, for and in the name of the Authority, such Bond Purchase Agreement in substantially the form hereby approved with such changes therein as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the principal amount of 2021 Bonds to be sold pursuant to the Bond Purchase Agreement shall not exceed $30,000,000 and the Underwriter's discount or fee (not including any original issue discount or premium on the bonds) shall not exceed 0.45% of the principal amount of 2021 Bonds sold.

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

Section 8. Forms of Bonds. The forms of the 2021 Bonds set forth in Indenture of Trust are approved, and the Trustee is authorized to authenticate the 2021 Bonds and to apply, deposit, invest, administer and utilize the proceeds Authorized Representative is authorized to determine the final aggregate principal amount of the 2021 Bonds to be purchased by the Underwriter and the final maturity date of the 2021 Bonds based on the determination of the Executive Director or Chief Financial Officer of the amount needed to refinance the Prior Projects, finance the 2021 Project, achieve the City's financing objectives, and to pay Costs of Issuance, as defined and specified in the Indenture of Trust.

Section 9. Approval of Preliminary Official Statement. The Preliminary Official Statement presented at this meeting is approved, and the Executive Director and the Chief Financial Officer are, and each such officer is, authorized to consent to and assist in the preparation of the Preliminary Official Statement and to deem the information therein final and accurate in all material respects, and the Underwriter is authorized to distribute said Preliminary Official Statement as approved hereby, or as modified with the consent of the Executive Director or the Chief Financial Officer, to prospective purchasers of the 2021 Bonds. The Executive Director and the Chief Financial Officer are, and each such officer is, authorized to participate in the preparation of the Final Official Statement, based on the Preliminary Official Statement, and to make such modifications thereto as may be necessary in order to make the discussion therein full and accurate in all material respects and agreed to by Bond Counsel to the Authority and the Underwriter. The Executive Director and the Chief Financial Officer are, and each such officer is, also hereby authorized and directed to deem the Preliminary Official Statement final within the meaning of Rule 15c2 12 of the Securities Exchange Act of 1934 (the "Rule"), omitting only such information as permitted by the Rule and to execute a certificate stating the Authority's determination that the Preliminary Official Statement has been deemed final within the meaning of the Rule.

Section 10. Continuing Disclosure Agreement. The agreement entitled "Continuing Disclosure Agreement" relating to the 2021 Bonds to be executed by City and the Authority in connection with the issuance of the 2021 Bonds, is hereby approved and any Authorized Representatives authorized and directed to execute, acknowledge and deliver said agreement on behalf of Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. Other Acts. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance of the 2021 Bonds, the refunding of the Prior Bonds and the financing of the 2021 Project or otherwise to effectuate the purpose of this Resolution, including obtaining bond insurance or other guarantee of the 2021 Bonds, and such actions previously taken by such officers are hereby ratified and confirmed.

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

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

PASSED AND ADOPTED this ___ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Chairman

ATTEST:

_____
Rose Chapparo, Secretary

APPROVED AS TO FORM:

_____
Stephen Fischer, Authority Counsel

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

I, Rose Chapparo, Secretary of the City of Oxnard Financing Authority, do hereby certify the attached to be a true and correct copy of City of Oxnard Financing Authority Resolution No. _____, adopted at the Oxnard City Council Meeting held on _____, 2021. The original resolution is on file in the City Clerk's Office at 300 W. Third Street, Oxnard, California 93030.

DATED this ___ day of _____, 2021.

_____
Rose Chapparo
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2021 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2021 Bonds to be sold is $25,940,000, (the "Estimated Principal Amount").

True Interest Cost of the 2021 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the 2021 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2021 Bonds, is 3.08%.

Finance Charge of the 2021 Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the 2021 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2021 Bonds), is $469,444.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the 2021 Bonds, less the finance charge of the 2021 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds, is $29,101,482.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2021 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the 2021 Bonds, plus the finance charge for the 2021 Bonds, as described above, not paid with the proceeds of the 2021 Bonds, calculated to the final maturity of the 2021 Bonds, is $48,628,436, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of January 4, 2021, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2021 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of

the 2021 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2021 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2021 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2021 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the 2021 Bonds and the actual principal amount of the 2021 Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the 2021 Bonds and other factors. The actual interest rates borne by the 2021 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2021 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the Authority, or the Municipal Advisor.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the 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.

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY ___, 2021

NEW ISSUE – FULL BOOK-ENTRY

UNDERLYING RATING S&P: "A"
INSURED RATING S&P: "AA"

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject to certain qualifications described herein, under existing statutes, regulations, rules and court decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum taxes. In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$_____*
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

Dated: Date of Delivery

Due: June 1, as shown on inside cover

Authority for Issuance. The City of Oxnard Financing Authority (the "Authority") Water Revenue Bonds, Series 2021A (the "2021 Bonds") are being issued pursuant to the Constitution and the laws of the State of California (the "State"), including the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Bond Law"), and an Indenture of Trust, dated as of March 1, 2021 (the "Indenture") by and among the Authority, the City and Wells Fargo Bank, National Association, as trustee for the 2021 Bonds (the "Trustee").

Use of Proceeds. The 2021 Bonds are being issued to provide funds to (i) finance certain capital improvements to the City's water system (the "Water System"), (ii) refund all of the City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the "2010 Bonds"), (iii) refund all of the City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the "2012 Bonds," and, together with the 2010 Bonds the "Refunded Bonds"), (iv) purchase a municipal bond insurance policy and a debt service reserve surety for the 2021 Bonds, and (iv) pay the costs of issuing the 2021 Bonds. See "FINANCING PLAN."

Security for the 2021 Bonds. The 2021 Bonds are payable from Revenues consisting primarily of installment payments (the "Installment Payments") payable by the City to the Authority under an Installment Purchase Agreement dated as of March 1, 2021 (the "Installment Purchase Agreement") and amounts on deposit in certain funds and accounts established by the Installment Purchase Agreement and the Indenture. The obligation of the City to make Installment Payments under the Installment Purchase Agreement is a special obligation of the City payable solely from and secured by a pledge of Net Water System Revenues on parity with $150,024,023 the Existing Additional Obligations (as defined in this Official Statement) that will be outstanding upon the issuance of the 2021 Bonds. Net Water System Revenues are defined generally as gross revenues received from the Water System, less maintenance and operation costs of the Water System. See "SECURITY FOR THE 2021 BONDS."

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

Redemption. The 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "THE 2021 BONDS – Redemption."

Bond Insurance. The scheduled payment of principal of and interest on a portion, or all, of the 2021 Bonds (such maturities insured to be specified in the final Official Statement) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2021 Bonds by Build America Mutual Assurance Company (the "Insurer"). See "BOND INSURANCE" herein.

Reserve Policy. The Reserve Fund will be funded by the purchase of a municipal bond debt service reserve insurance policy relating to the 2021 Bonds (the "Reserve Policy") to be issued concurrently with the delivery of the 2021 Bonds by the Insurer.

[INSERT INSURER LOGO]

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM INSTALLMENT PAYMENTS MADE BY THE CITY AND CERTAIN MONEYS HELD UNDER THE INDENTURE. THE 2021 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE

OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF 2021 BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2021 BONDS.

The 2021 Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Best Best & Krieger LLP, Riverside, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney, and for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, as Underwriter's counsel. It is anticipated that the 2021 Bonds will be delivered in definitive form through DTC on or about March ___, 2021.

STIFEL

The date of this Official Statement is: February __, 2021.

_____
* Preliminary; subject to change.

$_____*
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

MATURITY SCHEDULE

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[1]

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

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

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* Preliminary; subject to change.

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CITY OF OXNARD
CITY OF OXNARD FINANCING AUTHORITY

MAYOR AND CITY COUNCIL

John C. Zaragoza, *Mayor*
Bryan A. MacDonald, *Mayor Pro Tem, District 4*
Bert E. Perello, *Councilmember, District 1*
Vacant, *Councilmember, District 2*
Oscar Madrigal, *Councilmember, District 3*
Gabriela Basua, *Councilwoman, District 5*
Vianey Lopez, *Councilmember, District 6*

CITY OFFICIALS

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

MUNICIPAL ADVISOR
NHA Advisors, LLC
San Rafael, California

BOND COUNSEL
Best Best & Krieger LLP
Riverside, California

DISCLOSURE COUNSEL
Nixon Peabody LLP
Los Angeles, California

TRUSTEE
Wells Fargo Bank, National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Authority or the City to give any information or to make any representations in connection with the offer or sale of the 2021 Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2021 Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. This Official Statement has been deemed final, as of its date, by the Authority and the City for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

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

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking" statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the City in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the City with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

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

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2021 Bonds or the advisability of investing in the 2021 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The issuance and sale of the 2021 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

While the City maintains an internet website for various purposes, the information provided on that website is not incorporated by reference as part of this Official Statement and none of the information on that website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the 2021 Bonds or any other bonds or obligations of the City.

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OFFICIAL STATEMENT

$_____*
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2021 Bonds to potential investors is made only by means of the entire Official Statement.

City of Oxnard. The City of Oxnard (the "City") is located in western Ventura County (the "County") on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the largest city in the County, with a population estimated at 206,352 in 2020, accounting for over 24% of the County's population. The City has a diversified economic base composed of agriculture and related business, retail, manufacturing, tourism, various services, and governmental agencies.

The City was incorporated as a general law city on June 30, 1903 and operates under a council-manager form of government. The term of office for all of the City's elected officials is four years. Municipal elections are held every two years for three City Council positions, and for Mayor every four years. All six Councilmembers are elected by district, but the Mayor is elected at large. The City Treasurer, who is also elected Citywide, invests idle cash and manages the City's investment portfolio. The City Clerk, also elected Citywide, manages the City Council and Committee meeting agenda process, official records, and elections.

Authority for Issuance. The 2021 Bonds are authorized pursuant to the Constitution and the laws of the State of California (the "State"), including the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code, as amended (the "Bond Law"), and an Indenture of Trust, dated as of March 1, 2021 (the "Indenture"), by and among the City of Oxnard Financing Authority (the "Authority"), the City and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Form of 2021 Bonds. The 2021 Bonds will be dated their date of delivery and will be issued in fully registered form, without coupons, in the minimum denominations of $5,000 or any integral multiple thereof. See "THE 2021 BONDS – General Provisions." When delivered, the 2021 Bonds will be registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. DTC will act as securities depository for the 2021 Bonds. Individual purchases of 2021 Bonds will be made in book-entry form only in the principal amount of $5,000 each or any integral multiple thereof. Purchasers of the 2021 Bonds will not receive certificates representing the 2021 Bonds purchased. See "THE 2021

* Preliminary, subject to change.

BONDS - Book-Entry Only System" and "APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purpose of the 2021 Bonds. The 2021 Bonds are being issued to provide funds to (i) finance certain capital improvements to the City's water system (the "Water System"), (ii) refund all of the City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the "2010 Bonds"), (iii) refund all of the City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the "2012 Bonds," and, together with the 2010 Bonds the "Refunded Bonds"), (iv) purchase a municipal bond insurance policy and a debt service reserve surety for the 2021 Bonds, and (v) pay the costs of issuing the 2021 Bonds. See "FINANCING PLAN."

Pledge of Revenues/Net Water System Revenues. The 2021 Bonds are payable from revenues (as further described in this Official Statement, the "Revenues") consisting of Installment Payments (the "Installment Payments") to be made by the City to the Authority under an Installment Purchase Agreement, dated as of March 1, 2021 (the "Installment Purchase Agreement"), between the City and the Authority and amounts on deposit in certain funds and accounts established under the Indenture.

The City's obligation to make Installment Payments under the Installment Purchase Agreement is a special obligation of the City payable solely from and secured by a pledge of Net Water System Revenues of the City's water system (the "Water System"). "Net Water System Revenues" are generally defined as "Water System Revenues" received from the Water System, less the amount of Maintenance and Operation Costs becoming payable in such period. See "SECURITY FOR THE 2021 BONDS – Pledge of Net Water System Revenues" and "WATER SYSTEM."

Existing Additional Obligations. The Installment Payments are payable from and secured by a first pledge of and lien on Net Water System Revenues on a parity with certain obligations of the City of Oxnard Financing Authority Water Revenue Project Bonds, Series 2010B (Federally Taxable Build America Bonds), the City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2014, and the City of Oxnard Water Revenue Refunding Bonds, Series 2018. See "SECURITY FOR THE 2021 BONDS – Existing Additional Obligations."

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

See "SECURITY FOR THE 2021 BONDS – Rate Covenants." See APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" for definitions of defined terms used herein.

Bond Insurance. The scheduled payment of principal of and interest on a portion, or all, of the 2021 Bonds (such maturities insured to be specified in the final Official Statement) when due will be guaranteed under a municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the 2021 Bonds by Build America Mutual Assurance Company (the "Insurer"). See "BOND INSURANCE" herein.

Reserve Fund. A Reserve Fund (the "Reserve Fund") will be established under the Indenture for the 2021 Bonds in an amount equal to the Reserve Requirement. The "Reserve Requirement" means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the 2021 Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the 2021 Bonds); (ii) 125% of average Annual Debt Service on the 2021 Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the 2021 Bonds.

The Authority will satisfy the Reserve Requirement with respect to the 2021 Bonds by depositing the Reserve Policy in the Reserve Fund. "Reserve Policy" means the municipal bond debt service reserve insurance policy relating to the 2021 Bonds issued by the Insurer.

Issuance of Additional Obligations. The Authority covenants in the Indenture that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues, in whole or in part. The City may issue or incur additional obligations and bonds on a parity with or subordinate to the Installment Payments, provided that the conditions set forth in the Installment Purchase Agreement are met. See "SECURITY FOR THE 2021 BONDS - Additional Obligations."

Payment. Principal of the 2021 Bonds will be payable in each of the years and in the amounts set forth on the cover page hereof at the office of the Trustee. Interest on the 2021 Bonds will be paid by check or draft of the Trustee mailed by first class mail to the person entitled thereto. See "THE 2021 BONDS – General Provisions." Initially, interest on and principal and premium, if any, of the 2021 Bonds will be payable when due by wire of the Trustee to the Depository DTC which will in turn remit such interest, principal and premium, if any, to DTC Participants (as defined herein), which will in turn remit such interest, principal and premium, if any, to Beneficial Owners (as defined herein) of the 2021 Bonds. See "THE 2021 BONDS - Book-Entry Only System" and "APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates. See "THE 2021 BONDS – Redemption."

Risks of Investment. The 2021 Bonds are repayable only from certain money available to the City from its Water System. For a discussion of some of the risks associated with the purchase of the 2021 Bonds, see "BOND OWNERS' RISKS."

THE 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM INSTALLMENT PAYMENTS MADE BY THE CITY AND CERTAIN MONEYS HELD UNDER THE INDENTURE. THE 2021 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

FINANCING PLAN

Proceeds of the 2021 Bonds are expected to be used to finance the Hueneme Road Project and the Aquifer Storage and Recovery ("ASR") Project. The Hueneme Road Project will allow delivery of recycled water for agricultural uses. The ASR Project will allow recycled water to be injected into a local groundwater aquifer for groundwater recharge. The water recovered from the ASR wells will then be blended with City drinking water sources and delivered as potable water. See "THE WATER SYSTEM—Capital Improvement Plan," for additional information related to the Hueneme Road Project and the ASR Project.

The Authority previously issued its Water Revenue Project Bonds Series 2010A (the "2010 Bonds"), of which $3,635,000 are currently outstanding, and its Water Revenue Refunding Bonds Series 2012 (the "2012 Bonds," and, together with the 2010 Bonds, the "Refunded Bonds"), of which $5,925,000 are currently outstanding.

The Authority, the City and Wells Fargo Bank, National Association (the "Escrow Agent") have entered into separate Escrow Deposit and Trust Agreements (the "Escrow Agreements") with respect to the Refunded Bonds. Pursuant to the Escrow Agreements, the Escrow Agent will establish escrow funds (each, an "Escrow Fund"), in connection the defeasance, payment and redemption for the Refunded Bonds to be redeemed or paid after the 2021 Bonds issuance date. A portion of the proceeds from the sale of 2021 Bonds, together with certain moneys to be released from certain funds and accounts maintained under respective indentures for each such Refunded Bonds, will be deposited into the applicable Escrow Fund.

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

Pending disbursement, the moneys deposited in the Escrow Funds will be held in federal securities and in cash. Moneys held in each Escrow Fund will be held solely for the benefit of the holders of the related Refunded Bonds and will not serve as security nor be available for payment on the 2021 Bonds.

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

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2021 Bonds are as follows:

Sources:	
Principal Amount of 2021 Bonds	$
Original Issue Premium/Discount	
TOTAL SOURCES	$
Uses:	
Deposit to Acquisition and Construction Fund	$
Deposit to 2010 Escrow Fund	
Deposit to 2012 Escrow Fund	
Deposit to Costs of Issuance Fund[1]	
TOTAL USES	$

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

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DEBT SERVICE SCHEDULE

Annualized debt service on the 2021 Bonds assuming no optional redemption is presented below.

Bond Year Ending June 1	Principal	Interest	Total Debt Service
Total:			

Annualized debt service on the 2021 Bonds and Existing Additional Obligations is presented below.

Bond Year Ending June 1	2010B Bonds[1]	2014 Bonds	2018 Bonds	2021 Bonds	Total
2021	$5,786,172.66	$2,532,799.88	$3,053,412.50	$	$
2022	5,786,172.66	2,531,300.24	3,055,162.50		
2023	7,756,172.66	2,531,049.94	3,048,912.50		
2024	7,711,838.36	2,531,800.18	3,054,912.50		
2025	7,661,366.96	2,528,300.74	3,057,412.50		
2026	7,604,758.46	2,530,550.28	3,056,412.50		
2027	7,557,012.86	2,533,050.18	3,051,912.50		
2028	7,497,107.30	2,530,550.20	3,053,912.50		
2029	7,440,382.76	2,533,050.46	3,051,912.50		
2030	7,381,157.30	2,530,050.38	3,055,912.50		
2031	7,314,090.00	2,531,550.46	3,860,412.50		
2032	7,249,710.00	2,532,049.86	3,860,162.50		
2033	7,181,830.00	2,531,300.24	3,858,162.50		
2034	7,105,110.00	2,529,050.68	3,864,162.50		
2035	7,034,550.00	–	6,882,412.50		
2036	6,954,130.00	–	6,886,912.50		
2037	14,133,850.00	–	–		
2038	13,867,600.00	–	–		
2039	13,586,700.00	–	–		
2040	13,294,750.00	–	–		
2041	–	–	–		
2042	–	–	–		
2043	–	–	–		
2044	–	–	–		
2045	–	–	–		
2046	–	–	–		
2047	–	–	–		
2048	–	–	–		
2049	–	–	–		
2050	–	–	–		
2051	–	–	–		
2052	–	–	–		
2053	–	–	–		
2054	–	–	–		
2055	–	–	–		
Total:	**$169,904,461.98**	**$35,436,453.72**	**$59,752,100.00**	**$**	**$**

[1] Under the indenture relating to the 2010B Bonds, the Authority receives an interest payment subsidy from the federal government and deposits the amounts received in the bond fund for the payment of interest on the 2010B Bonds. As a result, the installment payments due under the installment purchase agreement relating to the 2010B Bonds are reduced by the amount representing the interest payment subsidy so deposited. The amount of such subsidy is expected to be approximately $2 million annually.

THE 2021 BONDS

General Provisions

Bond Terms. The 2021 Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of $5,000 or any integral multiple of $5,000, so long as no Bond has more than one maturity date. The 2021 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

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

If there exists a default in payment of interest due on any Interest Payment Date, interest will be payable on a payment date established by the Trustee to the persons in whose names the 2021 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2021 Bonds not less than 15 days preceding such special record date.

Principal of and premium (if any) on any 2021 Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2021 Bonds will be payable in lawful money of the United States of America.

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

Redemption

Optional Redemption. The 2021 Bonds maturing on or before June 1, 20___ will not be subject to optional redemption prior to maturity. The 2021 Bonds maturing on June 1, 20___ will be subject to optional redemption prior to their maturity date, at the option of the Authority, by lot within a maturity on any date on or after June 1, 20___, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the 2021 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Account Redemption. The 2021 Bonds maturing on June 1, 20___ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20___, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables;

provided, however, that if some but not all of such 2021 Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2021 Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of $5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
2021 Term Bonds Maturing June 1, 20___

Redemption Date (June 1)	Principal Amount

The 2021 Bonds maturing on June 1, 20___ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, 20___, in part by lot, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such 2021 Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2021 Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of $5,000. The City will provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Account Redemptions
2021 Term Bonds Maturing June 1, 20___

Redemption Date (June 1)	Principal Amount

Selection of 2021 Bonds for Redemption. Whenever provision is made for the special mandatory redemption or optional redemption of 2021 Bonds of more than one maturity, the 2021 Bonds to be redeemed will be selected among series of 2021 Bonds in a manner determined in writing by the Authority and in inverse order of maturity or, at the election of the Authority evidenced by a Written Request of the Authority filed with the Trustee at least sixty (60) days prior to the date of redemption, on a pro rata basis among maturities (provided that, in any event, the principal and interest due on the 2021 Bonds Outstanding following such redemption will be equal in time and amount to the unpaid payments due under the respective Installment Purchase Agreement); and in each case, the Trustee will select the 2021 Bonds to be redeemed within any maturity by lot in any manner which the Trustee in its sole discretion will deem appropriate. For purposes of such selection, all 2021 Bonds will be deemed to be comprised of separate

$5,000 portions and such portions will be treated as separate 2021 Bonds which may be separately redeemed.

Notice of Redemption. The Trustee on behalf and at the expense of the Authority will send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to: (i) the respective Owners of any 2021 Bonds designated for redemption, at least twenty (20) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to one or more Information Services, at least twenty (20) but not more than sixty (60) days prior to the redemption; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2021 Bonds or the cessation of the accrual of interest thereon. In addition to mailed notice, the notice to the Securities Depositories and Information Service will be given by telephonically confirmed facsimile transmission or overnight delivery service or by such other means approved by such institutions. Such notice will state the series of 2021 Bonds to be redeemed, the date of the notice, the redemption date, the redemption place and the redemption price and will designate the CUSIP numbers, the bond numbers and the maturity or maturities (in the event of redemption of all of the 2021 Bonds of such maturity or maturities in whole) of the 2021 Bonds to be redeemed, and will require that such 2021 Bonds be then surrendered at the Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Neither the Authority nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee will be liable for any inaccuracy in such numbers.

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

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the 2021 Bonds so called for redemption will have been duly provided, such 2021 Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in such notice. All 2021 Bonds redeemed pursuant to the Indenture will be canceled and will be destroyed by the Trustee.

Book-Entry Only System

The 2021 Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of $5,000 or any integral multiple of $5,000, under the book-entry system maintained by DTC. While the 2021 Bonds are subject to the book-entry system, the principal, interest and any prepayment premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the 2021 Bonds. Purchasers of the 2021 Bonds will not receive certificates representing their interests therein, which will be held at DTC.

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.3 million, $158.1 million and $347.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

BAM GreenStar Bonds

The Bonds have been designated BAM GreenStar Bonds because BAM has determined that the use of bond proceeds by the City as described in this Official Statement and in any additional information obtained by BAM aligns with one of the Green Bond Principles ("GBPs") developed by the International Capital Markets Association ("ICMA"). The GBPs were developed by the ICMA with the goal of establishing universally accepted guidelines for the issuance of green bonds, and one of the key requirements addresses the use of proceeds. BAM has been identified by the ICMA as an observer organization that is active in the field of green and/or social or sustainability finance and as a Climate Bond Initiative approved verifier. The GreenStar Credit Profile prepared by BAM for the Bonds will identify which of the following GBP categories applies to the Bonds:

- renewable energy
- energy efficiency
- pollution prevention and control
- environmentally sustainable management of living natural resources and land use
- terrestrial and aquatic biodiversity
- clean transportation
- climate change adaptation
- sustainable water and wastewater management
- green buildings

Each of the GBPs correlates to one of the following UN Sustainable Development Goals which will also be included in the GreenStar Credit Profile for the Bonds:

- clean water and sanitation
- affordable and clean energy
- sustainable cities and communities
- industry innovation and infrastructure
- responsible consumption and production
- climate action
- life below water
- life on land

The City makes no representation regarding the applicability of or suitability of the GreenStar designation. The term "GreenStar" is neither defined in, nor related to, the security documents relating to the Bonds. The GreenStar designation is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described in this official

statement. The City is under no contractual or other legal obligation to ensure compliance with any legal or other principles relating to "GreenStar" designation. The City has made no commitment to provide ongoing reporting or information regarding the designation or compliance with the GBPs.

The BAM GreenStar designation is based upon an assessment by BAM at the time of the issuance of the Bonds and such designation by BAM reflects only the views of BAM. BAM does not charge a fee in connection with the designation, does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. The designation is provided on an "AS IS" basis and is based on BAM's own investigation, studies, assumptions, and criteria using its reasonable best efforts. In issuing its GreenStar designation, BAM has assumed and relied upon the accuracy and completeness of the information made publicly available by the City or that was otherwise made available to BAM. BAM makes no representation or warranty, express or implied, including, but not limited to, the accuracy, results, timeliness, completeness, merchantability or fitness for any particular purpose with respect to the designation. A complete description of BAM GreenStar, and its limitations and terms of use, are available on BAM's website https://buildamerica.com/greenstar and https://buildamerica.com/terms-of-use and incorporated herein by reference. The BAM GreenStar designation is determined solely by BAM; it has not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for such designation.

BAM's GreenStar designation does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds and is not a recommendation to any person to purchase, hold, or sell the Bonds. Such labeling does not address the market price, marketability or suitability of these Bonds for a particular investor. There is no assurance that the designation will be retained for any given period of time or that the designation will not be revised, suspended, or withdrawn by BAM if, in its judgment, circumstances so warrant.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are

statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

SECURITY FOR THE 2021 BONDS

General

The 2021 Bonds are special obligations of the Authority and will be payable from and secured by Revenues, consisting primarily of Installment Payments to be made by the City under the Installment Purchase Agreement. Neither the faith and credit of the Authority, the City, the State of California or any political subdivision thereof nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Installment Payments or the principal or redemption price of or interest on the 2021 Bonds. The Authority has no taxing power. Neither the payment of the principal of or interest on the 2021 Bonds nor the obligation of the City to make Installment Payments under the Installment Purchase Agreement constitutes a debt of the City, the Authority, the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Security Under the Indenture

Installment Payments. Under the Indenture, the Authority irrevocably transfers and assigns over to the Trustee all of the Installment Payments received by the Authority under the Installment Purchase Agreement and any and all rights it has to enforce the obligations of the City under the Installment Purchase Agreement. The Installment Payments received by the Trustee and all money in the other funds or accounts established under the Indenture are irrevocably pledged by the Authority to the punctual payment of the respective 2021 Bonds. The Revenues and such other funds and accounts are not permitted to be used for any other purpose while any of the 2021 Bonds remain Outstanding, subject to the provisions of the Indenture permitting the application of those moneys for other specified purposes. The Indenture provide that this pledge constitutes a first lien on the Revenues and such other money for the payment of the 2021 Bonds.

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

(a) Bond Payment Fund. The Trustee will withdraw from the Revenue Fund and deposit in the Bond Payment Fund on or before each Interest Payment Date, so long as any 2021 Bonds remain outstanding under the Indenture, an amount, which, together with other available amounts in the Bond Payment Fund is at least equal to the sum of (i) the aggregate amount of principal of and interest coming due and payable on the 2021 Bonds on such Interest Payment Date, and (ii) the redemption price of the Term Bonds coming due and

payable on such Interest Payment Date by operation of mandatory sinking fund redemption.

(b) Reserve Fund. If the amount on deposit in the Reserve Fund at any time falls below the Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the Revenue Fund, and (ii) transfer such amount to the Reserve Fund. No deposit needs to be made in the Reserve Fund so long as the balance therein at least equals the Reserve Requirement.

(c) Redemption Fund**.** The Trustee will deposit into the Redemption Fund all amounts required to redeem any 2021 Bonds which are subject to special mandatory and optional redemption when and as such amounts become available. Amounts in the Redemption Fund will be applied by the Trustee solely for the purpose of paying the redemption price of Bonds to be redeemed pursuant to special mandatory and optional redemption.

Pledge of Net Water System Revenues

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

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

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

"Maintenance and Operation Costs" means (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including, but not limited, to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or

charges (other than debt service payments) required to be paid by it to comply with the terms of the City Bonds, or any other Contract, other than Debt Service, or of any resolution or indenture authorizing the issuance of any City Bonds or Contract, and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

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

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

Bond Payment Fund. On or before each Installment Payment Date until the 2021 Bonds have been paid or provision for their payment has been made as provided in the Indenture, the City will, from the moneys in the Water Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund the Installment Payment due and payable on that Installment Payment Date. Such deposit to the Bond Payment Fund will be reduced to the extent amounts on deposit therein are available for application to the Installment Payment due and payable on such Installment Payment Date.

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

Reserve Fund. On or before each Installment Payment Date until the 2021 Bonds have been paid, or provision for their payment has been made as provided in the Indenture, the City will, from the remaining moneys in the Revenue Fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee or other fiduciary for deposit in any reserve fund and/or account as may have been established in connection with Bonds or Contracts, other than the Installment Purchase Agreement, that sum, if any, necessary to restore such reserve funds or accounts to an amount equal to the amount required to be maintained therein.

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

Existing Additional Obligations

The Authority previously issued its Water Revenue Project Bonds, Series 2010B (Federally Taxable Build America Bonds) (the "2010B Bonds"), of which $83,670,000 are currently outstanding, and Water Revenue Refunding Bonds, Series 2014 (the "Prior Authority Bonds"), of which $27,094,023 are currently outstanding, and the City previously issued its Water Revenue Refunding Bonds, Series 2018 (the 2018 Bonds"), of which $39,260,000 are currently outstanding. The Prior Authority Bonds are secured by installment payments payable by the City under their respective installment purchase agreements (along with the 2018 Bonds, the "Existing Additional Obligations"). Such installment payments as well as the

debt service on the 2018 Bonds are secured by Net Water System Revenues on a parity with the Installment Payments.

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

Reserve Fund

A Reserve Fund will be established under the Indenture in an amount equal to the Reserve Requirement. "Reserve Requirement" means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the 2021 Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the 2021 Bonds); (ii) 125% of average Annual Debt Service on the 2021 Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the 2021 Bonds.

The Authority will satisfy the Reserve Requirement with respect to the 2021 Bonds by depositing the municipal bond debt service reserve insurance policy relating to the 2021 Bonds issued by BAM (the "Reserve Policy") in the Reserve Fund in accordance with the Indenture.

The Authority is not obligated to replace the Reserve Policy or to fund the Reserve Fund with cash if, at any time that the 2021 Bonds are Outstanding, amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy.

Rate Covenants

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

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

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

Additional Obligations

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

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

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

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

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

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

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

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

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

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

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

THE AUTHORITY

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

THE WATER SYSTEM

General

The Water System provides water service to 42,804 accounts within the City, of which 36,645 are residential.

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

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

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

Management

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

City Manager. Mr. Alexander Nguyen was appointed City Manager in July 2018. Mr. Nguyen came to the City with 20 years of municipal experience from the cities of Oakland, Alameda and Riverside. In Oakland, he served two years as Chief of Staff for a City Council office and 11 years as Chief of Staff

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

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

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

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

Assistant Chief Financial Officer. Donna Ventura was appointed Assistant Chief Financial Officer in January 2019. Ms. Ventura came to the City with over 30 years of private sector experience, including nineteen years with Amgen, Inc. in various leadership roles within Finance and Strategy, Tax Reporting, Financial Planning and Analysis, Project Management and Strategic Operations. Ms. Ventura also worked at KPMG, LLP, one of the nation's "Big Four" auditing firms and is a licensed certified public accountant in California.

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

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

Employees and Employee Benefits

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

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

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

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

Service Area and Customers

As of June 30, 2020 there were 42,804 water accounts, of which 36,645 are residential. The following table summarizes the water accounts for the previous five years.

Table 1
WATER SYSTEM
ACTIVE SERVICE ACCOUNTS

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

Source: City of Oxnard

Water Supply

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

Calleguas Municipal Water District. CMWD receives from the Metropolitan Water District of Southern California ("MWD") water brought south by the State Water Project. CMWD wholesales water directly to various cities throughout Ventura County including the City. CMWD supplies 40 to 50 percent of the City's total demand. The City expects acquisition costs for CMWD water to be $16,500,000 in Fiscal Year 2020-21. The cost per acre foot for water supplied by CMWD for the past two calendar years is summarized below:

	January 2020	January 2021	$ Change	% Change
Tier 1 Supply Rate per Acre Foot (Variable)	$1,472	$1,507	$35	2.38%
Tier 2 Supply Rate per Acre Foot (Variable)	1,559	1,549	(10)	-0.64%
Readiness To Serve (Fixed Annual Cost)	779,635	804,573	24,938	3.20%
Capacity Reservation Charge (Fixed Annual Cost)	742,495	689,108	(53,387)	-7.19%
Total Fixed Charges	**$1,522,130**	**$1,493,681**	**$(28,449)**	**-1.87%**

Glossary
Tier 1 Supply Rate – Combined supply cost per acre foot consisting of MWD and CMWD supply fees.
Tier 2 Supply Rate – Combined supply cost per acre foot consisting of the Tier 1 supply rate and an additional surcharge from MWD for reaching Tier 2 supply consumption.
Readiness to Serve – A fixed charge that recovers the capital cost of the portion of system capacity that is on standby to provide emergency service and operational flexibility.
Capacity Reservation Charge – Recovers the cost of the assets that are providing peak capacity within the distribution system.

United Water Conservation District. [FURTHER EXPLAIN AMOUNTS PAID TO UWCD REPRESENT DELIVERY COSTS] UWCD diverts water from the Santa Clara River into the El Rio Spreading Grounds, recharging the groundwater aquifers. This and other groundwater is then pumped from several of UWCD's own active wells. The El Rio Pumping Station provides pressurized groundwater directly to the City via the Oxnard-Hueneme Pipeline. UWCD supplies 25 to 30 percent of the City's total demand. The City expects acquisition costs for UWCD water to be $5,000,000 in Fiscal Year 2020-21. The cost per acre foot for water supplied by UWCD for Fiscal Years 2019-20 and 2020-21 is summarized below:

	FY 2019-20	FY 2020-21	$ Change	% Change
Variable Rate (MI) < 6725.50 AF/year[(1)]	$541.95	$535.59	$(6.36)	-1.17%
Marginal Rate (MI) > 6725.50 AF/year[(1)]	442.17	445.14	2.97	0.67
Variable Rate (AG) < 6725.50 AF/year[(2)]	360.00	353.66	(6.34)	-1.76
Marginal Rate (AG) > 6725.50 AF/year[(2)]	260.22	263.21	2.99	1.15

(1) The City of Oxnard pays the (MI) variable rate, which excludes Oceanview.
(2) The (AG) variable rate applies to Oceanview customers.
Source: City of Oxnard

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

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

CMWD surface potable water supply is purchased from MWD. CMWD has access to MWD water as a member agency of MWD. MWD water is delivered via a network of reservoirs, aqueducts and pumping facilities. CMWD's supply typically comes from the State Water Project (because there is limited infrastructure in place to deliver Colorado River Water to Ventura County), but due to shortages of State Water Project water in 2014 and 2015 about 15% to 30% of the supply came from the Colorado River Aqueduct System.

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

THE WHOLESALERS HAVE NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE AUTHORITY, THE CITY, THE TRUSTEE OR THE OWNERS OF THE 2021 BONDS TO PROVIDE THE WHOLESALERS INFORMATION TO THE AUTHORITY, THE CITY OR THE OWNERS OF THE 2021 BONDS. THE WHOLESALERS HAVE NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO THE WHOLESALERS. THE WHOLESALERS ARE NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE AUTHORITY, THE CITY OR THE OWNERS OF THE 2021 BONDS UNDER RULE 15c2-12.

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

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

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

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

The GREAT Program was intended as a regional water resources plan that combined wastewater recycling and reuse, groundwater injection, storage and recovery, and groundwater desalination. The GREAT Program includes a groundwater brackish water desalter used to improve groundwater quality by removing salts, an Advanced Water Purification Facility ("AWPF"), an Aquifer Storage and Recovery ("ASR") system, a recycled water distribution system, and a water supply distribution system. The City built the desalter to offset the supply deficit with groundwater. Since the groundwater quality was not palatable and the imported water for blending was limited, groundwater desalting was used to improve the potable water quality.

Because the City and UWCD allocations are limited by FCGMA, in order to pump more groundwater, the City needs more pumping allocations from FCGMA. The City built the AWPF in order to produce a water supply which could be sold to agricultural users on the Oxnard Plain in exchange for needed groundwater pumping allocations. The recycled water is also used for landscape irrigation and industrial process water to reduce the in-City water demand. Since late 2016, the City's AWPF has been producing advanced treated recycled water for irrigation and industrial use within the City and for local agricultural irrigation. To date, the City has delivered approximately 7,080 acre-feet of advanced treated recycled water for in-City uses and agricultural irrigation. At the completion of the Hueneme Road Project and ASR Project, AWPF is expected to produce 6,000 acre-feet of advanced treated recycled water per year.

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

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

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

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

On October 23, 2019, the FCGMA passed an initial allocation ordinance, which determined the starting point water allocations for all water pumpers in the Oxnard Subbasin in proportion to their pumping

from 2005 to 2014, adjusted for some pumpers based on historical supplemental and surface water deliveries; on December 2, 2019, the City filed a lawsuit against the FCGMA claiming that it did not follow the California Environmental Quality Act in passing the allocation ordinance and that the FCGMA did not adhere to its own enabling legislation by arbitrarily restricting the City's water allocation despite its historical use of supplemental water (imported through CMWD) while increasing allocations to other pumpers. On December 13, 2019, the FCGMA adopted a resolution adopting a Groundwater Sustainability Plan (the "GSP") for the Oxnard Subbasin that "ramps down," or reduces the pumping allocations per entity, by up to 43 percent over the next 20 years. This was submitted to the Department of Water Resources in January 2020. The City does not expect the enactment of the SGMA, the initial allocation ordinance, or the adoption of the GSP to have a material adverse effect on the City's ability to pay the debt service on the Bonds from Net Water System Revenues.

The City anticipates that water demand will increase by 6,678 acre-feet and that it will be subject to groundwater cutbacks of 5,312 acre-feet over the next 20 years.

Capital Improvement Plan

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

The City's Fiscal Year 2020-25 capital improvement program, prepared in May 2020, projects approximately $157 million in expenditures for water and recycled water projects. The Fiscal Year 2020-21 capital improvement projects include a cast iron replacement program, water process control upgrade, the Hueneme Road Project and the ASR Project, covering three ASR wells. Proceeds of the 2021 Bonds will be used to finance the Hueneme Road Project and the ASR Project. The City expects to finance the remainder of the capital projects through any combination of additional debt, funds on hand and grants.

The Hueneme Road Project will allow for extended delivery of recycled water for agricultural uses. The Hueneme Road Project adds pipeline approximately 3 miles long running along Hueneme Road from Olds Road to Wood Road. The City will be able to deliver up to 6.25 million gallons of recycled water per day. The estimated construction cost is $16.4 million and the estimated time of construction is 12 months.

Under the ASR Project, recycled water will be injected into a local groundwater aquifer for groundwater recharge. The water recovered from the ASR wells will then be blended with City drinking water sources and delivered as potable water. Use of the recovered groundwater from the ASR wells could be used to offset future groundwater cutbacks from the FCGMA and future population growth. The estimated construction cost is $5.0 million and the estimated time of construction is 12 months. The State has approved the ASR Project and the City has received the required permits. At the completion of the ASR Project, the ASR program will produce 3,000 acre-feet of potable water per year.

Insurance

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

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

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

Historic Water Usage

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

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

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

Source: City of Oxnard

Ten Largest Users

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

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

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

Source: City of Oxnard

Rates and Charges

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

User Charges. On July 18, 2017, the Oxnard City Council adopted Ordinance 2921 which set a new rate structure pursuant to a Water Cost of Service Study prepared by Carollo Engineers in July 2017. The new rates went into effect on September 1, 2017. Ordinance 2921 provides that the rates are to be automatically adjusted as follows: (1) annually on July 1 to reflect changes in the Capital Improvement Plan, (2) from time to time to reflect higher than expected increases from third-party water suppliers, and (3) when the city council declares a water shortage condition that mandates water conservation. On November 30, 2017, one such increase to water rates occurred due to higher costs of purchased water from outside water agencies as a result of rate increases by UWCD. The City's new rates went into effect beginning January 1, 2018. Furthermore, after notice is provided as required by law, the adopted rates are automatically adjusted over a six-year period for inflation in the cost of operating the Water System that exceed the forecasted inflation contained in the Water Cost of Service Study. The City expects a new cost of service study to be initiated in the Spring of 2021 with rates to be effective beginning in the Spring of 2022.

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

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

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

* For Oceanview Commercial, only the 3/4” through 2” Meter Sizes are applicable.
** For Oceanview Agricultural, only the 3” through 10” Meter Sizes are applicable.
Source: City of Oxnard

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

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

Rate Per Hundred Cubic Feet (HCF)/Month	Single Family Residential and Oceanview Commercial	Rate Per Hundred Cubic Feet (HCF)/Month	Multi-Family Residential
0-9	$3.43	0-8	$3.65
9-15	5.26	Over 8	5.87
Over 15	6.26		

Rate Per Hundred Cubic Feet (HCF)/Month	Commercial and Industrial Meter Size 2'' or Smaller	Rate Per Hundred Cubic Feet (HCF)/Month	Commercial and Industrial Meter Size 3'' or Larger and Metered Construction
0-62	$3.33	All Usage	$4.63
Over 62	5.88		

Rate Per Hundred Cubic Feet (HCF)/Month	Irrigation- Meter Size 2'' or Smaller	Rate Per Hundred Cubic Feet (HCF)/Month	Irrigation- Meter Size 3'' or Larger
0-24	$3.44	All Usage	$5.26
Over 24	6.12		

Rate Per Hundred Cubic Feet (HCF)/Month	Oceanview Agriculture Irrigation
All Usage	$1.20

Source: City of Oxnard

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

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

Category	Accounts	Percent	Revenues	Percent
Single Family	34,637	80.90%	$24,504,792	41.36%
Multi-Family	2,008	4.70	7,312,877	12.34
Commercial, Industrial, Irrigation, & Institutional	4,298	10.00	23,946,153	40.41
Fireline	1,666	4.00	1,138,698	1.92
Other Water Services*	195	0.04	2,352,171	3.97
Total	42,804	100.00%	$59,254,691	100.00%

Source: City of Oxnard
* Includes construction meters.

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

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

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

Source: City of Oxnard

Comparative Water Rates

Set forth below is a schedule of comparative monthly water rates as of June 20, 2020 for typical residential customers in the City and surrounding areas using 9 hundred cubic feet per month with a 5/8" or ¾" water meter.

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

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

Source: City of Oxnard
Average Consumption = 12 Hundred Cubic Feet (HCF)

Billing and Collection Procedures and Delinquencies

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

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

Financial Information

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

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

Historical and Projected Operating Results and Debt Service Coverage

The following tables show a four-year detail on operating expenses of the Water System for Fiscal Years 2016-17 through 2019-20, five-year historical summary of the Water System's operating results for Fiscal Years 2015-16 through 2019-20, and projected operating results for Fiscal Years 2020-21 through 2024-25. The financial forecast represents the City's estimate of projected financial results based upon its judgment of the probable occurrence of future events. The assumptions set forth in part in the footnotes to the chart set forth below are material in the development of the City's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

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Table 9
WATER SYSTEM
HISTORICAL OPERATING EXPENSES BY TYPE

	2016-17	2017-18	2018-19	2019-20
Operating Supplies (Water Acquisition - Calleguas Municipal Water District)[1]	$15,569,372	$17,924,191	$16,133,792	$16,148,692
Operating Supplies (Water Acquisition - United Water Conservation District)[1]	4,029,229	4,303,308	4,036,653	4,853,084
Operating Supplies (City Groundwater)[1]	1,772,725	1,538,504	1,699,757	1,979,727
Operating Supplies (Other)	807,124	1,167,963	1,161,427	1,626,854
Salaries and Wages	5,550,971	6,092,862	5,518,361	6,715,168
Contractual Services[2]	3,987,329	2,820,606	2,651,816	3,907,363
Utilities	1,092,098	1,261,049	1,240,943	1,034,228
Depreciation and Amortization	7,180,457	7,242,861	7,257,467	7,218,981
General and Administrative	6,800,672	4,488,234	5,310,078	5,105,472
Repairs and Maintenance	979,295	191,131	1,831,368	383,729
Total Operating Expenses	$47,769,271	$47,030,709	$46,841,663	$48,973,297
Less: Non-cash items (Depreciation, Provisions for Bad Debt, Other)	(7,255,110)	(7,371,090)	(7,377,380)	(7,349,154)
Less: Capital Outlay	(3,034,286)	(1,877,978)	(1,877,978)	(1,877,978)
Total Cash Operating Expenses for Debt Service Coverage	$37,479,875	$37,781,641	$37,586,305	$39,746,165

(1) Current rate structure allows the City to increase rates as needed to offset increases in water acquisition costs.
(2) In Fiscal Years 2016-17 and 2019-2020, service costs were higher in part due to increased legal fees.
Source: City of Oxnard

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Table 10
WATER SYSTEM
HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE[1]

	2015-16	*2016-17*	*2017-18*	*2018-19*	*2019-20*
OPERATING REVENUES					
Charges for Services[2]	$45,677,222	$47,836,462	$61,024,464	$58,274,412	$ 59,254,691
Interest Income	2,213,969	2,327,439	1,383,881	4,847,879	3,305,229
Miscellaneous and reimbursements	1,721,327	2,404,601	1,354,530	1,441,546	567,976
Less: BABs Subsidy[3][4]	(1,887,450)	(1,885,424)	(1,012,580)	(2,948,211)	(1,905,676)
Total Operating Revenues	**47,725,068**	**50,683,078**	**62,750,295**	**61,615,626**	**61,222,220**
OPERATING EXPENSES[5]	$36,729,222	$37,479,875	$37,781,641	$37,586,305	$39,746,165
NET SYSTEM REVENUES	**$10,995,846**	**$13,203,203**	**$24,968,654**	**$24,029,321**	**$21,476,055**
ANNUAL DEBT SERVICE					
2006 Bonds	$3,430,248	$3,427,548	$3,425,585	$1,721,598	$ --
2010 Series A Bonds	1,974,325	1,967,925	1,969,925	1,968,175	1,972,675
2010 Series B Bonds (Taxable)[4][6]	3,898,723	3,900,749	4,773,593	2,837,962	3,880,497
2012 Bonds	728,519	731,069	733,169	729,819	731,619
2014 Bonds	2,529,924	2,532,994	2,533,200	2,529,800	2,530,550
2018 Bonds	0	0	0	988,156	3,053,913
Total Annual Debt Service	**$12,561,738**	**$12,560,284**	**$13,435,472**	**$10,775,509**	**$12,169,253**
DEBT SERVICE COVERAGE RATIO[7]	0.88x	1.05x	1.86x	2.23x	1.76x
Water Revenue Fund Cash	**$31,083,997**	**$25,877,030**	**$30,014,688**	**$44,660,553**	**$54,647,080**
Cash Required at 25% of Maximum Annual Debt Service ("MADS")	3,472,713	3,472,713	3,472,713	3,472,713	3,472,713
Surplus Cash After 25% MADS Requirement	$27,611,284	$22,404,317	$26,541,975	$41,187,840	$51,174,367

(1) Totals may not add due to rounding.
(2) New rates went into effect on September 1, 2017 and another increase on January 1, 2018. The decrease in revenues in Fiscal Year 2018-19 was due to _____.
(3) Under the indenture relating to the 2010B Bonds, the Authority receives an interest payment subsidy and deposits the amounts received in the bond fund for the payment of interest on the 2010B Bonds. As a result, the installment payments relating to the 2010B Bonds are reduced by the amount representing the interest payment subsidy so deposited.
(4) A portion of the Fiscal Year 2017-18 interest payment subsidy was actually received in Fiscal year 2018-19 and has been recorded in Fiscal year 2018-19.
(5) Excludes non-cash items (e.g. depreciation, etc.) and capital expenses.
(6) Net of interest payment subsidy and includes assumed 5.7% "sequestration rates."
(7) The debt service coverage ratio is calculated by dividing net revenues by the total annual debt service. The debt service coverage ratio does not take into consideration the balance in the Water Revenue Fund for purposes of satisfaction of the City's rate covenant. See "SECURITY FOR THE 2021 BONDS – Rate Covenant."
Source: City of Oxnard

Table 11
WATER SYSTEM
PROJECTED OPERATING RESULTS AND DEBT SERVICE COVERAGE[1]

	(Budgeted) 2020-21	*(Projected) 2021-22*	*(Projected) 2022-23*	*(Projected) 2023-24*	*(Projected) 2024-25*
OPERATING REVENUES					
Charges for Services	$ 61,143,298	$ 62,366,164	$ 63,613,487	$ 64,885,757	$ 66,183,472
Interest Income	3,037,365	2,800,000	2,800,000	2,800,000	2,800,000
Miscellaneous and reimbursements	1,332,624	1,577,000	1,577,000	1,577,000	1,577,000
Less: BABs Subsidy[2]	(1,948,623)	(1,909,726)	(1,909,726)	(1,865,389)	(1,819,027)
Total Operating Revenues	**63,564,664**	**64,833,438**	**66,080,761**	**67,397,368**	**68,741,445**
OPERATING EXPENSES[3]	43,417,881	44,910,905	46,314,571	47,760,348	49,249,498
NET SYSTEM REVENUES	**20,146,783**	**19,922,533**	**19,766,189**	**19,637,020**	**19,491,948**
ANNUAL DEBT SERVICE					
2010 Series B Bonds (Taxable)[4]	3,837,550	3,876,446	5,846,446	5,846,449	5,842,340
2014 Bonds	2,532,800	2,531,300	2,531,050	2,531,800	2,528,301
2018 Bonds	3,053,413	3,055,163	3,048,913	3,054,913	3,057,413
2021 Bonds[5]	1,568,636	2,360,000	1,355,000	1,348,000	1,350,600
Total Annual Debt Service	**$10,992,398**	**$11,822,909**	**$12,781,409**	**$12,781,162**	**$12,778,654**
DEBT SERVICE COVERAGE RATIO[6]	1.83x	1.69x	1.55x	1.54x	1.53x

(1) Totals may not add due to rounding. Table assumes a 2% annual increase in Charges for Services, Interest Income with the interest payment subsidy held constant at average receipts from Fiscal Years 2016 through 2020, Miscellaneous and Reimbursements held constant at average receipts from Fiscal Years 2016 through 2020, 9% increase in Operating Expenses in Fiscal Year 2021 and approximately 3% annual increases thereafter, 5.7% annual sequestration rates on interest payment subsidies for the 2010B Bonds and a full refunding of the City's Refunded Bonds.

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

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

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

(5) Preliminary; subject to change.

(6) The debt service coverage ratio is calculated by dividing net revenues by the total annual debt service. The debt service coverage ratio does not take into consideration the balance in the Water Revenue Fund for purposes of satisfaction of the City's rate covenant. See "SECURITY FOR THE 2021 BONDS – Rate Covenant."

Source: City of Oxnard

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2021 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2021 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the 2021 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2021 Bonds. There can be no assurance that other considerations will not materialize in the future.

COVID-19 Pandemic

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

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

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

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

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

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

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

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

Water System Demand and Growth

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

Net Water System Revenues; Rate Covenants

Net Water System Revenues are dependent upon the demand for water, which can be affected by population factors, more stringent drinking water regulations, or problems with the City's treatment facilities. There can be no assurance that water service demand will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenants contained in the Indenture. The City's ability to meet its rate covenants is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the 2021 Bonds.

Operating Expenses

There can be no assurance that operating expenses of the Water System will be consistent with the levels contemplated in this Official Statement. Changes in technology, changes in quality standards, increases in the cost of operation (including increases in cost of purchased water) or other expenses could require substantial increases in rates or charges in order to comply with the rate covenants in the Installment Purchase Agreement. Additionally, decreased groundwater pumping allocations from the FCGMA ramp down will likely lead to an increase in more expensive imported water, which may lead to water rate increases over time. Such rate increases could drive down demand for water or otherwise increase the possibility of nonpayment of the 2021 Bonds. The City anticipates that the Hueneme Road Project and the ASR Projects will avoid the need to purchase substantial imported water in the future.

Drought Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Future Land Use Regulations

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

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

Proposition 218

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

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

The California Supreme Court further stated in *Bighorn* that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states: "Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996 general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protection by Section 10 of Article I of the United States Constitution." Government Code Section 5854 appears to limit the voters' power to repeal or reduce Water System fees and Sewer System fees and charges if such reductions would interfere with the City's payment of debt service on the 2021 Bonds. If Government Code Section 5854 becomes the subject of a challenge, however, no guarantee can be made that the courts will agree with such interpretation.

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

Under Article XIIID, revenues derived from a "fee" or "charge" (defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service") may not exceed the funds required to provide the "property-related service" and may not be used for any

purpose other than that for which the fee or charge was imposed. Further, the amount of a "fee" or "charge" may not exceed the proportional cost of the service attributable to the parcel, no "fee" or "charge" may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question, and no "fee" or "charge" may be imposed for general governmental service where the service is "available to the public at large in substantially the same manner as it is to the property owners."

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

Article 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. It is also unclear how the provisions of Article XIIID will be applied to fees or charges established after such date but prior to the *Bighorn* decision.

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

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

The City is currently a party in a suit filed with the Ventura County Superior Court, *City of Oxnard v. Aaron Starr*. The City filed suit against the sponsor of the "Measure M Initiative" ballot measure, claiming the Measure M Initiative was invalid because it set wastewater rates too low. The Measure M Initiative, which received the required votes for passage, repealed wastewater service charges adopted on January 26, 2016 and effective on March 1, 2016. The City's suit claimed the Measure M initiative compelled the City to violate both State and Federal laws and regulations, and therefore could not be legally enforced. The City was granted a temporary restraining order on the implementation of the Measure M Initiative by the trial judge, which remained in place until new wastewater rates adopted by the City Council on May 23, 2017 became effective on July 1, 2017, none of which are subject to the Measure M Initiative. Following trial, the judge ruled against the City, and judgment in the case was entered on August 1, 2018. The City appealed, and on October 13, 2020, the Court of Appeal issued an opinion reversing the trial court's ruling against the City. The opinion is not yet final and Respondent has stated that he will seek rehearing by the Court of Appeal or petition for review by the California Supreme Court.

The Court of Appeal has calendared the remittitur to issue on December 14, 2020. If the Court of Appeal opinion becomes final, the City will not have to refund the amount of the increased rates collected while the temporary restraining order was in effect (up to $5.9 million dollars, that the City's Wastewater Fund might have had to pay). That refund was sought by a post-judgment motion, which the trial court denied, and through a separate lawsuit that was filed as a class action and is currently pending in the Ventura Superior Court *(Aaron Starr and Nancy Pedersen v. City of Oxnard*). No assurance can be made that the Water System won't be subject to a similar type of an initiative.

Constitutional Limit on Appropriations, Fees and Charges

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

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

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

Limitations on Remedies Available to Bondowners

The ability of the City to comply with its covenants under the Indenture and to generate Net Water System Revenues sufficient to pay principal of and interest on the 2021 Bonds may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "Proposition 218" below. Furthermore, any remedies available to the owners of the 2021 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Indenture, the rights and obligations under the 2021 Bonds and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity

principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the 2021 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Seismic Considerations

The City is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the City, there could be an interruption in the service provided by the Water System, resulting in a temporary reduction in the amount of Net Water System Revenues available to pay debt service when due on the 2021 Bonds.

The Indenture does not require the City to maintain earthquake or flood insurance on the Water System. The City, along with much of the State, shares a history of seismic activity and is thus listed as a "Zone 4" earthquake area in the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction. The City standards for development, to which the components of the Water System were subject, have been designed to reduce the risk to the public and adequately mitigate seismic hazards.

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

Cybersecurity

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

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

On April 6, 2020, the City was impacted by a ransomware cyberattack. When the City became aware of the cyber incident, it promptly took steps to secure and contain the system and identify the scope of the impact. The City immediately engaged multiple external cybersecurity professionals to assist in the containment, restoration, and investigation. The incident encrypted files on the local hard drives of approximately 15% of the City's approximately 1,500 Microsoft Windows computers. The City's financial system was not infected by the ransomware virus, as validated by outside security professionals. A primary

goal is to ensure full containment and restoration of the impacted computers. The forensic investigation concluded there was no forensic evidence of any access or exfiltration of personal information or any of the City's financial data.

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

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

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

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

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

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

Climate Change

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

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

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

Environmental Regulation

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

No Obligation to Tax

The obligation of the City to pay the principal of and interest on the 2021 Bonds does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay principal of and interest on the 2021 Bonds does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restriction.

Change in Law

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

Geologic and Topographic

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

Engineering standards require that some of these factors be taken into account, to a limited extent, in the design of improvements, including the Water System. Some of these factors may also be taken into account, to a limited extent, in the design of other infrastructure and public improvements neither designed nor subject to design approval by the City. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur which may result in damage to improvements in varying degrees, and such damage may entail significant repair or replacement costs, and there can be no assurance that such repair or

replacement will occur. Under any of these circumstances, the public and private improvements within the City in general may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

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

The components of the Water System are located in a flood insurance rate zone designated by the Federal Emergency Management Agency ("FEMA") as "Zone B." According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. The term "100-year flood" refers to the flood elevation that has a one percent chance of being equaled or exceeded in any given year. A base flood may also be referred to as a "100-year storm" and the area inundated during the base flood is sometimes called the "100-year floodplain." The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Secondary Market for 2021 Bonds

There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that any 2021 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Federal Tax-Exempt Status of the 2021 Bonds

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the 2021 Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Bond proceeds, limitations on the investment earnings on the 2021 Bonds proceeds prior to expenditure, a requirement that certain investment earnings on the 2021 Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the "IRS"). The City has covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the 2021 Bonds as taxable, retroactively to the date of issuance of such 2021 Bonds.

IRS Audit of Tax-Exempt Issues

The IRS has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the 2021 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2021 Bonds might be affected as a result of such an audit of the 2021 Bonds (or by an audit of similar obligations).

Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the 2021 Bonds when all or some becomes due, the Trustee on behalf of any owner of the 2021 Bonds shall have a claim under the Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the 2021 Bonds and the Insurer's consent may be required in connection with amendments to any applicable documents relating to the 2021 Bonds.

The Insurer will have the ability to direct the actions of the Trustee, give consents and waivers, and take other actions without regard to the views of the Owners of any 2021 Bonds.

The S&P long-term ratings on the 2021 Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the S&P long-term ratings of the Insurer and the ratings on the 2021 Bonds will not be subject to downgrade and such event could adversely affect the market price of the 2021 Bonds or the marketability (liquidity) for the 2021 Bonds. See "BOND INSURANCE" and "RATINGS" herein.

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

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

Additional Obligations

As described in "SECURITY FOR THE 2021 BONDS – Additional Obligations" above, the Indenture permits the City to issue Additional Obligations, its obligations under which would be payable on a parity with the payment of debt service of the 2021 Bonds. In the event of a decline in Net Water System Revenues available to pay debt service on the 2021 Bonds, the existence of Additional Obligations could adversely affect the City's ability to pay debt service on the 2021 Bonds.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2021 Bonds is not a specific preference item for purposes of federal alternative minimum taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2021 Bonds. The City has covenanted to comply with certain restrictions designed to insure that interest on the 2021 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on

the 2021 Bonds being included in federal gross income, possibly from the date of original issuance of the 2021 Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2021 Bonds may adversely affect the value of, or the tax status of interest on, the 2021 Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals are announced from time to time which generally would limit the exclusion from gross income of interest on obligations like the 2021 Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2021 Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Certain requirements and procedures contained or referred to in the Indenture, the tax certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the 2021 Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to the exclusion from gross income of interest on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Best Best & Krieger LLP.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2021 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2021 Bonds might be affected as a result of such an audit of the 2021 Bonds (or by an audit of other similar bonds).

Although Bond Counsel is of the opinion that interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Bonds may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Bond Owner or the Owner's other items of income or deduction, and Bond Counsel expresses no opinion regarding any such other tax consequences.

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

CERTAIN LEGAL MATTERS

Best Best & Krieger, LLP, Bond Counsel, will render an opinion with respect to the validity of the 2021 Bonds, the form of which opinion is set forth in Appendix D. Bond Counsel has assumed no responsibility for the accuracy, completeness or fairness of the Official Statement. Certain legal matters will also be passed upon for the City by Nixon Peabody LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the City by its City Attorney. Payment of the fees and expenses of Disclosure Counsel is contingent upon issuance of the 2021 Bonds. At times, Bond Counsel and Disclosure Counsel represent the Underwriter in matters unrelated to the 2021 Bonds.

FINANCIAL STATEMENTS

The City's comprehensive annual financial report for the Fiscal Year ended June 30, 2020, included in Appendix B, have been audited by Eadie & Payne LLP (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in Appendix B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

MUNICIPAL ADVISOR

NHA Advisors, LLC, San Rafael, California, is employed as Municipal Advisor to the City in connection with the issuance of the 2021 Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the 2021 Bonds is contingent upon the issuance and delivery of the 2021 Bonds. The Municipal Advisor does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2021 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

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

RATINGS

In connection with the issuance and delivery of the 2021 Bonds, S&P Global Ratings ("S&P") is expected to assign their municipal bond rating of "____" to the 2021 Bonds with the understanding that, upon delivery of such 2021 Bonds, a policy insuring the payment when due of the principal of and interest on the 2021 Bonds will be issued by _____. S&P has assigned their underlying municipal bond rating of "A" to the 2021 Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the 2021 Bonds.

The City and the Underwriter have undertaken no responsibility either to bring to the attention of the owners of the 2021 Bonds any proposed change in or withdrawal of a rating or to oppose any such proposed revision or withdrawal, however. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability of the 2021 Bonds.

LITIGATION

There is no controversy or litigation of any nature now pending against the City (with service of process having been completed), or to the knowledge of its officers, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2021 Bonds, or contesting the validity of the 2021 Bonds, any proceeds of the City, concerning the issuance or sale thereof, pledge or application of the money or security provided for payment of the 2021 Bonds, or the existence or powers of the City.

There are currently various litigation matters pending against the City. The City does not believe that these actions materially adversely affect the collection of System Revenues or the payment of debt service on the 2021 Bonds.

Measure M Litigation

The City is currently a party in a lawsuit filed with the Ventura County Superior Courts, *City of Oxnard v. Aaron Starr*. The City filed suit against the sponsor of the "Measure M Initiative" ballot measure, claiming the Measure M Initiative was invalid because it set wastewater rates too low. The Measure M Initiative, which received the required votes for passage, repealed wastewater service charges adopted on January 26, 2016 and effective on March 1, 2016. The City's lawsuit claims the Measure M initiative compels the City to violate both State and Federal contract laws and therefore cannot be legally enforced. The City was granted a temporary restraining order on the implementation of the Measure M Initiative by the Ventura County Superior Court. The City subsequently adopted wastewater services charges on May 23, 2017 that became effective on July 1, 2017, none of which are subject to the Measure M Initiative. On August 1, 2018, the trial court entered judgment denying the City's request to invalidate Measure M. The City appealed, and on October 13, 2020, the Court of Appeal issued an opinion reversing the trial court's ruling against the City. The opinion is not yet final and Respondent has stated that he will seek rehearing by the Court of Appeal or petition for review by the California Supreme Court. The Court of Appeal has calendared the remittitur to issue on December 14, 2020. If the Court of Appeal opinion becomes final, the City will not have to refund the amount of the increased rates collected while the temporary restraining order was in effect (up to $5.9 million dollars, that the City's Wastewater Fund might have had to pay). That refund was sought by a post-judgment motion, which the trial court denied, and through a separate lawsuit that was filed as a class action and is currently pending in the Ventura Superior Court *(Aaron Starr and Nancy Pedersen v. City of Oxnard*).

Infrastructure Use Fee Litigation

The City is currently a party in a lawsuit filed in Ventura County Superior Court, *Aaron Starr v. City of Oxnard*. Mr. Starr filed a petition for writ of mandate to challenge the legality of the City's collection of infrastructure use fees paid by the City's utility funds to the City's General Fund and Street Maintenance Fund. The writ petition calls for the reimbursement of all infrastructure use fees paid to date (approximately $34 million) to the City's utility funds and eliminating the infrastructure use fee charge in all future years. On December 28, 2020, the Court issued its Tentative Decision and Proposed Statement of Decision (the "Tentative Decision") in this matter. The Tentative Decision prohibits the City from transferring the infrastructure use fees to its public safety, governmental agency, and streets and roadway maintenance funds based upon the current methodology and directs the City to restore to the respective utility funds all the infrastructure use fees transferred to the public safety, governmental agency, and streets and roadway funds for the period from fiscal year 2014-15 (beginning March 27, 2014) through and including fiscal year 2020-21. The amount due to the City's Water Fund is approximately $15.9 million. The Tentative Decision will become the Court's Final Statement of Decision in this case, subject to the parties' rights to timely object and make further proposals. [The City has not yet determined whether to appeal the Tentative Decision. The ultimate outcome and the full impact on the City's finances in the event of an adverse outcome are uncertain.]

Kessner Litigation

On December 3, 2019, three class claims were submitted to the City under the California Government Claims Act on behalf of certain Oxnard water customers (collectively, the "Claims"), alleging that in 2018 and 2019, the City's water rates violated Proposition 218 based on two theories. First, the

Claims allege the City improperly recovered the "readiness-to-serve" cost of "public fire services" through retail water rates. Second, the Claims allege that the City's rates subsidize the cost of agricultural and irrigation water service.

After these Claims were denied, on February 19, 2020, the City was named (along with over 80 other defendants) in a Complaint for Damages and Equitable Relief; Petition for Writ of Mandate in *Kessner et al. v. City of Santa Clara et al.* (Case No. 20CV364054) (the "Kessner Petition"). The Kessner Petition was filed on behalf of over 80 individuals, on behalf of themselves and classes of similarly situated rate payers, against the City and over 80 other public agencies across California. The Kessner Petition alleges that the defendants' rates all violate Proposition 218, for the reasons set forth in the paragraph above.

All proceedings in the Kessner Petition were stayed pending a case management conference, which is scheduled for December of 2020. Near the end of April, counsel for petitioners in the Kessner Petition filed a Petition to Coordinate the Kessner Petition with other cases relating to Proposition 218, including *Campana v. East Bay Municipal Utility District* (Case No. RG20050136), filed on January 13, 2020, and *Chinitz v. The City of Santa Cruz* (Case No. 19CV03364), filed on November 7, 2019. After a hearing on October 16, 2020, the Petition for Coordination was denied, and proceedings in the litigation are stayed pending a case management conference.

The City believes the Kessner Petition is flawed, and intends to vigorously defend against it. In addition, Senate Bill 1386 ("SB 1386") was recently signed into law, which adds provisions to the California Government Code establishing that the costs of water service chargeable to property owners properly include the cost of infrastructure which provide fire protection for property. The City cannot predict the impact of SB 1386 on the defense in this litigation, or the outcome or impact of the Kessner Petition on the Water Enterprise or its rates. See "CONSTITUTIONAL LIMITATIONS ON TAXES AND WATER RATES AND CHARGES – Articles XIIIC and XIIID of the California Constitution," "WATER ENTERPRISE FINANCES – Proposition 218 Process; Recent Claims and Litigation Against the City."

CONTINUING DISCLOSURE

The City has covenanted for the benefit of owners of the 2021 Bonds to provide certain financial information and operating data relating to the City and the Water System by not later than March 31 of each year commencing with the report for the 2019-20 Fiscal Year (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") or any successor assigned by the Municipal Securities Rulemaking Board or Securities and Exchange Commission. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events by the City is set forth in "APPENDIX C — FORM OF CONTINUING DISCLOSURE AGREEMENT."

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

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

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

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

During the last five years, the Oxnard Housing Authority failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply included the failure to file on a timely basis the Oxnard Housing Authority's audited financial statements for Fiscal Years 2015-16 and 2016-17.

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

UNDERWRITING

The 2021 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the 2021 Bonds at a purchase price of $_____ (which is equal to the principal amount of the 2021 Bonds ($_____), plus/less net original issue premium/discount of $_____, less an underwriter's discount of $_____).

The contract of purchase pursuant to which the 2021 Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the 2021 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 2021 Bonds to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriter.

Although the Underwriter expects to maintain a secondary market in the 2021 Bonds after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

EXECUTION

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

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

CITY OF OXNARD

By: _____
City Manager

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity (and each individual yield in the case of bifurcated maturities) of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com; provided that nothing contained in such website is incorporated into this Official Statement.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as

periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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

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

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

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

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

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

APPENDIX F

SELECTED REGIONAL ECONOMIC AND DEMOGRAPHIC DATA

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

General

The City of Oxnard (the "City") was incorporated in 1903 and is located in western Ventura County (the "County") on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the most populous city in the County, with a population estimated at 206,222 as of January 2020, accounting for approximately 24% of the County's population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

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

Population

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

CITY OF OXNARD
POPULATION ESTIMATES[1]

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

[1] Estimated by the California Department of Finance, Demographic Research Unit, as of January 1 of each year.
Source: California Department of Finance (Report E-4 Population Estimates for Cities, Counties and the State, 2011-2020 with 2010 Benchmark).

Industry and Employment

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

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

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

[1] Not seasonally adjusted. Figures represent the 12-month average for each such year.
Source: California Employment Development Department.

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

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

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

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

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Major Employers

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

CITY OF OXNARD
PRINCIPAL EMPLOYERS

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

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

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Commercial Activity

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

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

	City of Oxnard Taxable Transactions		Ventura County Taxable Transactions	
Year	Retail and Food Services	Other	Retail and Food Services	Other
2010	$1,507,987	$425,741	$7,546,960	$2,678,528
2011	1,633,046	489,174	8,156,404	2,863,777
2012	1,765,630	524,959	8,700,010	3,258,250
2013	1,864,247	530,922	9,101,436	3,722,859
2014	1,947,853	554,519	9,401,053	3,965,575
2015	2,010,080	557,290	9,707,421	4,168,976
2016	2,130,664	553,401	9,864,805	3,971,071
2017	2,200,854	580,323	10,201,388	3,799,308
2018	2,269,802	617,889	10,486735	3,836,696
2019	2,300,883	644,573	10,696,199	4,104,085

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

Personal Income

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

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

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

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

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

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

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

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

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

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

Transportation

Oxnard is served by all major modes of transportation. Both U.S. Highway 101 and State Highway 1 pass through the City, linking it with the Los Angeles metropolitan area and Santa Barbara County. Rail passenger service is provided by AMTRAK, which has a station in the City. Two trains pass through daily in each direction and stop at the Oxnard station. Metrolink provides commuters from the Oxnard Transportation Center with several daily routes to the Los Angeles basin, including downtown Los Angeles.

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

Education

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

Recreation

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

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

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

INSTALLMENT PURCHASE AGREEMENT

by and between

CITY OF OXNARD,
as Purchaser

and

CITY OF OXNARD FINANCING AUTHORITY,
as Seller

Dated as of _____, 2021

Relating to

$_____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2021A

INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into as of _____, 2021, by and between the CITY OF OXNARD, a charter city and a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "Purchaser"), and the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Authority"):

W I T N E S S E T H:

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

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

WHEREAS, the Purchaser and the Authority have duly authorized the execution of this Agreement; and

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

"Agreement" or "Installment Purchase Agreement" means this Installment Purchase Agreement, dated as of _____, 2021, by and between the Purchaser and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

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

"Authority Bonds" means the Series 2021 Bonds.

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

"Bonds" means all revenue bonds or notes of the Purchaser authorized, executed, issued and delivered by the Purchaser, the payments of which are on a parity with the Series 2021 Installment Payments and Installment Payments and that are secured by a pledge of and lien on the Net Water System Revenues.

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

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

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

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

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

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

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

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

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

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

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

"Event of Default" means an event described in Section 8.01.

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

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

"Indenture" means the Indenture of Trust, dated as of _____, 2021, by and among the Purchaser, the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

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

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

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

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

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

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

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

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

"Installment Payment Date;" "Series 2021 Installment Payment Date"

The term "Installment Payment Date" means each date on which Installment Payments are scheduled to be paid by the Purchaser under and pursuant to any Contracts. The term "Series 2021 Installment Payment Date" means the fifth day prior to each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

"Installment Payments;" "Series 2021 Installment Payments;" "Interest Component of Series 2021 Installment Payments;" "Principal Component of Series 2021 Installment Payments"

The term "Installment Payments" means the installment payments of interest and principal scheduled to be paid by the Purchaser under and pursuant to the Contracts. The term "Series 2021 Installment Payments" means the Installment Payments scheduled to be paid by the Purchaser under and pursuant hereto, including all amounts payable to the Insurer for draws on the Insurance Policy or the Reserve Policy, plus interest on such draws as set forth in the Indenture. The term "Interest Component of Series 2021 Installment Payment", with respect to any Series 2021 Installment Payment, means the "Amount Attributable to Interest" in respect of such payment as reflected in Exhibit A hereto. The term "Principal Component of Series 2021 Installment Payment", with respect to any Series 2021 Installment Payment, means the "Amount Attributable to Principal" in respect of such payment as reflected in Exhibit A hereto.

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

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

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

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

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

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

"Obligations" means City Bonds and Contract Payments.

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

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

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

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

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

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

"Series 2021 Bonds" means the $_____ aggregate principal amount of City Of Oxnard Financing Authority Water Revenue Bonds Series 2021A.

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

(d) The Purchaser will not take or, to the extent within its power, permit any action to be taken as a consequence of which any Interest Component of Series 2021 Installment Payments would fail to be excluded pursuant to section 103(a) of the Code from the gross income of the Authority or its assigns for purposes of federal income taxation, or to fail to be exempt from State of California personal income taxes.

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

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

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

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

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

ARTICLE III

ISSUANCE OF AUTHORITY BONDS; SALE AND PURCHASE OF THE PROJECT

SECTION 3.01. The Authority Bonds. The Authority has authorized the issuance of the Authority Bonds pursuant to the Indenture in the aggregate principal amount of _____ Dollars ($_____) of Series 2021 Bonds. The Authority and the Purchaser agree that the proceeds of sale of the Authority Bonds shall be paid to the Trustee on the Closing Date for deposit pursuant to the terms and conditions of the Indenture. The Purchaser hereby approves the Indenture, the assignment to

the Trustee of the rights of the Authority assigned under and pursuant to the Indenture, and the issuance of the Authority Bonds by the Authority under and pursuant to the Indenture.

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

SECTION 3.03. Sale and Purchase of the Improvements. As consideration for the proceeds of the Authority Bonds, the Authority hereby agrees to purchase, and the Purchaser hereby agrees to sell, the Improvements. As consideration for the Purchaser's agreement to make Series 2021 Installment Payments in accordance with Section 4.02 hereof, the Authority hereby agrees to sell, and the Purchaser hereby agrees to purchase, the Improvements. All right, title and interest in the Improvements shall vest in the Purchaser immediately upon execution of this Agreement. Such vesting shall occur without further action by the Authority or the Purchaser; and the Authority shall, if requested by the Purchaser or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

ARTICLE IV

SERIES 2021 INSTALLMENT PAYMENTS

SECTION 4.01. Purchase Price.

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

(b) The principal amount of the payments to be made by the Purchaser hereunder on each Series 2021 Installment Payment Date is set forth in Exhibit A hereto; provided, however, the amount payable by the Purchaser to the Authority on each Series 2021 Installment Payment Date shall be reduced by the amount, if any, on deposit in the Bond Payment Fund and available or to be available for the payment of principal of and interest on the Authority Bonds on such Interest Payment Date as a result of prepayment in accordance with Article VII.

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

SECTION 4.02. Series 2021 Installment Payments. The Purchaser shall, subject to any rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts relating to each Series 2021 Installment Payment Date as set forth in Exhibit A hereto.

Each Series 2021 Installment Payment shall be paid to the Authority in lawful money of the United States of America. If the Purchaser fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the Purchaser until such amount shall have been fully paid; and the Purchaser agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2021 Installment Payments if paid in accordance with their terms.

The obligation of the Purchaser to make the Series 2021 Installment Payments is absolute and unconditional, and until such time as the Purchase Price and any amounts owing the Insurer shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the Purchaser will not discontinue or suspend any Series 2021 Installment Payments required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part and such payments shall not be subject to reduction whether by offset, abatement or otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

SECTION 4.03. Additional Payments. In addition to the Series 2021 Installment Payments, the Purchaser shall pay when due all costs and expenses incurred by the Authority to comply with the provisions of the Indenture, including without limitation all amounts owing to the Insurer relating to the Insurance Policy or the Reserve Policy that is not payable as a Series 2021 Installment Payment, all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund or the Acquisition and Construction Fund), and shall pay to the Trustee upon request therefor all compensation for fees due to the Trustee and all of its costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents, together with all amounts required to indemnify the Trustee pursuant to Section 6.13 of the Indenture, and all costs and expenses of attorneys, auditors, engineers and accountants. The rights of the Trustee and the obligations of the Purchaser under this Section 4.03 shall survive the termination of this Agreement and the resignation and removal of the Trustee.

ARTICLE V

SECURITY

SECTION 5.01. Pledge of Net Water System Revenues. All Net Water System Revenues are hereby irrevocably pledged to the payment of the Series 2021 Installment Payments as provided herein and Net Water System Revenues shall not be used for any purpose other than as permitted herein while any of the Series 2021 Installment Payments remain unpaid. This pledge shall constitute a lien on Net Water System Revenues, including Net Water System Revenues in the Revenue Fund established herein, subject to the terms hereof, for the payment of the Series 2021 Installment Payments and all other Obligations in accordance with the terms hereof and the Indenture.

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

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

(a) Bond Payment Fund. On or before each Series 2021 Installment Payment Date until the Authority Bonds have been paid or provision for their payment has been made as provided in Section 9.03 of the Indenture, the Purchaser shall, from the moneys in the Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund the Series 2021 Installment Payment due and payable on that Series 2021 Installment Payment Date. Such deposit to the Bond Payment Fund shall be reduced to the extent amounts on deposit therein are available for application to the Series 2021 Installment Payment due and payable on such Series 2021 Installment Payment Date.

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

(b) Reserve Fund. On or before each Series 2021 Installment Payment Date until the Authority Bonds have been paid, or provision for their payment has been made as provided in Section 10.03 of the Indenture, the Purchaser shall, from the remaining moneys in the Revenue Fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee or other fiduciary for deposit in the Reserve Fund and such other reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts, other than this Agreement, that sum, if any, necessary to restore the Reserve Fund to an amount equal to the Reserve Requirement and/or such reserve funds or accounts to an amount equal to the amount required to be maintained therein.

No transfer of moneys for deposit to the Reserve Fund in connection with the Series 2021 Installment Payments need be made if the amount contained therein is at least equal to the Reserve Requirement.

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

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

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

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

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

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

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

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

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

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

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

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

Obligations will not exceed Maximum Annual Debt Service on all Obligations outstanding prior to the incurring of such Additional Obligations.

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

ARTICLE VI

COVENANTS OF THE PURCHASER

SECTION 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The Purchaser will punctually pay the Series 2021 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Water System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

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

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

SECTION 6.02. Against Encumbrances. The Purchaser will not make any pledge of or place any lien on Net Water System Revenues or the moneys in the Revenue Fund except as provided herein. The Purchaser may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a pledge of and lien on Net Water System Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein (as provided in Section 5.02), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein. The Purchaser will not issue any evidences of indebtedness or incur other obligations that are payable from and secured by a pledge of and lien on Net Water System Revenues senior to the pledge of and lien on Net Water System Revenues of the Series 2021 Installment Payments.

SECTION 6.03. Against Sale or Other Disposition of Property. The Purchaser will not enter into any agreement or lease that impairs the operation of the Water System or any part thereof necessary to secure adequate Net Water System Revenues for the payment of the Series 2021 Installment Payments,

or that would otherwise impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the Water System, or any material or equipment that has become worn out, may be sold if such sale will not impair the ability of the Purchaser to pay the Series 2021 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

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

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

SECTION 6.05. Payment of Claims. The Purchaser will pay and discharge any and all lawful claims for labor, materials or supplies that, if unpaid, might become a lien on the Net Water System Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the Purchaser pledged to pay the Series 2021 Installment Payments or to the Owners prior or superior to the lien of the Series 2021 Installment Payments or that might impair the security of the Series 2021 Installment Payments, except that if the Purchaser desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the Purchaser will forthwith pay or cause to be paid and discharged such judgment.

SECTION 6.06. Insurance.

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

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

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

(ii) If such Net Proceeds are sufficient to enable the Purchaser to retire the entire obligation evidenced hereby prior to the final due date of the Series 2021 Installment Payments as well as the entire obligations evidenced by Bonds and Contracts then remaining unpaid prior to their final respective due dates, the Purchaser may elect not to reconstruct, repair or replace the damaged or destroyed portion of the Water System, and/or not to construct other additions, betterments, extensions or improvements to the Water System; and thereupon such Net Proceeds shall be applied to the prepayment of Series 2021 Installment Payments as provided in Article VII and to the retirement of such Bonds and Contracts.

(iii) If such Net Proceeds exceed the costs of such reconstruction, repair or replacement portion of the Water System, and/or the cost of the construction of additions, betterments, extensions or improvements to the Water System, then the excess Net Proceeds may, in the Purchaser's discretion, be applied in part to the prepayment of Series 2021 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion that the aggregate unpaid principal balance of Series 2021 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

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

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

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

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

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

(a) The Purchaser will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

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

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

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

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

SECTION 6.08. Protection of Security and Rights of the Authority. The Purchaser will preserve and protect the security hereof and the rights of the Authority to the Series 2021 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

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

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

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

SECTION 6.12. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows; provided however, the following shall not apply, if (1) the Net Proceeds are less than $50,000, in which case the Purchaser may determine the use of such proceeds; or (2) the Purchaser certifies in a Written Order of the Purchaser delivered to the Trustee that if the portion of the Water System taken by eminent domain is not replaced, the Water System will generate Net Water System Revenues equal to at least 125% of the amount described in clause (b) of Section 6.10 for each future fiscal year that the Authority Bonds are scheduled to remain outstanding without a rate increase triggering a noticed Proposition 218 rate hearing:

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

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Purchaser in part to the prepayment of Series 2021 Installment Payments as provided in Article VII and in part to such other fund or account as may be appropriate and used for the retirement of Bonds and Contracts in the same proportion that the aggregate unpaid principal balance of Series 2021 Installment Payments then bears to the aggregate unpaid principal amount of such Bonds and Contracts.

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

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

SECTION 6.15. Tax Exempt Status of Series 2021 Bonds.

(a) Private Activity Bond Limitation. The City and the Authority shall assure that the proceeds of the Series 2021 Bonds are not so used as to cause the Series 2021 Bonds to satisfy the private business tests of section 141(b) of the Code.

(b) Private Loan Financing Limitation. The City and the Authority shall assure that the proceeds of the Series 2021 Bonds are not so used as to cause the Series 2021 Bonds to satisfy the private loan financing test of section 141(c) of the Code.

(c) Federal Guarantee Prohibition. The City and the Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2021 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(d) No Arbitrage. The City and the Authority shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2021 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken,

on the date of issuance of the Series 2021 Bonds would have caused the Series 2021 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The City and the Authority shall take all actions necessary to assure the exclusion of interest on the Series 2021 Bonds from the gross income of the Owners of the Series 2021 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2021 Bonds, including compliance with the requirements of the code relating to rebate of excess arbitrage earnings to the federal government.

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

ARTICLE VII

PREPAYMENT OF SERIES 2021 INSTALLMENT PAYMENTS

SECTION 7.01. Prepayment.

(a) The Purchaser may or shall, as the case may be, prepay from the Net Proceeds as provided in Sections 6.06 and 6.12 herein the Series 2021 Installment Payments as a whole or in part in the order of payment date as directed by the Purchaser (or in the event the Purchaser has not directed the order of payment date, in inverse order of maturity) at a prepayment price equal to the sum of the principal amount prepaid plus accrued interest thereon to the date of prepayment. Notwithstanding any such prepayment, the Purchaser shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price and all amounts owing the Insurer shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

(b) The Purchaser may exercise its option to prepay the principal components of the Series 2021 Installment Payments in whole or in part (in integral multiples of $5,000) to the extent the Authority has the ability to effect an optional redemption of the Authority Bonds under the Indenture. The Purchaser shall give the Trustee and the Authority written notice of its intention to exercise its option under this Section not less than forty (40) days in advance of the date of exercise (or such lesser period of time as shall be consented to by the Trustee and the Authority).

SECTION 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01(a), the Purchaser shall, within ten (10) Business Days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event. The Purchaser shall, within sixty (60) days of such written notice or three Business Days following the date on which the Purchaser receives actual notice of the amount of Net Proceeds to be received by the Purchaser as described in the Section 6.06 or 6.12 (whichever occurs later), specify the date on which the prepayment will be made, which date shall be ninety (90) days or longer from the date the written notice was given by the Purchaser, unless such prepayment must occur on a Payment Date, in which case such date shall be the next Payment Date with respect to which notice of prepayment may be timely given pursuant to the Indenture. In the event of a partial prepayment, the

Purchaser shall give written direction to the Authority as to the series of Authority Bonds to be prepaid and the maturities of such Authority Bonds to be prepaid.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

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

(1) if default shall be made in the due and punctual payment of any Series 2021 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

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

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

then and in each and every such case during the continuance of such Event of Default specified in clause (3) above, the Authority shall, and for any other such Event of Default the Authority may, by notice in writing to the Purchaser, declare the entire principal amount of the unpaid Series 2021 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2021 Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the Purchaser shall deposit with the Authority a sum sufficient to pay the unpaid principal amount of the Series 2021 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2021 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2021 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or

cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the Purchaser, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

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

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

Second, to the payment of the entire principal amount of the unpaid Series 2021 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2021 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

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

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

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

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

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

SECTION 8.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the Purchaser, which is absolute and unconditional, to pay the Series 2021 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Water System Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or

shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

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

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

ARTICLE IX

DISCHARGE OF OBLIGATIONS

SECTION 9.01. Discharge of Obligations. When:

(a) all or any portion of the Series 2021 Installment Payments shall have become due and payable in accordance herewith or a written notice of the Purchaser to prepay all or any portion of the Series 2021 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2021 Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2021 Installment Payments, sufficient moneys and Permitted Investments, in the amounts required by Section 10.03 of the Indenture, described in paragraph (1), (2) or (3) of the definition thereof, the principal of and interest on which when due will provide money sufficient to pay all principal, prepayment premium, if any, and interest of such Series 2021 Installment Payments to their respective Series 2021 Installment Payment Dates or prepayment date or dates as the case may be; and

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

then and in that event, if an opinion of Bond Counsel is filed with the Trustee to the effect that the actions authorized by and taken pursuant to this Article IX shall not adversely affect the tax exempt status of the interest portion of the Series 2021 Installment Payments payable to the Series 2021 Bonds, the right, title and interest of the Authority herein and the obligations of the Purchaser hereunder shall, with respect to all or such portion of the Series 2021 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the Purchaser to have such moneys and such Permitted Investments applied to the payment of such Series 2021 Installment Payments).

In such event, upon request of the Purchaser the Trustee shall cause an accounting for such period or periods as may be requested by the Purchaser to be prepared and filed with the Purchaser and shall execute and deliver to the Purchaser all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, prepared by or on behalf of and at the

expense of the Purchaser, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the Purchaser, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2021 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Series 2021 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2021 Installment Payments and shall be applied by the Trustee to the payment of the Series 2021 Installment Payments of the Purchaser.

ARTICLE X

BOND INSURANCE PROVISIONS

SECTION 10.01. [TO COME]

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Purchaser Limited to Net Water System Revenues. Notwithstanding anything contained herein, the Purchaser shall not be required to advance any moneys derived from any source of income other than the Net Water System Revenues, the Revenue Fund and the other funds provided herein and in the Indenture for the payment of the Series 2021 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The Purchaser may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the Purchaser for such purpose.

The obligation of the Purchaser to make the Series 2021 Installment Payments is a special obligation of the Purchaser payable solely from Net Water System Revenues, the Revenue Fund and other funds described in this Agreement and in the Indenture, and does not constitute a debt of the Purchaser or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

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

SECTION 11.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the Purchaser or the Authority is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Purchaser or the Authority, and all agreements and covenants required hereby to be performed by or on behalf of the Purchaser or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04. Waiver of Personal Liability. No director, officer or employee of the Purchaser shall be individually or personally liable for the payment of the Series 2021 Installment

Payments, but nothing contained herein shall relieve any director, officer or employee of the Purchaser from the performance of any official duty provided by any applicable provisions of law or hereby.

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

SECTION 11.06. Article and Section Headings; Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

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

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

SECTION 11.09. Net Contract. This Agreement shall be deemed and construed to be a net contract, and the Purchaser shall pay absolutely net during the term hereof the Series 2021 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

affect the interests of the Owners of the Authority Bonds in the reasonable judgment of the Authority;

(3) to maintain the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes under the Code, if applicable; and

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

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

[Remainder of page intentionally left blank.]

(Signature page follows)

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

CITY OF OXNARD

By: _____
City Manager

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

-Signature Page-
Installment Purchase Agreement

EXHIBIT A

PURCHASE PRICE

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

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

Interest Payment Dates	Amount Attributable to Principal	Amount Attributable to Interest	Total

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EXHIBIT A – PURCHASE PRICE A-1

INDENTURE OF TRUST

by and among the

CITY OF OXNARD FINANCING AUTHORITY

and

CITY OF OXNARD

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of _____, 2021

Relating to

$_____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2021A

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, is dated as of _____, 2021, by and among the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority"), the CITY OF OXNARD, a charter city and a municipal corporation, duly organized and existing under the laws of the State of California (the "City"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, and being qualified to accept and administer the trusts hereby created, as Trustee (the "Trustee").

W I T N E S S E T H:

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

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

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

WHEREAS, for the purpose of completing the Refunding and providing funds to the City to finance the Improvements, the Authority has determined to issue its Water Revenue Bonds, Series 2021A (the "Bonds") in the aggregate principal amount of $_____, all pursuant to and secured by this Indenture in the manner provided herein; and

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

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

WHEREAS, the City and the Authority have determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and

purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

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

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

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

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

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

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

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

other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by its Mayor, Mayor Pro Tem, City Manager, or City Clerk and filed with the Trustee.

"BAM" means Build America Mutual Assurance Company, or any successor thereto or assignee thereof, as the issuer of the Insurance Policy and the Reserve Policy.

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

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

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

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

"Bonds" means the City of Oxnard Financing Authority Water Revenue Bonds, Series 2021A issued and at any time Outstanding pursuant to the Bond Law and this Indenture.

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

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

"Closing Date" means _____, 2021, being the date of delivery of the Bonds to the Original Purchaser.

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

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

"Costs of Issuance" means all items of expense directly or indirectly relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, fees, expenses and charges of the City, the Authority, the Trustee, and their respective counsel, including the Trustee's first annual administrative fee, costs of obtaining bond insurance, a Qualified Reserve Fund Credit

Instrument or Permitted Investment for monies held in the funds and accounts created and held hereunder, fees, charges and disbursements of bond counsel, disclosure counsel and other attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the execution and delivery of the Installment Purchase Agreement.

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

"Depository" means DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the Authority discontinues use of the Depository pursuant to Section 2.12 hereof, any other securities depository which agrees to follow the procedures requested to be followed by a securities depository in connection with the Bonds and which is selected by the Authority with notice to the Trustee.

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

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

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

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

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

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

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

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

"Installment Purchase Agreement" means that certain Installment Purchase Agreement by and between the Authority and the City, with respect to the sale of the Improvements, dated as of _____, 2021, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

"Insurance Policy" means the municipal bond insurance policy securing the Bonds and delivered by the Insurer.

"Insurer" means (i) BAM as provider of the Reserve Policy and as provider of the Insurance Policy, and (ii) the provider of a municipal bond or financial guaranty insurance policy with respect to an issue of bonds (other than the Bonds) or with respect to an issue of bonds the proceeds of which are used to purchase an issue of bonds (other than the Bonds).

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

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

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

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

(b) the interest that would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature or be redeemed in accordance with the applicable maturity or mandatory sinking account redemption schedule. At the time and for the purpose of making such computation, the amount of Bonds already retired in advance of the above mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be

dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant hereto.

"Office" means the corporate trust office of the Trustee in Los Angeles, California, or at such other or additional offices as may be specified in writing to the Authority and the City except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the designated corporate trust office or agency of the Trustee.

"Original Purchaser" means the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

"Outstanding," when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.03; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner," when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely upon a Written Request of the City directing investments as a certification to the Trustee that such investments are legal investments), but only to the extent that the same are acquired at fair market value:

(1) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — "SLGS")

(2) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

(3) Resolution Funding Corp. ("REFCORP") Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(4) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AA+" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AA+" rated pre-refunded municipals to satisfy this condition.

(5) Obligations, debentures, notes or other evidence of indebtedness issued or fully and unconditionally guaranteed by any of the following: Federal Home Loan Bank

System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided, that with respect to the funds and accounts established under this Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(6) Deposit accounts, including time deposits, trust accounts, demand deposits, trust funds, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee and its affiliates) or savings accounts (i) fully insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short term obligations are rated no lower than A-1 by S&P and P-1 by Moody's, including those of the Trustee and its affiliates.

(7) Federal funds or banker's acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" by Moody's and "A-l" or "A" or better by S&P (including the Trustee and its affiliates).

(8) Repurchase obligations with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the Securities Investor Protection Corporation ("SIPC") or a federally chartered commercial bank whose long term debt obligations are rated A or better by S&P and Moody's, with respect to any security described in clause (1); provided, that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(9) Taxable government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds, including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(10) Tax-exempt government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including those for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise.

(11) Money market mutual funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AAAm-G or AAAm and rated in one of the two highest Rating Categories of Moody's, including those managed or advised by the Trustee or its affiliates or for which the Trustee or an affiliate of the Trustee serves as administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and retains a fee for services provided to the fund, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(12) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from Moody's and S&P, of A1 and P1, respectively.

(13) Repurchase and reverse repurchase agreements collateralized with securities described in clause (1) of this definition, including those of the Trustee or any of its affiliates.

(14) The Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(15) Investment agreements, including guaranteed investment contracts ("GICs") forward purchase agreements and reserve fund put agreements with banks or other financial institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated, by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(16) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank, national banking association or insurance company and deposited with the Trustee pursuant to Section 3.03(d) provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company at the time of delivery of such letter of credit or surety bond is rated in one of the two highest rating categories by Moody's or S&P and, if rated by A.M. Best & Company, a minimum rating of "A"; (ii) such letter of credit or surety bond or policy has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety

bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 3.0(d); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the amounts available to repay the principal of and interest on the Bonds.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02(c).

"Registration Books" means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

"Reserve Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Reserve Policy" means the debt service reserve insurance policy issued by the Insurer and deposited to the credit of the Reserve Fund in satisfaction of the Reserve Requirement on the Closing Date for the Bonds. The Reserve Policy constitutes a Qualified Reserve Fund Credit Instrument for all purposes of this Indenture.

"Reserve Requirement" means, as of any date of calculation by the City, the least of (i) ten percent (10%) of the original issue price of the Bonds (or, if there is less than 2% net original issue discount or premium, 10% of the original stated principal amount of the Bonds); (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date; or (iii) the Maximum Annual Debt Service on the Bonds.

"Responsible Officer" means any President, Managing Director, Vice President, Assistant Vice President, Treasurer, Assistant Treasurer, Assistant Secretary, Associate, Senior Associate or any other officer of the Trustee in the Office of the Trustee in Los Angeles, California (or any successor corporate trust office) having regular responsibility for corporate trust matters and having direct responsibility for the administration of this Indenture.

"Revenue Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02.

"Revenues" means (a) all amounts received by the Authority or the Trustee pursuant, or with respect, to the Installment Purchase Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), prepayments, insurance proceeds, and condemnation proceeds, but excluding any Additional Payments; (b) all moneys and amounts held in the funds and accounts established hereunder; and (c) investment income with respect to any moneys held by the Trustee hereunder.

"S&P" means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, or, if such corporation shall be dissolved or

liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority.

"Securities Depositories" means The Depository Trust Company, New York, New York and its successors and assigns or if (i) the then Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then Securities Depository pursuant to Section 2.12, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

"Series 2021 Bonds" means the City of Oxnard Financing Authority Water Revenue Bonds, Series A.

"State" means the State of California.

"Supplemental Indenture" means any indenture, agreement, resolution or other instrument hereafter duly adopted or executed in accordance with the provisions of Section 7.01 of this Indenture.

"Tax Certificate" means the Tax Exemption Certificate or similar federal tax certificate entered into with respect to the issuance of the Bonds.

"Tax Regulations" means temporary and permanent regulations promulgated under or with respect to Section 103 of the Code.

"Trustee" means Wells Fargo Bank, National Association, appointed by the Authority to act as trustee hereunder pursuant to Section 6.01, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Written Certificate", "Written Request" and "Written Requisition" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SECTION 1.02. Rules of Construction. All references in this Indenture to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the

others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that, as of the date of issuance of the Bonds, all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized, pursuant to the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture.

SECTION 2.02. Terms of Bonds. (a) The Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture shall be designated the "City of Oxnard Financing Authority Water Revenue Bonds, Series 2021A" and shall be issued in the original principal amount of $_____.

(b) The Series 2021 Bonds shall be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof, so long as no Series 2021 Bond shall have more than one maturity date. The Series 2021 Bonds shall be dated the Closing Date, shall mature on June 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

Maturity Date (June 1)	**Principal Amount**	**Interest Rate Per Annum**

(c) Interest on the Bonds shall be payable semiannually calculated based on a 360-day year of twelve (12) thirty-day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on the Interest Payment Date by first class mail to the Owner at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account at a financial institution in the United States of America to any Owner of Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Trustee before the applicable Record Date. Any such written request shall remain in effect until rescinded in writing by the Owner. Principal of any Bond and any premium upon redemption shall be paid by check or wire of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

SECTION 2.03. Redemption of Bonds.

(a) Special Mandatory Redemption. The Bonds shall be subject to special mandatory redemption as a whole or in part, on any date, from proceeds of an eminent domain award or proceeds of casualty insurance not used to repair or rebuild the Water System, which proceeds may be used for such purpose pursuant to Sections 6.06 or 6.12 of the Installment Purchase Agreement, at a redemption price equal to the principal amount of the Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.

(b) Optional Redemption from Prepayments of Installment Payments. The Series 2021 Bonds maturing on or before June 1, ____ shall not be subject to optional redemption prior to maturity. The Series 2021 Bonds maturing on June 1, ____ shall be subject to redemption prior to their maturity date, at the option of the Authority, randomly within a maturity on any date on or after June 1, ____, from prepayment of Installment Payments made at the option of the City at the redemption price equal to the principal amount of the Series 2021 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) Mandatory Sinking Fund Redemption.

The Series 2021 Bonds maturing on June 1, ____ are also subject to redemption prior to their stated maturity, on June 1 in each year, commencing June 1, ____, in part randomly, from mandatory sinking account payments at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date, without premium, as set forth below in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such Series 2021 Bonds have been redeemed pursuant to optional or special mandatory redemption provisions of the Indenture, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Series 2021 Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as nearly as possible in integral multiples of $5,000. The City shall provide the Trustee with a revised sinking fund schedule.

Schedule of Mandatory Sinking Fund Redemptions
Series A Term Bonds Maturing June 1, ____

Redemption Date (June 1)	**Principal Amount**
(maturity)	

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

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

(e) Selection of Bonds for Redemption. Whenever provision is made in the foregoing subsection (a) or (b) of this Section for the redemption of Bonds of more than one maturity, the Bonds to be redeemed shall be selected among series of Bonds in a manner determined in writing by the Authority and in inverse order of maturity or, at the election of the Authority evidenced by a Written Request of the Authority filed with the Trustee at least sixty (60) days prior to the date of redemption, on a pro rata basis among maturities as nearly as possible given authorized denominations (provided that, in any event, the principal and interest due on the Bonds Outstanding following such redemption shall be equal in time and amount to the unpaid payments due under the Installment Purchase Agreement); and in each case, the

Trustee shall select the Bonds to be redeemed within any maturity randomly in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate $5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

(f) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

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

SECTION 2.04. Forms of Bonds. The Series 2021 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only those Bonds that bear thereon a certificate of authentication in substantially the forms set forth in Exhibit A, manually or electronically executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer and Exchange of Bonds.

(a) Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in

person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Bond or Bonds of the same series, maturity, interest rate and aggregate principal amount, in any authorized denominations. The Authority shall pay all costs of the Trustee incurred in connection with any such transfer, except that the Trustee may require the payment by the Bond Owner of any tax or other governmental charge required to be paid with respect to such transfer.

Prior to any transfer of the Bonds outside of the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045 as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Authority shall pay all costs of the Trustee incurred in connection with any such exchange, except that the Trustee may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) Limitations on Transfer or Exchange. The Trustee may refuse to transfer or exchange either (i) any Bond during the period established by the Trustee for the selection of Bonds for redemption pursuant to Section 2.03, or (ii) the portion of any Bond which the Trustee has selected for redemption pursuant to the provisions of Section 2.03.

SECTION 2.07. Registration Books. The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the City and the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

SECTION 2.08. Issuance in Temporary Form. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary

Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like series, tenor and authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity for the Authority and the Trustee satisfactory to the Trustee shall be given, the Authority, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like maturity and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity for the Authority and the Trustee satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.10. Book-Entry System; Limited Obligation. The Bonds shall be initially executed, authenticated and delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.12 hereof, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant

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

The Trustee shall pay all principal of, premium, if any, and interest on, the Bonds only to or upon the order of the respective Bond Owners, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on, such Bond pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

SECTION 2.11. Representation Letter. To qualify the Bonds for the Depository's book-entry system, the Authorized Representative is hereby authorized to execute, countersign and deliver on behalf of the Authority to such Depository a letter from the Authority representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.10 hereof or in any other way impose upon the Authority or the City any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Trustee in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority Representative and all other officers of the Authority, and their respective deputies and designees, each is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

SECTION 2.12. Transfers Outside Book-Entry System. If at any time the Depository notifies the Authority that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is

not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.10 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. In addition, the Authority may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of Section 2.10 hereof shall no longer apply to the Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. Bonds executed, authenticated and delivered in exchange for global bonds pursuant to this Section 2.12 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Depository Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

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

SECTION 2.13. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

SECTION 2.14. Initial Depository and Nominee. The initial Depository under this Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III

ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver Series 2021 Bonds in the aggregate principal amount of $_____, and shall deliver the Bonds to the Trustee for authentication and delivery to the Original Purchaser upon the Written Request of the Authority.

SECTION 3.02. Application of Proceeds and Other Moneys. Upon the receipt of payment for the Series 2021 Bonds on the Closing Date, the Trustee shall deposit the net amount of the proceeds of the Series 2021 Bonds as follows:

(a) The Trustee shall deposit into the Costs of Issuance Fund the amount of $_____.

(b) The Trustee shall deposit into the Acquisition and Construction Fund the amount of $_____.

(c) The Trustee shall transfer to Wells Fargo Bank, National Association, the escrow agent for the Refunding of the 2010 Bonds the amount of $_____.

(d) The Trustee shall credit the Reserve Policy to the Reserve Fund to satisfy the Reserve Requirement.

(e) The Trustee shall transfer to Wells Fargo Bank, National Association, the escrow agent for the Refunding of the 2012 Bonds the amount of $_____.

The Trustee may, in its discretion, establish a temporary fund or account or subaccount in its books and records to facilitate such deposits.

SECTION 3.03. Reserve Fund. (a) There is hereby created a separate fund to be known as the "Reserve Fund," which shall be held in trust by the Trustee. An amount equal to the Reserve Requirement shall be maintained in the Reserve Fund at all times, subject to the provisions of Section 4.02(b), and any deficiency therein shall be replenished from the first available Revenues pursuant to Section 4.02(b).

(b) Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03(c), if the moneys in the Bond Payment Fund are insufficient therefor. If the amount on deposit in the Bond Payment Fund on any date is insufficient to enable the Trustee to pay in full the aggregate amount of principal of and interest on the Bonds coming due and payable, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03(c), the Trustee shall withdraw the amount of such insufficiency from the Reserve Fund and transfer such amount to the Bond Payment Fund.

(c) If the amount on deposit in the Reserve Fund exceeds the Reserve Requirement on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date, the amount of such excess shall be withdrawn therefrom by the Trustee and transferred to the Bond Payment Fund and credited against the Installment Payment or Installment Payments next due from the City.

(d) The Authority, with the consent of the Insurer, may fund all or a portion of the Reserve Requirement with one or more Qualified Reserve Fund Credit Instruments. Upon deposit of any Qualified Reserve Fund Credit Instrument with the Trustee, the Trustee shall transfer any excess amounts then on deposit in the Reserve Fund into a segregated account of the Bond Payment Fund, which monies shall be applied at the written direction of the Authority either (i) to the payment within one year of the date of transfer of capital expenditures of the Authority permitted by law, or (ii) to the redemption of Bonds on the earliest succeeding date on which such redemption is permitted hereby, and pending such application shall be held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the Bonds; provided, however, that the Authority may by written direction to the Trustee cause an alternative use of such amounts if the Authority shall first have obtained a written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion

pursuant to section 103 of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to subsection (a) of Section 4.02.

If the Qualified Reserve Fund Credit Instrument will lapse or expire, the Trustee shall draw upon such Qualified Reserve Fund Credit Instrument prior to its lapsing or expiring in the full amount of such Qualified Reserve Fund Credit Instrument, make deposits from available Revenues to the Reserve Fund to increase the amount on deposit therein to the Reserve Requirement or the Authority shall substitute such Qualified Reserve Fund Credit Instrument with a Qualified Reserve Fund Credit Instrument that satisfies the requirements of this subsection (d).

On the Closing Date, the Trustee will deposit the Reserve Policy into the Reserve Fund to satisfy the Reserve Requirement. So long as the Reserve Policy is in effect, the provisions of Section 9.02 hereof shall govern with respect to the Reserve Policy.

SECTION 3.04. Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Costs of Issuance Fund." Except as otherwise provided herein, moneys in each account of the Costs of Issuance Fund shall be used solely for the payment of the Costs of Issuance. The Trustee shall disburse moneys in each account of the Costs of Issuance Fund from time to time to pay Costs of Issuance (or to reimburse the Authority for payment of Costs of Issuance) upon receipt by the Trustee of a Written Request of the Authority, substantially in the form attached hereto as Exhibit C. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the earlier of 180 days from the Closing Date or the filing with the Trustee of a Written Certificate of the Authority stating that all Costs of Issuance have been paid, the Trustee shall withdraw all amounts then on deposit in the Costs of Issuance Fund and transfer such amounts to the Acquisition and Construction Fund or, if all Acquisition and Construction Costs have been paid as evidenced by a Written Certificate of the City, to the Bond Payment Fund, and the Costs of Issuance Fund shall then be closed.

SECTION 3.05. Acquisition and Construction Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Acquisition and Construction Fund." Except as otherwise provided herein, moneys in the Acquisition and Construction Fund shall be used solely for the payment of Acquisition and Construction Costs, as defined in the Installment Purchase Agreement. Before any payment from the Acquisition and Construction Fund shall be made, the City shall file or cause to be filed with the Trustee, a Requisition of the City which shall be substantially in the form attached hereto as Exhibit D. The Trustee shall be

entitled to rely on the representations of the City contained in such Requisition and shall not be required to independently verify the contents of such Requisition.

Within five (5) Business Days following receipt of each such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Acquisition and Construction Fund. Upon the Written Request of the City accompanied by a Written Certificate of the City stating that all Acquisition and Construction Costs have been paid or provision made for their payment, any unexpended moneys in the Acquisition and Construction Fund may be used to pay the costs associated with any other improvements to the Water System, provided that in the opinion of Bond Counsel such use of the proceeds of the Bonds shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof. Any unexpended moneys in the Acquisition and Construction Fund subsequent to the payment of all Acquisition and Construction Costs which are not used to pay the cost of other improvements to the Water System shall be transferred to the Bond Payment Fund upon receipt by the Trustee of a Written Request of the City accompanied by a Written Certificate of the City stating that all Acquisition and Construction Costs have been paid or provision made for their payment, and the Acquisition and Construction Fund shall then be closed.

SECTION 3.06. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Installment Purchase Agreement and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FLOW OF FUNDS

SECTION 4.01. Collateral Assignment of Revenues and of the Installment Purchase Agreement. The Authority hereby assigns to the Trustee, on behalf of the Owners, as additional security for its obligations hereunder, all of the Authority's right, title and interest to and in the Revenues and all of the right, title and interest (but none of the obligations) of the Authority in the Installment Purchase Agreement (other than the rights of the Authority under Sections 8.03 and 11.14 thereof and the Authority's rights to give consents and approvals thereunder, including, without limitation, to amendments thereof); provided, that should the Authority well and truly pay or cause to be paid the principal of the Bonds with interest thereon in accordance with the terms thereof, and perform all other obligations of the Authority hereunder, then such assignment shall cease, determine and become void and the Trustee shall acknowledge and deliver to the Authority such instruments of satisfaction or release thereof as may reasonably be prepared and requested by or on behalf of the Authority. Subject to Section 4.03, all Revenues the Trustee collects and receives shall be applied to the payment of principal of and interest and premium (if any) on the Bonds equally, without priority for series, issue, number or date, in accordance with the terms hereof. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that a portion of the Revenues may be used for purposes as expressly permitted by Section 4.02 hereof.

The assignment under this section to the Trustee is solely in the Trustee's capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting pursuant to such assignment shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article VI hereof. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority.

SECTION 4.02. Receipt, Deposit and Application of Revenues. Except as provided in Section 4.03 hereof with regard to the deposit of earnings on investments, all of the Revenues shall be deposited by the Trustee immediately upon receipt in the Revenue Fund (which the Trustee shall establish and hold in trust hereunder) or as otherwise instructed by the City. Amounts in the Revenue Fund shall be applied solely for the uses and purposes set forth herein. The Trustee shall withdraw amounts on deposit in the Revenue Fund and apply such amounts at the times and for the purposes, and in the priority, as follows:

(a) Bond Payment Fund. On or before each Interest Payment Date, so long as any Bonds remain Outstanding hereunder, the Trustee shall withdraw from the Revenue Fund and deposit into the Bond Payment Fund (which the Trustee shall establish and hold in trust hereunder) an amount which, together with other available amounts then on deposit in the Bond Payment Fund, is at least equal to the sum of (i) the aggregate amount of principal of and interest coming due and payable on the Bonds on such Interest Payment Date, (ii) the principal amount Bonds maturing on such Interest Payment Date, and (iii) the redemption price of the Term Bonds coming due and payable on such Interest Payment Date by operation of mandatory sinking fund redemption pursuant to Section 2.03(c).

Amounts in the Bond Payment Fund shall be applied by the Trustee solely for the purpose of paying the principal of and interest on the Outstanding Bonds when and as such principal and interest becomes due and payable (including accrued interest on any Bonds purchased or redeemed pursuant hereto), and for the purpose of paying the principal of the Term Bonds at the maturity thereof or upon the mandatory sinking fund redemption thereof pursuant to Section 2.03(c).

If after all of the Bonds have been paid or deemed to have been paid, there are moneys remaining in the Bond Payment Fund, such moneys shall be transferred by the Trustee to the City, after the payment of any outstanding fees and expenses of the Trustee.

(b) Reserve Fund. If the amount on deposit in the Reserve Fund at any time falls below the Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and, subject to Section 9.02(a) hereof, the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the Revenue Fund, and (ii) transfer such amount to the Reserve Fund. No deposit need be made in the Reserve Fund so long as the balance therein or credited thereto at least equals the Reserve Requirement.

(c) Redemption Fund. The Trustee shall deposit into the Redemption Fund all amounts required to redeem any Bonds which are subject to redemption pursuant to Sections 2.03(a) and (b) when and as such amounts become available. Amounts in the Redemption Fund shall be applied by the Trustee solely for the purpose of paying the redemption price of Bonds to

be redeemed pursuant to Sections 2.03(a) and (b). Following any redemption of all of the Bonds, any moneys remaining in the Redemption Fund shall be transferred by the Trustee to the City.

SECTION 4.03. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the City, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as sponsor, principal or agent in the acquisition or disposition of any investment. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section. The Trustee may rely conclusively upon the investment direction of the City as to the suitability and legality of the directed investments.

The Trustee may sell, or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

The Authority (and the City by its execution of the Installment Purchase Agreement) acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the City the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the Authority and the City specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

SECTION 4.04. Acquisition, Disposition and Valuation of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired and disposed of (as of the date that valuation is required by this Indenture or the Code) at fair market value.

(b) Except as required pursuant to Section 5.07 hereof, the fair market value of the investments held pursuant to this Indenture shall be determined as follows: "Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows: (a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (b) as to investments the bid and asked prices of which are not

published on a regular basis in The Wall Street Journal or The New York Times; the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest; and (d) as to any investment not specified above; the value thereof established by prior agreement between the Authority and the Trustee.

Notwithstanding anything to the contrary herein, in making any valuations of investments hereunder, the Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Certificate or Written Request of the Authority. Trustee shall be deemed to have complied with such valuation through use of its automated pricing service as reflected on its trust accounting statements.

ARTICLE V

COVENANTS OF THE AUTHORITY; SPECIAL TAX COVENANTS

SECTION 5.01. Punctual Payment; Compliance With Documents. The Authority shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures.

SECTION 5.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 5.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 5.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds is Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 5.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special

obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VI and to the extent permitted by law, defend, preserve and protect such pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Installment Purchase Agreement, and all funds and accounts held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours and under reasonable circumstances with reasonable notice.

SECTION 5.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 5.07. Tax Covenants.

(a) General. The Authority and the City hereby covenant with the owners of the Series 2021 Bonds that, notwithstanding any other provisions of this Indenture, it shall not take any action, or fail to take action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Series 2021 Bonds under Section 103 of the Code. Neither the Authority nor the City, directly or indirectly, shall use or permit the use of proceeds of the Series 2021 Bonds or any of the property financed or refinanced with proceeds of the Series 2021 Bonds, or any portion thereof, by any person other than a governmental person (as such term is used in Section 141 of the Code and applicable Treasury Regulations), in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

(b) Use of Proceeds. Neither the Authority nor the City shall take any action, or fail to take action, if any such action or failure to take action would cause the Series 2021 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and applicable Treasury Regulations, and in furtherance thereof, shall not make any use of the proceeds of the Series 2021 Bonds or any of the property financed or refinanced with proceeds of the Series 2021 Bonds, or any portion thereof, that would cause the Series 2021 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. So long as any Series 2021 Bonds are outstanding, the Authority and the City, with respect to such proceeds and property, will comply with the requirements of the Code and the Treasury Regulations, to the extent such requirements are, at the time, applicable and in effect. The City shall establish reasonable procedures necessary to ensure continued compliance with Section 141 of the Code and the continued qualification of the Series 2021 Bonds as "governmental bonds."

(c) Arbitrage. Neither the Authority nor the City shall directly or indirectly use or permit the use of any proceeds of any Series 2021 Bonds, or of any property financed or refinanced thereby, or of other funds of the Authority or the City, that would cause the Series

2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations, and shall not otherwise take any action, or fail to take action, if such action or failure to take action would cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Authority and the City shall comply with all requirements of Section 148 of the Code and the Treasury Regulations to the extent such requirements are, at the time, in effect and applicable to the Series 2021 Bonds.

(d) Federal Guarantee. Neither the Authority nor the City shall make any use of the proceeds of the Series 2021 Bonds, or of any other funds of the Authority or the City, that would cause the Series 2021 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code, and shall not otherwise take any action, or fail to take action, when such action or failure to take action would cause the Series 2021 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants of this Section 5.07, the Authority and the City each covenant that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Series 2021 Bonds.

SECTION 5.08. Installment Purchase Agreement. The Trustee shall promptly collect all amounts due from the City pursuant to the Installment Purchase Agreement. Subject to the provisions of Article VI and Article IX, the Trustee may enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Installment Purchase Agreement with respect to the timely collection of the Installment Payments.

SECTION 5.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 5.10. Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Trustee and Owners of the Bonds the rights and benefits provided in this Indenture.

SECTION 5.11. Continuing Disclosure. The City covenants and agrees that it will comply with the continuing disclosure requirements with respect to the Bonds promulgated under U.S. Securities and Exchange Commission Rule 15c2-12 and the terms of the Continuing Disclosure Agreement. The Authority shall have no liability to the Owners or to any other person with respect to such disclosure matters. Notwithstanding any other provisions of this Indenture, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take, and the

Trustee shall take, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, and upon receipt of satisfactory indemnification, such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Agreement.

ARTICLE VI

THE TRUSTEE

SECTION 6.01. Appointment of Trustee. Wells Fargo Bank, National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee having a combined capital and surplus of at least One Hundred Million Dollars ($100,000,000), and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding. If such bank, national banking association or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 6.02. Payment of Bonds; Registration Books. The Trustee is hereby authorized to pay the Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged. The Trustee will keep or cause to be kept at its Office sufficient books for the registration and transfer of the Bonds, which shall at all times during regular business hours upon reasonable notice be open to inspection by the City and the Authority. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, as provided in this Indenture with respect to the Bonds.

SECTION 6.03. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. Prior to the time that an Event of Default hereunder has occurred or after the curing of all Events of Default which may have occurred, the Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or duties shall be read into this Indenture against the Trustee. In case an Event of Default hereunder has occurred (which has not been cured or waived) the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall have no liability for the actions of any such attorney, agent or receiver chosen with reasonable care, and the Trustee shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be liable for any action taken or not taken in reliance upon advice or opinion of such counsel.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the City's investment direction or as otherwise provided in this Indenture.

(d) The Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

(e) In the absence of bad faith on its part, the Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate of the City or a Written Certificate of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 6.03(h) hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Written Certificate of the Authority to the effect that an authorization in the form therein set forth has been adopted by the Authority, as conclusive evidence that such authorization has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents. In acting under the Installment Purchase Agreement or any other document executed in connection herewith or therewith, the Trustee shall have the same rights, protections and indemnities as afforded to it hereunder.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Installment Purchase Agreement, except failure by the City to make any of the payments to the Trustee required to be made by the City pursuant to the Installment Purchase Agreement, or failure by the Authority to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds by a certain date, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture or under the Installment Purchase Agreement to be delivered to the Trustee must, to be effective, be delivered at the Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder or thereunder except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but not the duty) fully to inspect the Water System, all books, papers and records of the City or the Authority pertaining to the Water System and the Bonds, and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, or the right of the City or the Authority to the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Section 8.03 or any other actions besides making payments of principal of and interest on the Bonds, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be

segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(n) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Trustee shall provide the Authority and the City with seven days' notice prior to making any advance of its own funds hereunder (which it is in no event required to do), and, if the City or the Authority does not provide moneys in the amount needed, the Trustee shall be entitled to interest on the amounts advanced at a rate equal to its prime rate then in effect; provided that no such prior notice shall need be given and such interest on amounts advanced shall accrue from the date of any such advance following the occurrence of an Event of Default hereunder.

(o) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for herein) in aggregate principal amount of the Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee.

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

(r) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

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

(t) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(u) The Trustee may consult with counsel, who may or may not be counsel to the City, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

(v) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and City whenever a person is to be added or deleted from the listing. If the Authority and City elect to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority and City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 6.04. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all reasonable advances, reasonable counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, but solely from Additional Payments made by the City under the Installment Purchase Agreement.

Upon the occurrence of an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.05. Notice to Bond Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds, of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(h), then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice.

SECTION 6.06. Intervention by Trustee. In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.03(l), shall do so if requested in writing by the Owners of a majority in aggregate principal amount of such Bonds then Outstanding.

SECTION 6.07. Removal of Trustee. The Owners of a majority in aggregate principal amount of the Outstanding Bonds, or the Authority (so long as no Event of Default has occurred or is continuing), may at any time upon thirty (30) days prior written notice remove the Trustee.

SECTION 6.08. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign by giving written notice by registered or certified mail to the City and the Authority. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee in accordance with Section 6.09. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the successor Trustee shall mail notice thereof to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.09. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee; provided that any such successor shall be a bank, national banking association or trust company meeting the requirements of Section 6.01. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within sixty (60) days following the delivery to the Trustee of the instrument described in Section 6.06 or within sixty (60) days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such sixty (60) day period. Upon the acceptance by any successor Trustee of appointment as such, the successor Trustee shall cause notice thereof to be given by first class mail to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.10. Merger or Consolidation. Any company into which the Trustee may be merged or converted or which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.11. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Written Request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.12. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 6.12 are adopted to these ends.

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

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any

separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.13. Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, costs, claims, expense (including, without limitation, legal fees and expenses), suits, actions, judgements and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability or enforcing its indemnification rights hereunder, but excluding any and all losses, costs, claims, expenses and liabilities which are finally determined to have been primarily caused by the negligence or willful misconduct of the Trustee, its officers, directors or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder or pursuant to the Installment Purchase Agreement. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The obligations of the Authority under this paragraph shall be payable solely from Additional Payments made by the City under the Installment Purchase Agreement and shall survive the resignation or removal of the Trustee under this Indenture or any defeasance of the Bonds. The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THIS INDENTURE

SECTION 7.01. Amendment by Consent of Bond Owners. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02 hereof, are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums at the time and place and at the rate and in the

currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein.

This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Bond Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the Authority; or

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

(c) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series 2021 Bonds.

The Trustee shall not be required to enter into or consent to any amendment or modification which, in the sole judgment of the Trustee, might adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein.

Prior to the Trustee entering into any Supplemental Indenture hereunder, the Authority or the City shall deliver to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Series 2021 Bonds.

SECTION 7.02. Disqualified Bonds. Bonds owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this article provided for, and shall not be entitled to consent to, or take any other action in this article provided for, unless all of the Outstanding Bonds shall be owned or held by or for the account of the City or the Authority, provided however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by the Authority or the City or for the account of the Authority or the City unless the Authority or the City is a Registered Owner or the

Trustee has received written notice that any other Registered Owner is the Owner of a Bond for the account of the City or Authority.

SECTION 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

SECTION 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Bond Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default and Acceleration of Maturities. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for mandatory sinking fund redemption, by declaration or otherwise.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City and the Authority by the Trustee; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice (other than a default in the payment of any fees and expenses owing to the Trustee) can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time, which period shall not be longer than one hundred eighty (180) days from the date of such default notice.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without

the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

(e) The occurrence and continuation of an Event of Default under and as defined in the Installment Purchase Agreement.

Upon the occurrence and during the continuance of any Event of Default the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, the Trustee shall, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all of the principal of and interest on the Bonds having come due prior to such declaration, with interest on such overdue principal and interest calculated at the net effective rate of interest per annum then borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, together with interest thereon at the prime rate of the Trustee then in effect, and any and all other defaults actually known to the Trustee (other than in the payment of the principal of and interest on the Bonds having come due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee or the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding may, by written notice to the Authority and to the Trustee, on behalf of the Owners of all of the Outstanding Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Application of Funds Upon Acceleration. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and

interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts; and

Third, to any amounts owing the Insurer to the extent not otherwise paid pursuant to Second above.

SECTION 8.03. Other Remedies: Rights of Bond Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy, in addition to the remedy specified in Section 8.01, at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.03(l), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 8.04. Power of Trustee to Control Proceeding. If the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and the Trustee has been indemnified to its satisfaction. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder

may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Revenues and other moneys herein pledged for such payment.

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

SECTION 8.07. Rights and Remedies of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, or the Installment Purchase Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) the Trustee has not received any inconsistent direction during such 60-day period from the Owners of a majority in aggregate principal amount of the Outstanding Bonds.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any

remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, or the Installment Purchase Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Rights of the Insurer. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies (including the right to require a declaration of acceleration) granted hereunder to the Owners, or to the Trustee for the benefit of the Owners, including but not limited to rights and remedies granted pursuant to Section 8.02 and including but not limited to the right to approve all waivers of any Events of Default. The rights granted to the Insurer under this Indenture shall be deemed terminated and shall not be exercisable by the Insurer during any period during which the Insurer shall be in default under the Insurance Policy.

So long as BAM shall be in compliance with its payment obligations under the Insurance Policy, BAM shall be deemed to be the sole owner of the Bonds for purposes of all provisions relating to an event of default with respect to the Bonds, except with respect to the giving of notice of such an Event of Default. BAM shall be included as a party in interest and as a party entitled to (1) notify the Trustee of the occurrence of an Event of Default and (2) request the Trustee to intervene in judicial proceedings that affect the Bonds or the security therefor. In addition, the provisions herein requiring the consent, approval or direction of BAM shall be applicable only at such time as BAM shall be in compliance with its payment obligations under the Insurance Policy and the Reserve Policy.

SECTION 8.09. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

INSURANCE AND RESERVE POLICY PROVISIONS

SECTION 9.01. Municipal Bond Insurance. (a) So long as the Insurance Policy remains in effect, the Trustee shall comply with all of the terms and provisions thereof as may be

required to submit and enforce a claim thereunder. Without limiting the generality of the foregoing, the Trustee shall comply with the following provisions of this Section 9.01:

(1) In the event that principal and/or interest due on the Bonds is paid by BAM pursuant to the Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners will continue to exist and will run to the benefit of BAM, and BAM will be subrogated to the rights and remedies of such registered owners including, without limitation, any rights and remedies that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(2) In the event that on the second (2nd) business day prior to any payment date on the Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Bonds due on such payment date, the Trustee will immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee will so notify BAM or its designee immediately upon receipt of payment.

(3) In addition, if the Trustee has notice that any Owner of the Bonds has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, then the Trustee will notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

(4) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Owners of the Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Bonds, the Trustee will (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owners of the Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments received by the Trustee under the Insurance Policy in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Bonds, and (iv) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal of the Bonds, the Trustee will (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such

Owner of the Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Bonds surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Insurance Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments received by the Trustee under the Insurance Policy in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest, and (iv) disburse the same to such Owners.

(5) The Trustee will designate any portion of payment of principal on Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and will issue a replacement Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond will have no effect on the amount of principal or interest payable by the Authority on any Bond or the subrogation or assignment rights of BAM.

(6) Payments with respect to claims for interest on and principal of Bonds disbursed by the Trustee from proceeds of the Insurance Policy will not be considered to discharge the obligation of the Authority with respect to such Bonds, and BAM will become the owner of such unpaid Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. This Indenture shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for.

(7) Irrespective of whether any such assignment is executed and delivered, the Authority and the Trustee agree for the benefit of BAM that:

(i) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the Authority, with interest thereon, as provided and solely from the sources stated in this Indenture and the Bonds; and

(ii) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in this Indenture and the Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Bonds to Owners, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

(8) The Authority agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs

of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Indenture or the Insurance Policy ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Authority agrees that failure to pay any Additional Payments on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, defined herein, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

(9) Notwithstanding anything herein to the contrary, the Authority agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Insurance Policy (the "Insurance Policy Payment"); and (ii) interest on the Insurance Policy Payments from the date paid by BAM until payment thereof in full by the Authority, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Authority hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the Installment Payments and payable on a parity with debt service due on the Bonds. This Indenture shall not be discharged until all Additional Payments and BAM Reimbursement Amounts owing to BAM shall have been paid in full, and such obligation shall expressly survive the discharge and defeasance in full of the Bonds.

SECTION 9.02. Reserve Policy Provisions.

(a) So long as the Reserve Policy remains in force and effect or any amounts are owed in connection therewith, the following provisions of this Section 9.02 shall govern, notwithstanding anything to the contrary contained in this Indenture:

(1) The Authority shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. For purposes of this Section, "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as BAM in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account established for the Bonds and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Bond Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Qualified Reserve Account Credit Instrument on deposit in the Reserve Account in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts into the Reserve Account. Draws on all Qualified Reserve Account Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Account Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Qualified Reserve Account Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(2) Draws under the Reserve Policy may only be used to make payments on the Bonds.

(3) If the Authority shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect Owners of the Bonds.

(4) This Indenture shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Authority's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(5) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to BAM at least three (3) Business Days prior to each date upon which interest or principal is due on the Bonds.

(6) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of additional Obligations per Section 3.05 hereof and the rate covenant in this Indenture.

SECTION 9.03. Additional Rights of BAM; Notices and Other Information to be Provided to BAM. In addition to the rights set forth above in Sections 9.01 and 9.02, as well as elsewhere in this Indenture, BAM shall have the additional rights set forth below. The terms and provisions of this Section 9.03, as well as of Sections 9.01 and 9.02, shall govern and control, notwithstanding anything to the contrary set forth herein.

(a) BAM is recognized as and shall be deemed to be a third party beneficiary hereunder and may enforce the provisions of this Indenture as if it were a party hereunder.

(b) The Authority agrees, consents and will cooperate in good faith to provide information reasonably requested by BAM and will further provide appropriately designated individuals and officers to discuss the affairs, finance and accounts of the Authority or any other matter as BAM may reasonably request.

(c) The Authority will provide BAM with such information as BAM may reasonably request and shall provide all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners of Bonds or the Trustee under this Indenture. BAM will receive copies of all notices and amendments relating to the Bonds.

(d) The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Insurance Policy, then a copy of such notice or other communication will also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and will be marked to indicate "URGENT MATERIAL ENCLOSED."

(e) BAM will receive written notice of any name change of the corporate entity of Trustee for the Bonds or the resignation or removal of the Trustee pursuant to Article VI hereof. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250,000,000 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by BAM in writing.

(f) No removal, resignation or termination of the Trustee will take effect until a successor, acceptable to BAM, will be qualified and appointed. BAM will have the right to direct the replacement of the Trustee upon the occurrence of an event of a default

on the Bonds and any event of default under any senior or subordinate obligations to the extent BAM determines in its sole discretion that there exists or could exist a conflict of interest.

(g) The Authority will send copies of any amendments or supplements to BAM and the rating agencies that have assigned a rating to the Bonds. The prior written consent of BAM is required for any amendments or supplements to this Indenture with the exception of amendments or supplements:

(i) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in this Indenture, or

(ii) To grant or confer upon the Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners of the Bonds, or

(iii) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions hereof other conditions, limitations and restrictions thereafter to be observed,

(iv) To add to the covenants and agreements of the Authority in this Indenture other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power therein reserved to or conferred upon the Authority, or

(v) To issue additional parity obligations in accordance with the provisions hereof and the Installment Purchase Agreement.

(h) Any amendment, supplement, modification to, or waiver of, this Indenture that requires the consent of Owners of the Bonds or adversely affects the rights or interests of BAM will be subject to the prior written consent of BAM.

(i) Any reorganization or liquidation plan with respect to the Authority must be acceptable to BAM. The Trustee and each owner of the Bonds hereby appoint BAM as their agent and attorney-in-fact with respect to the Bonds and agree that BAM may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Bonds delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Bonds with respect to the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(j) Anything herein to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM will be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Bonds or the Trustee for the benefit of the Owners of the Bonds under this Indenture. The Trustee may not waive any default or event of default without BAM's written consent.

(k) Upon the occurrence and continuance of a default or an Event of Default, BAM shall be deemed to be the sole owner of the Bonds for all purposes under this Indenture, including, without limitations, for purposes of exercising remedies and approving amendments.

(l) BAM's prior written consent is required as a condition precedent to and in all instances of acceleration of the Bonds.

(m) No grace period will be permitted for payment defaults on the Bonds. No grace period for a covenant default relating to the Bonds will exceed 30 days without the prior written consent of BAM.

(n) If an Insurer Default (as defined below) shall occur and be continuing, then, notwithstanding anything in paragraphs (e)-(i) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Insurance Policy, to the extent of such payment BAM will be treated like any other Owner of the Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Insurance Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph (l), "Insurer Default" means: (A) BAM has failed to make any payment under the Insurance Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(o) The rights granted to BAM under this Indenture to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and will not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Bonds and such action does not evidence any position

of BAM, affirmative or negative, as to whether the consent of the Owners of the Bonds or any other person is required in addition to the consent of BAM.

(p) BAM will be entitled to pay principal or interest on the Bonds that become Due for Payment but are unpaid by reason of nonpayment by the Authority (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not BAM has received a claim upon the Insurance Policy.

(q) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

(r) If an event of default occurs under any agreement pursuant to which any Obligation of the Authority has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Bonds or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Indenture and the Installment Purchase Agreement for which BAM or the Trustee, at the direction of BAM, shall be entitle to exercise all available remedies under this Indenture, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or any Additional Revenues). The Authority may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds pledged hereunder as in this Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a debt of the Authority, or a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as in this Indenture provided.

SECTION 10.02. Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee, the Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the Insurer and the Owners of the Bonds.

SECTION 10.03. Discharge of Indenture. If the Authority shall pay and discharge each Outstanding Bond in any one or more of the following ways –

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums;

(c) by irrevocably depositing with the Trustee, in trust, Permitted Investments described in paragraph (1), (2) or (3) of the definition thereof in such amount as Bond Counsel or an Independent Accountant shall determine as evidenced by an opinion or report, respectively, delivered to the Trustee (the "Verification Report") will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the mailing of such notice; or

(d) by delivering such Bonds to the Trustee for cancellation –

then, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the assignment of the Installment Purchase Agreement and pledge of the Revenues and other funds provided for in this Indenture securing its performance with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee. Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the City.

At least (three) 3 Business Days prior to any defeasance with respect to the Bonds, the Authority shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Bonds, and the Verification Report. Such opinion

and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Bonds is excludable) from gross income of the holders of the Bonds of the interest on the Bonds for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(b) The Authority will not exercise any prior optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(c) The Authority shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

SECTION 10.04. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 10.05. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.05. The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof. The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner shall bind every future Owner with respect to the same Bond and the Owner with respect to any Bond

issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 10.06. Waiver of Personal Liability. No member of the Authority's Board of Directors or, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.07. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 10.08. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Authority of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds and furnish to the Authority upon the Authority's Written Request a certificate of such destruction.

SECTION 10.09. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 10.10. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) upon receipt after deposit in the United States mail, postage

prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City, the Authority or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

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

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

If to the Trustee: Wells Fargo Bank, National Association
CTSO Mail Operations
600 S 4th Street, 7th floor
Minneapolis MN 55415
MAC N9300-070

If to the Insurer: The City will provide the Insurer with all notices and other information it is obligated to provide under its Continuing Disclosure Agreement with respect to the Bonds. The City and the Authority shall provide the Insurer with all notices and other information it is obligated to provide the Owners of Bonds or the Trustee hereunder or under the Installment Purchase Agreement.

The notice address of the Insurer is set forth in Subsection 9.01 hereof.

SECTION 10.11. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee (without liability for interest) to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee shall, at the Written Request of the Authority (and of its expense), cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 10.12. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 10.13. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

[Remainder of page intentionally left blank.]

(Signature page follows)

IN WITNESS WHEREOF, the CITY OF OXNARD FINANCING AUTHORITY and the CITY OF OXNARD have caused this Indenture to be signed in their names by their respective authorized officers, and WELLS FARGO BANK, NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Executive Director

CITY OF OXNARD

By: _____
City Manager

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

-Signature Page-
Indenture of Trust

EXHIBIT A

[FORM OF SERIES A BOND]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND AUTHENTICATED AND DELIVERED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- **$**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF VENTURA
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2021A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	_____, 2021	_____, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The CITY OF OXNARD FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority") for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay

interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before November 15, 2021, in which event it shall bear interest from the Issue Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each December 1 and June 1, commencing June 1, 2021 (each, an "Interest Payment Date").

The principal (or redemption price) hereof is payable at the Office (as defined in the Indenture referred to below) of Wells Fargo Bank, National Association (together with any successor trustee under the Indenture, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Trustee before the fifteenth day of the month preceding the applicable Interest Payment Date.

It is hereby certified and recited that any and all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Bond Law and by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "City of Oxnard Financing Authority Water Revenue Bonds, Series 2021A" (the "Bonds"), in the aggregate principal amount of _____ Dollars ($_____), authorized pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6584) of the California Government Code (the "Bond Law"), and issued pursuant to an Indenture of Trust, dated as of _____, 2021 (the "Indenture"), by and among the Authority, the City of Oxnard, California (the "City"), and the Trustee. Reference is hereby made to the Indenture (a copy of which is on file at such Office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds have been issued by the Authority to assist the City in financing certain improvements to the Water System. Pursuant to an Installment Purchase Agreement, dated as of _____, 2021, by and between the City and the Authority, the Authority will sell to the City such improvements and the City will pay, in consideration therefor, Installment Payments, secured by the Revenues, as defined in the Indenture. The scheduled Installment Payments are equal to the debt service payments on the Bonds.

The Bonds and the interest thereon are payable from Revenues (as such term is defined in the Indenture), consisting primarily of Installment Payments to be made by the City under the Installment Purchase Agreement as consideration for the purchase of the Improvements, and are secured by a pledge and assignment of such Revenues, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment.

The Bonds are subject to redemption prior to their maturity as provided in the Indenture.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Trustee has no obligation or liability to the Registered Owners to make payments of principal of or interest on the Bonds, except from amounts on deposit for such purposes with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Registered Owners the various funds and accounts established under the Indenture and, to the extent provided in the Indenture, to enforce the rights of the Authority under the Installment Purchase Agreement.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said Office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or

redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes and the Authority and the Trustee shall not be affected by any notice to the contrary.

(Balance of this page intentionally left blank)

IN WITNESS WHEREOF, the City of Oxnard Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual signature of its President and attested to by the manual signature of its Secretary, all as of the Issue Date stated above.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2021A Bonds described in the within-mentioned Indenture.

Dated: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By:_____
Authorized Signatory

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") in respect of the scheduled payments due or principal of and interest on the Bonds to Wells Fargo Bank, N.A., Los Angeles, California, or its successor, as trustee for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents:(i) to the subrogation of all other rights of BAM as more fully set forth in the Policy, and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto_____
_____
_____
_____
_____
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

[RESERVED]

EXHIBIT C

$_____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2021A

(Issue Dated Date: _____, 20__)

Requisition of the Authority
(Costs of Issuance Fund)
(Section 3.04 of the Indenture)

The undersigned hereby states and certifies:

(i) That I am the duly appointed [_____] of the City of Oxnard Financing Authority, a public body, corporate and politic, duly organized and existing under the laws of the State of California (the "Authority"), and as such, is familiar with the facts herein certified and is authorized and qualified to execute and deliver this certificate;

(ii) I have been authorized to execute this requisition pursuant to the Indenture of Trust, dated as of _____, 2021 (the "Indenture"), by and among the Authority, the City of Oxnard and Wells Fargo Bank, National Association, as Trustee (the "Trustee") for the Authority's Water Revenue Bonds, Series 2021A (the "Bonds"); and

(iii) The Trustee is hereby directed to disburse this date from the Costs of Issuance Fund established pursuant to the Indenture to the payees, designated on Exhibit A attached hereto and by this reference incorporated herein, at the address set forth below such payee name, the respective sums set forth opposite such payees, in payment of the Costs of Issuance related to the Bonds described on said Exhibit A; and

(iv) That each obligation shown on said Exhibit A has been properly incurred and is a proper charge against the Costs of Issuance Fund;

(v) That no item to be paid pursuant to this Requisition has been previously paid or reimbursed from the Costs of Issuance Fund; and

(vi) That capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

Dated: _____, 20__

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Authorized Representative

EXHIBIT B TO WRITTEN REQUISITION NO. 1
COSTS OF ISSUANCE
TO BE PAID AT CLOSING

1. Immediately upon release of the Bonds by DTC, or as soon thereafter as practicable, pay the following amounts to the following parties from the Costs of Issuance Fund held under the Indenture:

EXHIBIT D

$_____
CITY OF OXNARD FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2021A

(Issue Dated Date: _____, 20__)

Requisition of the City
(Acquisition and Construction Fund)
(Section 3.05 of the Indenture)

Wells Fargo Bank, National Association
Attention: Corporate Trust Department

Request No.: P-___ (to be sequentially numbered)

Project Component	Amount of This Draw	Aggregate Amount Draws Including This Draw

(Continue on Additional Sheet if Necessary)

Name and Address of party to whom payment is to be made:

_____

Purpose for which the obligation was incurred:

_____

The undersigned _____ of the City of Oxnard (the "City") hereby certifies that (i) each such cost or expense constitutes a proper charge against the Acquisition and Construction Fund for services rendered, and has not been the subject of any other payment request filed with you; and (ii) if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three business days of receipt of moneys requisitioned hereunder and that the aggregate number of business days during this calendar year during which it has held such amounts before making payment does not exceed twenty.

Date: _____

CITY OF OXNARD

By:_____
Title:_____

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ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

CITY OF OXNARD FINANCING AUTHORITY,

CITY OF OXNARD, CALIFORNIA,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent

Dated as of _____, 2021

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the "Escrow Agreement") is made and entered into as of _____, 2021, by and among the City of Oxnard Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), CITY OF OXNARD, a municipal corporation organized and existing by virtue of Constitution and laws of the State of California (the "City") and Wells Fargo Bank, National Association, as Escrow Agent (the "Escrow Agent");

W I T N E S S E T H:

WHEREAS, the City and the Authority have heretofore entered into an Installment Purchase Agreement, dated as of _____, 2010 (the "2010 Agreement");

WHEREAS, payments by the City of installment payments pursuant to the 2010 Agreement (the "2010 Payments") are applied to the payment of a portion of the $16,455,000 City of Oxnard Financing Authority Water Revenue Project Bonds, Series 2010A (the "2010 Bonds");

WHEREAS, the 2010 Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys and certain securities (as defined in Section 10.01 of the 2010 Indenture) in an amount, together with investment earnings and certain funds held under the 2010 Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the 2010 Agreement at or before maturity, then the obligations of the City under the 2010 Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the City to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Net Water System Revenues (as defined in the 2010 Agreement) shall be released from the lien of the 2010 Agreement; and

WHEREAS, pursuant to the 2010 Agreement, the Authority assigned to the Prior Trustee its rights to installment receive payments from the City under the 2010 Agreement and the right to exercise such rights and remedies conferred on the Authority under the 2010 Agreement to enforce payment of the prior payments; and

WHEREAS, pursuant to a 2010 Indenture, relating to and dated as of the same date as the 2010 Agreement, by and between the Authority and the Prior Trustee (the "2010 Indenture"), the 2010 Bonds were issued, secured in part by the prior payments; and

WHEREAS, the City has determined that it is in the best interests of the Authority at this time to refinance the City's obligation to make the installment payments under the 2010 Agreement and, as a result thereof, to provide for the payment of such installment payments through [_____ ___, 2021] and to prepay such installment payments on said [_____ ___, 2021], at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Authority and the City propose to make the deposit of moneys and to appoint the Escrow Agent as its agent for the purpose of applying said deposit to the payment of

Prior Payments in accordance with the instructions provided by this Escrow Agreement and of applying said Prior Payments to the payment and redemption of a portion of the 2010 Bonds in accordance with the 2010 Indenture and 2010 Agreement, and the Escrow Agent will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the City and the Authority propose to issue $_____ City of Oxnard Financing Authority Water Revenue Bonds, Series 2021A pursuant to that certain Indenture of Trust, dated as of _____, 2021, (the "Indenture"), by and among the City, the Authority and the Trustee; and

WHEREAS, the City wishes to make such a deposit with the Escrow Agent and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Federal Securities. As used herein, the term "Federal Securities" means direct non-callable obligations of the United States of America, Refcorp interest strips, or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such obligation or guarantee.

Section 2. Appointment of Escrow Agent. The City and the Authority hereby appoint the Escrow Agent as Escrow Agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Agent hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City and the Authority with, and to be held by, the Escrow Agent, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Agent on behalf of the City and the Authority and for the benefit of the owners of the 2010 Bonds, said escrow to be designated the "Escrow Fund." All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the 2010 Agreement. If at any time the Escrow Agent shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the City and the Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of $_____ in immediately available funds. All amounts deposited to the Escrow Fund shall be held as cash uninvested.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Authority hereby irrevocably direct and instruct the Escrow Agent to apply the interest on and maturing principal amount of the Escrowed Federal Securities and Cash to pay the Prior Payments relating to the 2010 Agreement, through [March ___, 2021] and to prepay the remaining Prior Payments in full on [_____ ___, 2021] at a prepayment price of 100% of the principal amount hereof. For such purpose of call and prepayment prior to maturity of a portion of the 2010 Bonds, the City and the Authority have previously instructed the Escrow Agent to give notice of prepayment, of the 2010 Bonds subject to prepayment, and such notice of prepayment has been given timely for prepayment of the 2010 Bonds on [February ___, 2021], in accordance with the applicable provisions of the 2010 Indenture. Any funds remaining in the Escrow Fund after [_____ ___, 2021], shall be delivered to the City.

Section 6. Application of Certain Terms of 2010 Indenture. All of the terms of the 2010 Indenture relating to the making of payments of principal and interest with respect to the 2010 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2010 Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Compensation to Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the City and the Escrow Agent. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Agent. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Agent to satisfy such obligation. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

The Escrow Agent undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow

Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Agent.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and Authority, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and Federal Securities in the escrow Fund.

The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an

incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Utility Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Utility Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Utility Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Utility Authority the right to receive brokerage confirmations of security transactions as they occur, the Utility Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Utility Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2010 Bonds then outstanding shall have been filed with the Escrow Agent. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2010 Bonds or the Bonds, and that such amendment will not cause interest on the 2010 Bonds or the Bonds to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Agent pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Agent to the City free from the trust created by the 2010 Indenture and this Escrow Agreement, and the Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Agent with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Agent not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity

or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 12. Notice of Escrow Agent, Authority and City. Any notice to or demand upon the Escrow Agent may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent as specified by the Escrow Agent as Prior Trustee in accordance with the provisions of the 2010 Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2010 Agreement (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the 2010 Indenture, shall be the successor hereunder to the Escrow Agent without the execution or filing of any paper or any further act.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the City and the Escrow Agent have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF OXNARD

By: _____
Kevin Riper
Chief Finance Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Kevin Riper
Chief Financial Officer

-Signature Page-
Escrow Deposit and Trust Agreement

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ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

CITY OF OXNARD FINANCING AUTHORITY,

CITY OF OXNARD, CALIFORNIA,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent

Dated as of _____, 2021

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the "Escrow Agreement") is made and entered into as of _____, 2021, by and among the City of Oxnard Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), CITY OF OXNARD, a municipal corporation organized and existing by virtue of Constitution and laws of the State of California (the "City") and Wells Fargo Bank, National Association, as Escrow Agent (the "Escrow Agent");

W I T N E S S E T H:

WHEREAS, the City and the Authority have heretofore entered into an Installment Purchase Agreement, dated as of _____, 2012 (the "2012 Agreement");

WHEREAS, payments by the City of installment payments pursuant to the 2012 Agreement (the "2012 Payments") are applied to the payment of a portion of the $9,345,000 City of Oxnard Financing Authority Water Revenue Bonds, Series 2012 (the "2012 Bonds");

WHEREAS, the 2012 Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys and certain securities (as defined in Section 10.01 of the 2012 Indenture) in an amount, together with investment earnings and certain funds held under the 2012 Indenture (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the 2012 Agreement at or before maturity, then the obligations of the City under the 2012 Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the City to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Net Water System Revenues (as defined in the 2012 Agreement) shall be released from the lien of the 2012 Agreement; and

WHEREAS, pursuant to the 2012 Agreement, the Authority assigned to the Prior Trustee its rights to installment receive payments from the City under the 2012 Agreement and the right to exercise such rights and remedies conferred on the Authority under the 2012 Agreement to enforce payment of the prior payments; and

WHEREAS, pursuant to a 2012 Indenture, relating to and dated as of the same date as the 2012 Agreement, by and between the Authority and the Prior Trustee (the "2012 Indenture"), the 2012 Bonds were issued, secured in part by the prior payments; and

WHEREAS, the City has determined that it is in the best interests of the Authority at this time to refinance the City's obligation to make the installment payments under the 2012 Agreement and, as a result thereof, to provide for the payment of such installment payments through June 1, 2021 and to prepay such installment payments on said June 1, 2021, at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Authority and the City propose to make the deposit of moneys and to appoint the Escrow Agent as its agent for the purpose of applying said deposit to the payment of Prior Payments in accordance with the instructions provided by this Escrow Agreement and of applying said Prior Payments to the payment and redemption of a portion of the 2012 Bonds in

accordance with the 2012 Indenture and 2012 Agreement, and the Escrow Agent will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the City and the Authority propose to issue $_____ City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2021 A pursuant to that certain Indenture of Trust, dated as of _____, 2021, (the "Indenture"), by and among the City, the Authority and the Trustee; and

WHEREAS, the City wishes to make such a deposit with the Escrow Agent and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Federal Securities. As used herein, the term "Federal Securities" means direct non-callable obligations of the United States of America, Refcorp interest strips, or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such obligation or guarantee.

Section 2. Appointment of Escrow Agent. The City and the Authority hereby appoint the Escrow Agent as Escrow Agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Agent hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City and the Authority with, and to be held by, the Escrow Agent, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Agent on behalf of the City and the Authority and for the benefit of the owners of the 2012 Bonds, said escrow to be designated the "Escrow Fund." All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the 2012 Agreement. If at any time the Escrow Agent shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the Bonds, the City and the Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of $_____ in immediately available funds. All amounts deposited to the Escrow Fund shall be held as cash uninvested.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Authority hereby irrevocably direct and instruct the Escrow Agent to apply the interest on and maturing principal amount of the Escrowed Federal Securities and Cash to pay the Prior Payments relating to the 2012 Agreement, through June 1, 2021 and to prepay the remaining Prior Payments in full on June 1, 2021 at a prepayment price of 100% of the principal amount hereof. For such purpose of call and prepayment prior to maturity of a portion of the 2012 Bonds, the City and the Authority have previously instructed the Escrow Agent to give notice of prepayment, of the 2012 Bonds subject to prepayment, and such notice of prepayment has been given timely for prepayment of the 2012 Bonds on June 1, 2021, in accordance with the applicable provisions of the 2012 Indenture. Any funds remaining in the Escrow Fund after June 1, 2021, shall be delivered to the City.

Section 6. Application of Certain Terms of 2012 Indenture. All of the terms of the 2012 Indenture relating to the making of payments of principal and interest with respect to the 2012 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2012 Indenture relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Compensation to Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the City and the Escrow Agent. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Agent. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Agent to satisfy such obligation. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

The Escrow Agent undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any

payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Agent.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and Authority, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and Federal Securities in the escrow Fund.

The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the Bonds.

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and

containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Utility Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Utility Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Utility Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Utility Authority the right to receive brokerage confirmations of security transactions as they occur, the Utility Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Utility Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2012 Bonds then outstanding shall have been filed with the Escrow Agent. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2012 Bonds or the Bonds, and that such amendment will not cause interest on the 2012 Bonds or the Bonds to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the Prior Payments have been paid; provided, however, that (i) money held by the Escrow Agent pursuant to this Escrow Agreement for the payment and discharge of any of the Prior Payments (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Agent to the City free from the trust created by the 2012 Indenture and this Escrow Agreement, and the Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Agent with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Agent not needed for the payment and discharge of the Prior Payments shall be transferred to the Bond Fund under the Indenture.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity

or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 12. Notice of Escrow Agent, Authority and City. Any notice to or demand upon the Escrow Agent may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent as specified by the Escrow Agent as Prior Trustee in accordance with the provisions of the 2012 Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2012 Agreement (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the Indenture and the 2012 Indenture, shall be the successor hereunder to the Escrow Agent without the execution or filing of any paper or any further act.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the City and the Escrow Agent have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF OXNARD

By: _____
Kevin Riper
Chief Finance Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Kevin Riper
Chief Financial Officer

-Signature Page-
Escrow Deposit and Trust Agreement

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of Oxnard, California (the "City") in connection with the issuance of $_____ aggregate principal amount of the City of Oxnard Financing Authority Water Revenue Bonds, Series 2021A (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2021 (the "Indenture") by and among the City of Oxnard Financing Authority, the City and Wells Fargo Bank National Association, as trustee.

Capitalized terms not defined herein shall have the meaning set forth in the Indenture. The City covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as the foregoing capitalized terms are hereinafter defined).

Section 2. Definitions. The following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean NHA Advisors, LLC San Rafael, California, or any successor Dissemination Agent designated in writing by the City, which has filed with the City a written acceptance of such designation.

"Financial Obligation" shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Official Statement for the Bonds dated _____, 2021, as amended or supplemented.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than March 31 after the end of the City's fiscal year (which currently ends on June 30), commencing with the report due for the fiscal year ending June 30, 2020, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, however, that the Official Statement with respect to the Bonds, along with the audited financial statements of the City for the fiscal year ending June 30, 2020, if available, will be filed for the first Annual Report due March 31, 2021 in lieu of an Annual Report consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The City's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The City will promptly notify the MSRB of a change in the fiscal year dates.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if the Dissemination Agent is not the City). If by fifteen (15) Business Days prior to the date specified in (a) for the Annual Report, the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall notify the City of such failure to receive the report. If the Dissemination Agent is other than the City, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the City fails to provide an Annual Report by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice of such failure to file to the MSRB, in the form required by the MSRB.

Section 4. Content of Annual Report. The City's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the City then ended. If the City prepares audited financial statements and if the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law. Audited financial statements, if prepared by the City, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the City shall provide a notice of such modification to the MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal

requirements for the change in accounting basis.

(b) Financial and Operating Data. An update of the information contained in the following tables under the heading "THE WATER SYSTEM" in the Official Statement for the Bonds for the most recent fiscal or calendar year, as applicable, if the information is not included elsewhere in the Annual Report:

Table 1 — Active Service Accounts

Table 2 — Historic Water Usage

Table 3 — Ten Largest Customers by Order of Billing

Table 4 — Monthly Water Service Charges

Table 5 — Customer Usage and Variable Rates

Table 7 — Connection Fee Equivalency Factor, Charges, and Fees

Table 10 — Historical Operating Results and Debt Service Coverage

Financial information referenced in Section 4(b) may be updated from time to time, and such updates may involve displaying data in a different format or table or eliminating data that is no longer available.

The City has not undertaken in this Disclosure Certificate to provide all information an investor may want to have in making decisions to hold, sell or buy Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional trustee or the change of name of a trustee; or

8. Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(d) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the City shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Facility Lease, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2021

CITY OF OXNARD, CALIFORNIA

By: _____
Alexander Nguyen, City Manager

Acknowledged and Accepted:
NHA Advisors, LLC as Dissemination Agent

By: _____
Authorized Officer

$_____
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

_____, 2021

BOND PURCHASE CONTRACT

City of Oxnard Financing Authority
c/o City of Oxnard
City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: Executive Director

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

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), acting on behalf of itself and not as an agent or fiduciary for you, offers to enter into this Bond Purchase Contract (this "**Purchase Contract**") with the City of Oxnard Financing Authority (the "**Authority**") and the City of Oxnard (the "**City**") with regard to the Bonds described below, which Purchase Contract, upon the acceptance hereof by the City, 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 Authority and the City 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 are acting solely as principals and not as agents or fiduciaries of the Authority or the City, (iii) the Underwriter have not assumed (individually or collectively) an advisory or a fiduciary responsibility in favor of the Authority or the City with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (irrespective of whether the Underwriter have provided other services or are currently providing other services to the Authority or the City on other matters) and the Underwriter have no obligation to the Authority or the City with respect to the offering contemplated hereby except the obligations expressly set forth in

this Purchase Contract, and (iv) the Authority and the City have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate.

1. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements hereinafter set forth, the 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 $_____ aggregate principal amount of the City of Oxnard Financing Authority Water Revenue Refunding Bonds, Series 2021A (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 $_____). As an accommodation to the Authority, the Underwriter shall wire directly to the Insurer (defined below) $_____ representing the premiums with respect to the Policy (defined below) and the Reserve Policy (defined below). The Preliminary Official Statement with respect to the Bonds, dated February __, 2021 (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 and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for information regarding the Insurer, the Policy and the Reserve Policy, 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 of Trust, dated as of March 1, 2021 (the "**Indenture**"), by and among the Authority, the City and Wells Fargo Bank, National Association (the "**Bank**"), as trustee. The Bonds shall be insured under a municipal bond insurance policy (the "**Policy**") from Build America Mutual Assurance Company (the "**Insurer**"). Additionally, the reserve fund for the Bonds shall be funded with a debt service reserve fund surety policy (the "**Reserve Policy**") to be issued by the Insurer. Capitalized terms used herein without definition shall have the meanings given to such terms in the Indenture.

The Bonds are being issued to provide funds to (i) finance certain capital improvements to the City's water system, (ii) refund all of the City of Oxnard Financing Authority Water Revenue Project Bonds Series 2010A (the "**2010 Bonds**"), (iii) refund all of the City of Oxnard Financing Authority Water Revenue Refunding Bonds Series 2012 (the "**2012 Bonds**," and, together with the 2010 Bonds the "**Refunded Bonds**"), (iv) purchase the Policy and the Reserve Policy and (v) pay the costs of issuing the Bonds.

3. <u>Public Offering and Establishment of Issue Price</u>.

(a) The Underwriter agrees to make a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A hereto and subject Section 3(c) and 3(d) hereof, the Underwriter reserves the right

to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A "**bona fide public offering**" shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

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

(c) [Except as otherwise set forth in Exhibit A attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

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

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

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

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

(e) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(ii) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (1) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a

member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (2) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

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

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

(4) "**sale date**" means the date of execution of this Purchase Contract by the Authority and the Underwriter].

4. The Authority and the City hereby authorize the use by the Underwriter of (i) the Indenture, (ii) the Installment Purchase Agreement (the "**Installment Purchase Agreement**") dated as of March 1, 2021, by and between the Authority and the City, (iii) the Continuing Disclosure Certificate, dated as of the Closing Date (the "**Continuing Disclosure Certificate**") to be executed by the City, and (iv) 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 and the City consent 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 March __, 2021, 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 Bank 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 City 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 Deposit and Trust Agreements, each dated as of March 1, 2021 (the "**Escrow Agreements**") by and among the Authority, the City and the Bank, and this Purchase Contract (collectively, the "**Authority Documents**"). The Authority has duly authorized the issuance and delivery of the Bonds and the execution and delivery of, and performance of its obligations under, the Authority Documents and, as of the date hereof, such authorizations are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the respective parties thereto, the Authority Documents will constitute legal, valid, and binding obligations of the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws, the application of equitable principles relating to or affecting creditors' rights generally, the exercise of judicial discretion in appropriate cases, and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all respects, with its obligations under the Authority Documents.

(c) The Bonds will be 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.

(d) The information in the Official Statement (excluding any information with respect to DTC and the book-entry only system, the Insurer, the 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.

(e) 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.

(f) 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.

(g) 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.

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

(i) 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.

(j) 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.

(k) 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.

(l) 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 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.

(m) 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.

(n) 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 the laws of the State.

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

(c) The Bonds will be issued in accordance with the Indenture and will conform in all material respects to the descriptions thereof contained in the Official Statement. The Bonds will be paid from Installment Payments (as such term is defined in the Indenture), which payments have been duly and validly authorized pursuant to applicable law.

(d) The Installment Purchase Agreement creates a valid pledge of, first lien upon, Net Water System Revenues (as such term is defined in the Indenture).

(e) The information in the Official Statement (excluding any information with respect to DTC and the book-entry only system, the Insurer, the 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) To assist the Underwriter in complying with the Rule, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The Official Statement describes the incidences during the last five years in which the City has failed to comply with previous undertakings to provide annual continuing disclosure reports and notices of material events.

(g) 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 Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement, at the expense of the City and the Authority, in a form and in a manner approved by the Underwriter.

(h) 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.

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

(k) 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.

(l) No authorization, consent, or approval of, or filing or registration with, any Governmental Authority (as defined above) 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. 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 City 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).

(m) The City 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 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.

(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 City, threatened (i) in any way questioning the existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance of the Bonds or the execution or delivery of any of the City

Documents, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or any proceeding of the City taken with respect to any of the foregoing, or contesting the exclusion of the interest on the Bonds from taxation or under which a determination adverse to the City would have a material adverse effect upon the financial condition of the Water System (as such term is defined in the Indenture), or which, in any manner, questions or affects the right or ability of the City to use the Net Water System Revenues for the Installment Payments or in any manner affects the right or ability of the City to collect or pledge the Net Water System Revenues; (iii) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Water System or to the sufficiency of Net Water System Revenues 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.

(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 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 lien on the Net Water System Revenues superior to or equal to the lien of the Installment Payments on the Net Water System Revenues.

(p) 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.

(q) Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the Water System since June 30, 2020.

(r) 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) and there shall not have occurred an adverse change in the financial position of the City or the Water System that materially adversely affects the ability of the City to make 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 Best Best & Krieger LLP, Riverside, 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; 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; 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.

(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 Authority or the City 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 Authority or the City, and (ii) no bankruptcy, insolvency, or other similar proceeding in respect of the Authority or the City shall be pending or, to the knowledge of the Authority or the City, 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:

(1) 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

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

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

(4) 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

(5) 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

(6) 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

(7) 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 Underwriter to trade obligations of the general character of the Bonds; or

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

(9) the commencement of any action, suit, or proceeding described in Section 7(l) or 8(n) that, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(10) 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 and the Bank);

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

(ii) 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

(iii) the statements contained in the Official Statement under the captions "INTRODUCTION," "FINANCING PLAN," "THE 2021 BONDS," "SECURITY FOR THE 2021 BONDS," "TAX MATTERS," "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and "APPENDIX D—FORM OF OPINION OF BOND COUNSEL," insofar as such statements expressly summarize certain provisions of the Indenture, the Installment Purchase Agreement, the Bonds, and the opinion of Bond Counsel concerning certain federal tax matters relating to the Bonds, are accurate in all material respects; and

(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 and the Underwriter, to the effect that:

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

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

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

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

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

(vi) to the best knowledge of such counsel, the Official Statement (excluding therefrom financial statements and other statistical data included in the

Official Statement, and any information with respect to DTC and the book-entry only system, the Insurer, the 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, 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 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 under which a determination adverse to the City would have a material adverse effect upon the financial condition of the Water System, or which, in any manner, questions or affects the right or ability of the City to use the Net Water System Revenues for the Installment Payments or in any manner affects the right or ability of the City to collect or pledge the Net Water 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 and the Underwriter, 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, 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 Trust Agreement, (c) that may result in any material adverse change relating to the Authority that will materially adversely affect the Authority's ability to perform its obligations under the Authority Documents, or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(vii) no authorization, approval, consent, or other order of the State or any other governmental authority or agency within the State having jurisdiction

over the Authority is required for the valid authorization, execution, and delivery by the Authority of the Authority Documents

(5) a letter from Nixon Peabody 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 Preliminary Official Statement and Official Statement as counsel to the City and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date (excluding therefrom the reports, financial and statistical data and forecasts therein, the information with respect to DTC and the book-entry system, the information relating to the Insurer, its Policy and Reserve Policy, and the information included in the Appendices thereto, as to which no view need be expressed), contained or contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

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

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

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

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

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

(9) an opinion of counsel to the Bank, dated the Closing Date, addressed to the Underwriter and to the City, 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 would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Indenture and the Escrow Agreements (collectively, the "**Bank Documents**");

(ii) the Bank is duly eligible and qualified to act as trustee under the Indenture;

(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 respective 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 Bank Documents 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 have 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 respective 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) a letter from Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the Closing Date, addressed to the Underwriter, in form and substance acceptable to the Underwriter;

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

(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 City, in form satisfactory to Bond Counsel, signed by an appropriate officer of the City;

(15) evidence that the insured and underlying ratings on the Bonds of "AA" and "A," respectively, by S&P are in full force and effect on the Closing Date;

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

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

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

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

(20) evidence satisfactory to the Underwriter of the issuance of the Policy by the Insurer;

(21) evidence satisfactory to the Underwriter that the Bank shall have received the Reserve Policy from the Insurer;

(22) an opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel and Underwriter's Counsel, with respect to, among other matters, the Policy and the Reserve Policy, and disclosures relating thereto and to the Insurer in the Official Statement;

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

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

(25) copies of the executed certificates or opinions required to be delivered, if any, as a condition of the execution and delivery of the Installment Purchase Agreement on a parity with the Existing Additional Obligations (as such term is defined in the Preliminary Official Statement), each in form and substance satisfactory to Bond Counsel and to Underwriter's Counsel;

(26) A verification report related to the refunding of the Refunded Bonds;

(27) An opinion of Bond Counsel addressed to the Underwriter and the Bank to the effect that the Refunded Bonds have been legal defeased; and

(28) 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 with legal requirements, the accuracy, as of the time of Closing, of the City's representations herein contained, and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the City 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 neither the City nor 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 municipal 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 but not limited to and fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter.

11. 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 Authority, c/o the City of Oxnard, 300 West Third Street, Oxnard, California 93030, Attention: Executive Director, or to such other person as the Executive Director may designate in writing. 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: City Manager, or to such other person as the City Manager 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 Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Brown. The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Authority and the City.

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

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

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

15. This Purchase Contract shall not be modified or amended without the prior written consent of the Underwriter and the City.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Officer

Accepted as of _____ a.m./p.m.

CITY OF OXNARD FINANCING AUTHORITY

_____
Executive Director

CITY OF OXNARD

_____
City Manager

EXHIBIT A

$_____
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

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

_____
[C] Priced to yield to optional redemption date of June 1, 20____ at ____.

EXHIBIT B

$_____
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

RULE 15c2-12 CERTIFICATE

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

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

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

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

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

Dated: February __, 2021

CITY OF OXNARD FINANCING AUTHORITY

By:_____
Executive Director

CITY OF OXNARD

By:_____
City Manager

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

$_____
CITY OF OXNARD FINANCING AUTHORITY
Water Revenue Bonds,
Series 2021A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("**Stifel**") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

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

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

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

(b) As set forth in the Bond Purchase Contract, dated _____, 2021, by and between Stifel and the Issuer, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms***.

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

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

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2021), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

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

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

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

(g) [*Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

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

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

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

By:_____

Name:_____

Dated: March __, 2021

SCHEDULE A

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

(Attached)

[SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)]

S&P Global
Ratings

RatingsDirect®

Summary:

Oxnard Financing Authority, California; Water/Sewer

Primary Credit Analyst:
Malcolm N D'Silva, Centennial + 1 (303) 721 4526; malcolm.dsilva@spglobal.com

Secondary Contact:
Chloe S Weil, San Francisco (1) 415-371-5026; chloe.weil@spglobal.com

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Rating Action

Stable Outlook

Credit Opinion

Summary:

Oxnard Financing Authority, California; Water/Sewer

Credit Profile		
US$24.53 mil wtr rev and rev rfdg bnds (Oxnard) ser 2020A due 06/01/2055		
Long Term Rating	A/Stable	New
US$5.39 mil rev rfdg bnds (Oxnard) ser 2020B due 06/01/2030		
Long Term Rating	A/Stable	New

Rating Action

S&P Global Ratings assigned its 'A' long-term rating to Oxnard Financing Authority, Calif.'s anticipated $30 million series 2020A and 2020B water revenue bonds (2020 bonds), on behalf of Oxnard city. At the same time, we affirmed our 'A' long-term rating and underlying rating (SPUR) on the existing water revenue and revenue refunding bonds issued by the authority on behalf of the city. The outlook is stable.

The 2020 bonds are being issued to finance approximately $25 million in construction of certain water capital improvement projects, and to refund certain outstanding water revenue bonds (including a refunding of the existing 2010A and 2012A bonds) for debt service savings. The bonds are payable from installment payments that are secured by the net revenues of the city's water system. We view the bond provisions as adequate and permissive. Key bond provisions include a rate covenant of 1x as long as there is cash available equivalent to at least 25% of maximum annual debt service (MADS). The additional bonds test allows for the same restrictions as the rate covenant. We understand that the city intends to provide a standard debt service reserve fund for the 2020 bonds, which, in our view, will provide additional liquidity.

Credit overview

The ratings reflect our opinion of the city water system's general creditworthiness and a combination of its very strong enterprise risk profile and strong financial risk profile. The water system is in the middle of a large capital cycle to address potential capital projects including recycled water facility improvements and recharge and recovery expansion related to its Groundwater Recovery Enhancement and Treatment Program (GREAT Program), a regional water resources plan that enhances its water supply reliability through local sources in the near future. We recognize these capital projects are also critical to mitigate future anticipated groundwater cutbacks and pumping allocation reductions that reduces groundwater pumping over the next 20 years. The city is initiating a comprehensive cost-of-service rate study in early 2021 to develop a rate structure around funding its capital needs. Based on our assessment, the system will need additional debt to fund the large capital plan. In addition, the city's credit profile will center on greater clarity regarding the system's upcoming financial plan and rate study to offset future anticipated debt service costs, or any potential declines to operating margins from unexpected reduction in consumption stemming from conservation, weather, or economic contraction.

In addition, we believe Oxnard is experiencing the tail end of a period of institutional stress and political conflict, with ineffective wastewater utility management earlier in the decade. The topic of wastewater rates and fees may be fading in its political potency, given the recent favorable court of appeal ruling (on Oct. 13, 2020) to overturn the Measure M initiative (a ballot initiative to repeal the city's wastewater rate increase ordinance in 2016). A diminishing credit weakness, in our view, is the city's legacy of management deficiencies. Management has been addressing the weaknesses in internal controls and management practices, which is reflected in the city's audits that have been unqualified since the fiscal 2017 report. Moreover, the auditor views the city as having addressed over 90% of its previous findings and recommendations list. We view the city's implementation of a new enterprise resource planning system as essential to institutionalizing gains in this area.

S&P Global Ratings acknowledges a high degree of uncertainty related to the effects of COVID-19, including the rate of spread and peak of the outbreak. Although we consider the water system's financial flexibility could likely be affected by reduced economic activity in the region depending on the probability of additional shelter-in-place restrictions, in our view, this risk is somewhat mitigated by the system's strong liquidity position, which we believe provides sufficient cushion for short-term disruptions. While we continue to monitor events related to COVID-19, we do not currently anticipate it affecting the system's ability to maintain budgetary balance and make debt service payments. For more information, see "All U.S. Public Finance Sector Outlooks Are Now Negative," published April 1, 2020, on RatingsDirect, and "The U.S. Economy Reboots, With Obstacles Ahead," published Sept. 24, 2020 on RatingsDirect.

The enterprise risk profile reflects our view of the water system's:

- Service area participation in the broad and diverse Oxnard-Thousand Oaks-Ventura metropolitan area economy;
- Very low industry risk as a monopolistic service provider of an essential public utility;
- Affordable service rates (in the context of the service area's strong income levels and average county poverty rates), with an approved rate increase in fiscal 2018, although rate adjustments have not been timely in the past; and
- Standard operational management practices and policies.

The financial risk profile reflects our view of the water system's:

- Financial performance that has improved since fiscal 2018 from insufficient levels in the past;
- Strong and improved liquidity position more recently that has fluctuated in the past due to insufficient financial performance;
- Highly leveraged system, with significant long-term capital needs, with a financial plan that is being revised based on the upcoming cost-of-service rate study; and
- Standard financial management practices and policies.

The stable outlook reflects our view of recent improved financial performance and adequate water supply to meet the system's demands. In support of future financial performance, the city has represented that it will develop a financial plan and implement an upcoming rate study for the water system that will support its large capital improvement plan (CIP). Because the current management-provided financial forecast indicates that there will be no significant erosion in

financial performance, we believe that this is supportive of the rating at the current level.

Environment, social, and governance (ESG) factors

The city's water supply is susceptible to elevated environmental risk related to climate change and natural cycles of drought. Additionally, recent wildfires have affected the city's service area, although none of the wells or assets were affected, and we believe the city has well-defined emergency preparedness plans. The groundwater basin within the city boundaries are subject to the provisions of the Sustainable Groundwater Management Act (SGMA), and the underlying basin is designated as a high priority basin due to overdraft conditions. We believe that SGMA could affect the city's water supply as it may be required to reduce its pumping over time to comply with SGMA requirements. In addition, the anticipated "ramp down" for pumping allocations may likely reduce groundwater pumping over the next 20 years. Officials plan to make a number of investments across its facilities and distribution network to reduce the system's environmental risks while enhancing its water supply reliability through local sources (including expansion of recycled water) in the near future. The city has reported no exposure to emerging contaminants like per- and polyfluoroalkyl substances (PFAS), which we view as favorable to credit quality.

Although there have not been any limitations on water demand, food processing, or farming in the service area or noted COVID-19 outbreaks at this time, we believe there are increased public health and safety risks due to the pandemic. Oxnard's senior management team has undergone significant transitions in the past two years, with the current hierarchy responsible for financial management in place since January 2019, and we see no signs of administrative or governance disruption. Given its recent accomplishments to address management deficiencies, we view governance risks as generally commensurate with similarly-rated peers.

Stable Outlook

Downside scenario

We could lower the rating if the water system's financial performance significantly declines below management's forecast due to unanticipated and extraordinarily large change in its CIP or higher-than-expected operating costs that could alter related financial metrics, including significant spend down of unrestricted reserves. Moreover, we could lower the rating, if economic and financial metrics are no longer consistent with the rating level, as a result of the dampening effects of the pandemic on local economic activity, or if we see signs that organizational improvement has stalled such as from additional senior management turnover.

Upside scenario

We could take a positive rating action if the city continues to make progress fortifying its organizational culture and recent investments to facilitate efficiency and transparency improvements in its internal controls, while sustaining its recent improved financial performance. In addition, to consider a higher rating, we would also assess if the city's water system continues to achieve strong financial performance and metrics that are sustainable through this economic cycle, while successfully executing its large capital plan.

Credit Opinion

Enterprise risk

Oxnard, with a population of approximately 210,000, is situated approximately 65 miles northwest of Los Angeles in Ventura County. Historically, the city served as a processing and service center for a surrounding agricultural region, but the city's economic base now includes a diverse mix of industrial and commercial activity, along with a base of regional commuter neighborhoods. We view the service area's income levels to be strong based on the city's median household effective buying income (MHHEBI), which was 110% of the national median. The customer base is stable and primarily residential, having grown less than 1% annually in terms of water service accounts during the past five years. At the end of fiscal 2020, there were 42,800 accounts, of which about 86% on average were residential.

We view the system's market position as strong given the affordable service rates in the context of the service area's strong income metrics, and we believe the city has future rate-setting flexibility. The city has adjusted service rates with the new approved rates effective in September 2017 (includes a 14% increase for fiscal 2018). We understand that the city also added an automatic pass-through of wholesale water cost increases to the rate structure. We understand that the city will initiate a water utility cost-of-service rate study in early 2021 to maintain revenue sufficiency, and management expects the upcoming rate study to provide greater clarity on the funding mix for its large capital program. Residential customers currently pay a base charge dependent on water meter size and a volumetric charge based on monthly water use. For a typical residential customer using an average of 1,200 cubic feet of water, we calculate a monthly water bill of $67.91. When annualized, this represents about 1.4% of the city's MHHEBI, which we view as affordable and not a material source of resistance to revenue raising.

We consider the system's operational management to be standard under our operational management assessment methodology, which indicates a somewhat favorable alignment of operations and organizational goals, although some challenges exist. The city acquires water supply from three sources: local groundwater, purchased groundwater from United Water Conservation District, and imported surface water from Calleguas Municipal Water District (CMWD), a member of the Metropolitan Water District of Southern California. In fiscal 2020, local and purchased groundwater represented approximately 62% of supply while imported surface water represented 38% of total supply. Although local groundwater is the city's least expensive option, this source is constrained by a likely reduction in its pumping over time to comply with SGMA requirements. The city has indicated that because imported surface water costs have continued to rise, the city is looking towards increasing the use of recycled water that is generated from the city's wastewater treatment plant. An expansion of its Advanced Water Purification Facility will add an additional 7,000 acre-feet a year of new recycled water supply to the city, which would partly be used for groundwater recharge in the near future.

The Fox Canyon Groundwater Management Agency (FCGMA) manages groundwater extractions in the underlying Oxnard subbasin. On Dec. 13, 2019, the FCGMA adopted a resolution adopting a groundwater sustainability plan for the subbasin that "ramps down", or reduces the pumping allocations per entity, by up to 43% over the next 20 years. Earlier in Dec. 2019, the city filed a lawsuit against the FCGMA claiming that it did not follow the California Environmental Quality Act and that FCGMA did not adhere to its own enabling legislation by arbitrarily restricting the city's water allocation despite its historical use of supplemental water (imported through CMWD) while increasing

allocations to other pumpers. We understand the city is still in negotiation with the FCGMA to resolve this matter in the near term. Given the city's planned investments in its GREAT Program and expansion of recycled water, we view the city will have operational flexibility to offset future groundwater cutbacks from the FCGMA.

Financial risk

The water system's financial performance has improved in recent years from insufficient levels in the past, and with the recent rate increase, we anticipate that financial performance will be sustainable in the near future. Based on the city's audited financial statements, we calculate that all-in coverage has improved to 1.7x in fiscal 2019. All-in coverage is our adjusted DSC metric that treats certain fixed debt-like obligations as if they were the actual debt of the utility, even if legally treated as an operating expense (our methodology differs from the indenture-based calculations). For the purpose of calculating all-in coverage, we take into consideration the system's direct debt obligations as well as a proportionate share of debt service from the city's wholesale water providers. Financial performance is estimated to remain steady in fiscal 2020, with a 1.5x all-in coverage metric based on our calculations.

Based on management's forecast, which we view as reasonable, we calculate all-in coverage during the next five years of at least 1.5x. Key assumptions in the forecast include an annual average revenue growth of 2% and a 3.7% annual increase in operating expenses, and no additional debt issuance. In our view, under scenarios that include a potential debt issuance of approximately $43 million during the two-year outlook period, we view all-in coverage would remain at a minimum of 1.4x during the forecast. We believe the undertaking of a new rate study within the next two years will establish a clear trajectory for future financial performance in our view.

The water system has recently maintained a strong liquidity position, and we anticipate it to likely maintain strong levels in the future despite a planned drawdown for a portion of its capital plan. At fiscal year-end 2019, the system held unrestricted cash of about $21 million, or 191 days of operating expenses. In addition, the system also held approximately $24 million in designated capital reserves that are "restricted for infrastructure development" to be spent for capital needs. Based on the CIP and cash flows, we anticipate nominal draws on internal operating cash to fund future capital projects, and we anticipate management will continue to maintain sufficient liquidity to meet operations. The city has a reserve target of maintaining operating reserves equivalent to 25% of operating costs in its utility funds. We view the system as having a high leverage position based on a 61% debt-to-capitalization ratio. The current five-year capital plan is large, at approximately $160 million, with a potential need for additional debt in the near future. Management reports that the financing mix for this CIP is yet to be determined, and the city anticipates additional debt financing in the near future.

Based on our financial management assessment, we view the water system to be a '4' on a six-point scale, with '1' being the strongest. While financial policies and practices exist in most areas, we view the water system's past insufficient financial performance without timely correction as a significant weakness. The long-term planning process is good, in our view, with financial and capital improvement projections as part of this financing. Financial reports and operational information are relatively easily obtained, and financial statements adhere to generally accepted accounting principles and Governmental Accounting Standards Board standards.

Ratings Detail (As Of November 2, 2020)

Ratings Detail (As Of November 2, 2020) (cont.)		
Oxnard WS		
Long Term Rating	A/Stable	Affirmed
Oxnard WS (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Oxnard Fincg Auth, California		
Oxnard, California		
Oxnard Fincg Auth wtr (SYNCORA)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Oxnard Fincg Auth (Oxnard) WS		
Long Term Rating	A/Stable	Affirmed
Oxnard Fincg Auth (Oxnard) WS (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Oxnard Fincg Auth (Oxnard) WS (NPFG)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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City of Oxnard

2021 Water Revenue Bonds
(Capital Projects Financing and Refunding)

PRESENTATION TO CITY COUNCIL

JANUARY 19, 2021

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

Recommendation

- That:
  - (i) The City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed $30,000,000, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and
  - (ii) The Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed $30,000,000, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto

Background

- City will finance $16.457M Hueneme Road Recycled Water Pipeline Project and $5.000M Aquifer Storage & Recovery Project
- 2010A and 2012 Water Revenue Bonds can be refinanced for economic savings
  - Refinancing with Project Financing creates economies of scale

Financing Participants

- Issuer: City of Oxnard Financing Authority
- Municipal Advisor: NHA Advisors, LLC
- Bond Counsel: Best Best & Krieger
- Disclosure Counsel: Nixon Peabody
- Trustee: Wells Fargo
- Surety Provider & Municipal Bond Insurer: Build America Mutual
- Bond Underwriter: Stifel Nicolaus
  - Most recent addition to financing team; selected through competitive RFP amongst qualified underwriter pool participants

2021 Water Revenue Bond Financing Overview

- Approximately $25.6M total Par (not-to-exceed $30 million, per revised authorizing resolution)
- June 2055 Final Maturity
- Capital Projects financing and refunding of 2010A and 2012 Bonds
- Estimated aggregate true interest cost of 3.07% on the 2021 Bonds
- On parity with outstanding 2010B, 2014, and 2018 Water Revenue Bonds

Capital Projects Financing

- Purpose of the two new projects are to offset local groundwater shortages and allow for future growth
  - Aquifer Storage and Recovery Completion Project ($5.000M project cost)
  - Hueneme Road Recycled Water Pipeline Project ($16.457M project cost)
- Bonds proposed to have 35-year term in line with useful life of projects

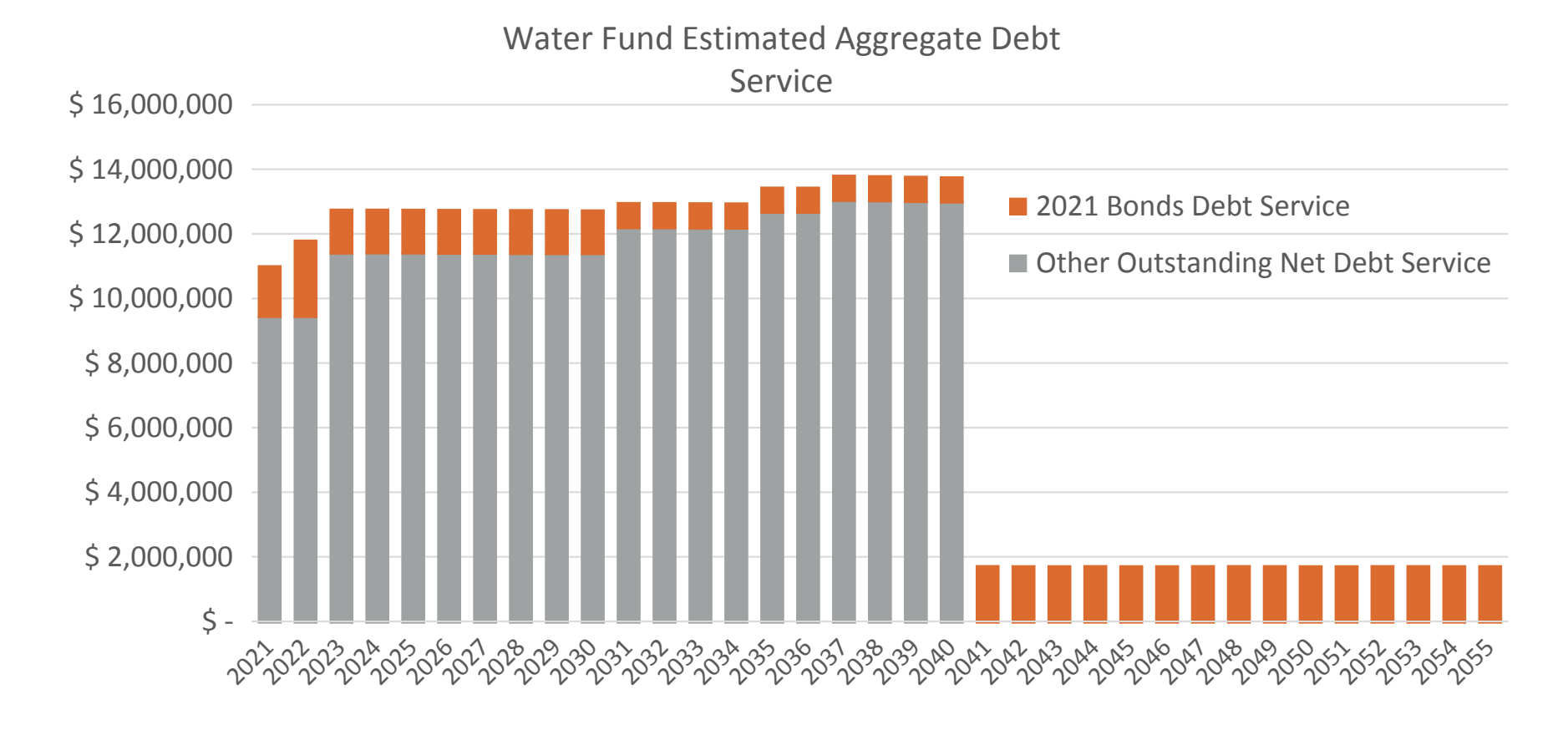
Refinancing of 2010A & 2012 Bonds

- **2010A Bonds**
  - Par Outstanding: $3,635,000
  - Average Current Interest Rate: 5.5%
  - Estimated True Interest Cost on Refunding: 1.03%
  - Estimated Annual Cashflow Savings from Refunding: $950,000 (FYE 2021 and 2022)
    - Approximately $900,000 of these annual savings come from liquidation of the debt service reserve fund associated with the 2010A Bonds, while the remainder comes from interest rate savings
  - **Net Present Value Savings: $80,000 (2.2% of refunded par)**
- **2012 Bonds**
  - Par Outstanding: $5,925,000
  - Average Current Interest Rate: 4.01%d
  - Estimated True Interest Cost on Refunding: 1.05%
  - Estimated Annual Cashflow Savings from Refunding: $150,000 (FYEs 2021-2030)
  - **Net Present Value Savings: $666,000 (11.2% of refunded par)**

Updates Since Nov. 10 Finance & Governance Committee Meeting

- $5 million lower estimated bond par amount compared to November estimates
  - Lower cost of planned projects ($3M) from most recent round of bids
  - Bid for a reserve surety so no longer need to provide for a cash-funded debt service reserve fund ($2M)
- Bond insurer selected (Build America Mutual)
  - City's bonds also received "Green Star" certification due to the nature of the projects
- >20% lower estimated costs of issuance ($570K in November vs $470K now)
  - Primarily due to lower par amount and due to having bond insurance and surety quotes in hand

Estimated Aggregate Debt Service
(After 2021 Bonds Issuance)



Tentative Financing Schedule

October 22: Credit Rating Call with S&P

November 10: F&GC Presentation

January 19: City Council consideration of documents

February: Bond Pricing

March: Close Financing

Recommendation

- That:
  - (i) The City Council adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance by the City of Oxnard Financing Authority of bonds in an aggregate principal amount not to exceed $30,000,000, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto; and
  - (ii) The Board of Directors of the City of Oxnard Financing Authority adopt a resolution approving an installment purchase agreement, indenture of trust, a continuing disclosure agreement, escrow agreements, and a bond purchase agreement with respect to the issuance of bonds in an aggregate principal amount not to exceed $30,000,000, appointing a trustee, approving a preliminary official statement and authorizing preparation of a final official statement and other matters pertaining thereto

Questions?

CITY COUNCIL AGENDA REPORT

CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS
AGENDA ITEM NO. I.1

DATE: January 25, 2021

TO: City Council

FROM: Alexander Nguyen, City Manager, (805) 385-7430, alexander.nguyen@oxnard.org

SUBJECT: Appointment of Councilmembers to Serve on Various Boards, Commissions, and Committees.

RECOMMENDATION

1. That the Mayor, with the approval of the City Council, appoint members and alternates from the City Council to the:

a) Association of Water Agencies for Ventura County (one primary and alternate);
b) Beach Erosion Authority for Control of Operation & Nourishment (one primary and alternate);
c) Clean Power Alliance Board of Directors (one primary and two alternates)*
d) Cultural Arts Committee (two primary);
e) Economic Development Collaborative - Ventura County (one primary)
f) Gold Coast Transit District (one primary and alternate);
g) Las Cortes Housing Development Corporation (two primary);
h) Oxnard Convention & Visitors Bureau (one primary and alternate);
i) Oxnard Plain/RiverPark Reclamation and Recharge Joint Powers Authority (two primary and alternate);
j) Regional Defense Partnership for the 21st Century (one primary and alternate);
k) Ventura Council of Governments (one primary and one alternate);
l) Ventura County Animal Regulation Commission (one primary and alternate);
m) Ventura County Regional Energy Alliance (one primary and alternate);
n) Ventura County Transportation Commission (one primary)
o) Ventura Regional Sanitation District (one primary and alternate);

*Alternate may be a staff member.

2. That the City Council, as a whole, appoint two Councilmembers to the Oxnard Airport Authority and one Councilmember as an alternate.

BACKGROUND

Every two years, the Mayor makes appointments, with the approval of the City Council, of Councilmembers to various boards, commissions and committees. The City Council makes appointments to the Oxnard Airport Authority. A list of the proposed committee appointments is attached.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Luly Lopez, Executive Assistant I

ATTACHMENTS

1. City Council Boards, Commissions and Committees 2021

Committee Name	Councilmember
Association of Water Agencies for Ventura County	Mayor Pro Tem MacDonald Mayor Zaragoza (A)
Beach Erosion Authority for Control of Operation and Nourishment	Councilmember Lopez Councilmember Madrigal (A)
Clean Power Alliance Board of Directors	Councilmember Perello Councilmember Lopez (A) Kathleen Mallory (A)
Cultural Arts Committee	Councilmember Madrigal Councilwoman Basua
Economic Development Collaborative – Ventura County	Councilmember Lopez
Gold Coast Transit District*	Mayor Pro Tem MacDonald Mayor Zaragoza (A)
Las Cortes Housing Development Corporation	Mayor Pro Tem MacDonald Councilwoman Basua
Oxnard Airport Authority*	Councilmembers Perello and Lopez Mayor Zaragoza (A)
Oxnard Convention & Visitors Bureau	Mayor Pro Tem MacDonald Councilmember Perello
Oxnard Plain/RiverPark Reclamation and Recharge Joint Powers Authority	Councilmember Perello Councilwoman Basua Councilmember Lopez (A)
Regional Defense Partnership for the 21st Century	Councilmember Lopez Mayor Zaragoza
Ventura Council of Governments*	Councilmember Perello Councilmember Madrigal (A)
Ventura County Animal Regulation Commission	Mayor Zaragoza Councilmember Madrigal (A)
Ventura County Regional Energy Alliance	Councilwoman Basua Councilmember Lopez (A)
Ventura Regional Sanitation District (VRSD)*	Councilmember Perello Mayor Zaragoza (A)
Ventura County Transportation Commission*	Mayor Pro Tem MacDonald

*Form 700 Filling Requirements

(A) Alternate

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.1

DATE: January 25, 2021

TO: City Council

FROM: Jason Benites, Police Chief, (805) 385-7626, jason.benites@oxnardpd.org

SUBJECT: Resolution Approving Extension of CalVIP Grant 2018-2020.

RECOMMENDATION

That the City Council adopts a resolution:
1. Authorizing the City Manager to approve an extension for use of the $500,000 in Board of State and Community Corrections (BSCC) grant funding for the 2018-2020 California Violence Intervention and Prevention (CalVIP) project to reduce gang and youth violence through direct intervention, youth employment, and community engagement;
2. Authorizing the City Manager or designee to execute a grant agreement for funding from the State of California/BSCC for the CalVIP Program from May 1, 2020 to December 31, 2021;
3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims; and
4. Authorizing the Oxnard Police Department/Office of Youth Safety to submit non-financial reports.

BACKGROUND

In 2018, the City of Oxnard submitted a grant application to the State of California, Board of State and Community Corrections ("BSCC") for $500,000 ("CalVIP Grant" or "grant"). The City received the CalVIP Grant, which was to be spent over a 24-month period (May 1, 2018 through April 30, 2020). However, due to Covid-19, BSCC has provided an extension for the use of the CalVIP Grant funds through December 31, 2021. The CalVIP Grant is designed to fund coordinated, collaborative strategies that are proven to be most effective at reducing violence and that focus on better outcomes in the criminal justice system and for those involved in it.

The grant funds have been used in a collaborative partnership between Oxnard City Corps, City Impact, Inc., and other public agencies and community-based organizations to provide funding to staff the City of Oxnard's Office of Youth Safety, street and community outreach, violence intervention, referrals to services, case management, life guidance, mentoring, community service opportunities, skills development, career exploration, and youth employment in the City's efforts to reduce gang and youth violence and improve outcomes for youth in our community.

STRATEGIC PRIORITIES

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

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

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

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

FINANCIAL IMPACT

Since this agenda item is for time extension only, there is no financial impact.

COMMITTEE OUTCOME

Prepared by: Luis McArthur, Police Commander

ATTACHMENTS

1. CALVIP EXTENSION RESOLUTION

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE CITY MANAGER TO APPROVE AN EXTENSION FOR USE OF CALVIP GRANT FUNDS

WHEREAS, in 2018, the City Council adopted Resolution 15,079 authorizing the Recreation and Community Services Department/Office of Youth Safety to submit a grant application for $500,000 to the Board of State and Community Corrections (BSCC) for California Violence Intervention and Prevention (CalVIP) program grant funds to be used to reduce gang and youth violence through efforts from May 1, 2018 to April 30, 2020, including outreach, referrals, case management, life guidance and mentoring, community service, skills building, career exploration, youth employment, educational opportunities, and community engagement; and

WHEREAS, BSCC has provided an extension, through December 31, 2021, for use of the grant funds due to impacts from the COVID-19 pandemic; and

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

To authorize the City Manager to approve an extension for use of the $500,000 in BSCC grant funding for the 2018-2020 CalVIP program to reduce gang and youth violence through direct intervention, youth employment, and community engagement; to authorize the City Manager or designee to execute a grant agreement for funding from the State of California/BSCC for the CalVIP program from May 1, 2020 to December 31, 2021; to authorize the Chief Financial Officer or designee to submit financial reports and grant claims; and to authorize the Oxnard Police Department/Office of Youth Safety to submit non-financial reports.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tim Flynn, Mayor

ATTEST:

_____
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

PUBLIC SAFETY COMMITTEE AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.2

DATE: January 25, 2021

TO: Public Safety Committee

FROM: Jason Benites, Police Chief, (805) 385-7626, jason.benites@oxnardpd.org

SUBJECT: Resolution Approving of CalVIP Grant 2020-2023.

RECOMMENDATION

That the City Council adopt a resolution:
1. Authorizing the City Manager to approve the grant application of $500,000 in Board of State and Community Corrections (BSCC) grant funding for the 2020-2023 California Violence Intervention and Prevention (CalVIP) project to be used for the Drag Racing Against Gangs and Graffiti (DRAGG) after school program offering high school youth mentorship, career exploration, employment preparation, social emotional learning, workplace soft skills, community engagement, and scholarships to its participants for continuing education;
2. Authorizing the City Manager or designee to execute a grant agreement for funding from the State of California/BSCC for the CalVIP Program from October 1, 2020 to December 31, 2023;
3. Authorizing the Chief Financial Officer or designee to submit financial reports and grant claims; and
4. Authorizing the Oxnard Police Department/Office of Youth Safety to submit non-financial reports.

BACKGROUND

The City of Oxnard was eligible to submit a grant application to the State of California, Board of State and Community Corrections for consideration of funding up to $500,000 over a 39-month period beginning October 1, 2020 to December 31, 2023. The CalVIP grant is designed to fund coordinated, collaborative strategies that are proven to be most effective at reducing violence and that focus on better outcomes in the criminal justice system and for those involved in it.

The grant funds will be used in a collaborative partnership between DRAGG and other public agencies and community-based organizations to provide funding to staff the City of Oxnard's Office of Youth Safety, street and community outreach, violence intervention, referrals to services, case management, life guidance, mentoring, community service opportunities, skills development, career exploration, and youth employment in the City's efforts to reduce gang and youth violence and improve outcomes for youth in our community.

STRATEGIC PRIORITIES

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

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

Objective 1a. Create a renewed focus on police/community relations with underserved communities and youth population.

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

Objective 1d. Examine options for long term sustainability of public safety services to ensure an efficient and effective public safety service delivery model.

FINANCIAL IMPACT

The grant requires a dollar-for-dollar match cash, in-kind, or combination thereof – of the total grant award. The required match up of up to $500,000 will come from various in-kind sources which may include: salaries and benefits for police gang suppression and enforcement activities ($339,000); services and supplies ($7,100); salaries and benefits for managers, supervisors, financial staff, clerical staff, or other staff who are only indirectly involved with the grant project at DRAGG ($110,000); other expenses, such as travel, trainings, etc. ($10,000); indirect costs ($33,930), salaries and benefits for participant support and for managers, supervisors, and other staff who are only indirectly involved with the grant project, personnel time of collaborative partners serving on the project's Coordinating Council; pro-rated facilities, equipment, office supplies; or volunteer time.

Upon approval of grant award, staff will return to Council to recognize and appropriate the grant award and required match.

Prepared by: Luis McArthur, Police Commander

ATTACHMENTS

1. Resolution Approval of CalVIP Grant 2020-2023 (1)

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
APPROVING SUBMITTAL OF GRANT APPLICATION

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

WHEREAS, the Oxnard Police Department/Office of Youth Safety has requested that City Council approve the submittal of an application for $500,000 to the Board of State and Community Corrections (BSCC) for California Violence Intervention and Prevention (CalVIP) program grant funds to be used for the Drag Racing Against Gangs and Graffiti (DRAGG) after school program from October 1, 2020 to December 31, 2023, offering high school youth mentorship, career exploration, employment preparation, social emotional leaning, workplace soft skills, community engagement, and scholarships to its participants for continuing education.

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

To approve the submittal of a grant application by the City Manager for CalVIP grant funds to be used for the Drag Racing Against Gangs and Graffiti (DRAGG) after school program offering high school youth mentorship, career exploration, employment preparation, social emotional learning, workplace soft skills, community engagement, and scholarships to its participants for continuing education. The City Council further resolves that the City Manager of designee is authorized to execute grant agreements, the Chief Financial Officer or designee is authorized to submit financial reports and grant claims and approve administrative budget appropriations for the use of grant funds, and the Oxnard Police Department/Office of Youth Safety is authorized to submit non-financial reports.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

_____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.3

DATE: January 25, 2021

TO: Successor Agency

FROM: Ashley Golden, Assistant City Manager, (805) 385-7478, ashley.golden@oxnard.org

SUBJECT: Sixth Annual Recognized Obligation Payment Schedule 2021-2022 - Total Amount: $9,976,894

RECOMMENDATION

That the Community Development Commission Successor Agency adopt a Resolution approving the Sixth Annual Recognized Obligation Payment Schedule (ROPS) 21-22 covering the period of July 1, 2021 - June 30, 2022.

BACKGROUND

As part of the 2011 Budget Act, and to protect funding for core public services at the local level, the California Legislature approved the dissolution of the state's 400 plus Redevelopment Agencies (RDAs). On February 1, 2012, all RDAs in the state of California were officially dissolved. As a result of eliminating RDAs, property tax revenues are now used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are allocated to cities, counties, special districts, and school and community college districts.

To help facilitate the wind-down process at the local level, each city formed a Successor Agency (SA), which manages redevelopment projects currently underway, makes payments on enforceable obligations, and disposes of redevelopment assets and properties. In the City of Oxnard, the City Council acts as the SA to Oxnard's former RDA, the Community Development Commission. Each SA has an Oversight Board (OB) that supervises its work. As specified in California Senate Bill 107 and beginning on July 1, 2018, all OB's in the County were consolidated into one OB, the Ventura County Consolidated Oversight Board (County OB). The 7-member County OB is comprised of representatives of the local agencies from Ventura County cities, special districts, K-14 educational agencies. The County OB members have a fiduciary responsibility to holders of enforceable obligations and the local agencies that would benefit from property tax distributions from the former redevelopment project areas.

Pursuant to California Health and Safety Code Section 34177(l)(1), the City, as SA to the former Oxnard Community Development Commission, is required to prepare an annual ROPS, documenting the enforceable obligations of the former RDA for the coming fiscal year. This ROPS covers the period July 1, 2021, through June 30, 2022 (ROPS 21-22) and, per California Health and Safety Code Section 34177(m), must be submitted to the California Department of Finance (DOF) after approval by the County OB, no later than February 1, 2021.

The ROPS 21-22 period totals $9,976,894 in SA enforceable obligations. These obligations include bond debt service, developer agreement payments, special tax district assessment, property tax analysis agreements, and contracts enforceable by the SA.

The majority of the SA's ROPS 21-22 enforceable obligations, approximately $5.8 million, come from the debt service from the bonds issued by the former RDA in prior years, before the dissolution of redevelopment in the City.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

Approval of the Sixth Annual ROPS 21-22 will facilitate the ability of the SA to continue payment of the enforceable obligations of the former Community Development Commission and is among the reasonable measures required to be taken to avoid triggering an event of default under any enforceable obligations. Certification of the ROPS allows the SA to collect property tax revenues from the Ventura County Auditor-Controller in an amount sufficient to pay the obligations listed on the ROPS 21-22 on time.

The General Fund is not responsible for these enforceable obligations.

The Sixth Annual ROPS 21-22 must be submitted to the DOF by February 1, 2021. If this deadline is not met, the City is subject to a civil penalty of $10,000 every day that a SA is past due on submission.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Adam Smith, Project Manager

ATTACHMENTS

1. Sixth Annual Oxnard ROPS 21-22 Form
2. Oxnard ROPS 21-22 SA Resolution (1)

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Oxnard

County: Ventura

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	21-22A Total (July - December)	21-22B Total (January - June)	ROPS 21-22 Total
A Enforceable Obligations Funded as Follows (B+C+D)	**$ 2,655,618**	**$ -**	**$ 2,655,618**
B Bond Proceeds	-	-	-
C Reserve Balance	2,544,394	-	2,544,394
D Other Funds	111,224	-	111,224
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	**$ 1,998,139**	**$ 5,323,137**	**$ 7,321,276**
F RPTTF	1,910,639	5,235,637	7,146,276
G Administrative RPTTF	87,500	87,500	175,000
H Current Period Enforceable Obligations (A+E)	**$ 4,653,757**	**$ 5,323,137**	**$ 9,976,894**

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/

Signature Date

Oxnard
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail
July 1, 2021 through June 30, 2022

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											ROPS 21-22A (Jul - Dec)						**ROPS 21-22B (Jan - Jun)**					
											Fund Sources						**Fund Sources**					
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	**ROPS 21-22 Total**	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	**21-22A Total**	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	**21-22B Total**
								$75,761,798		$9,976,894	$-	$2,544,394	$111,224	$1,910,639	$87,500	$4,653,757	$-	$-	$-	$5,235,637	$87,500	$5,323,137
1	CCRP Tax Allocation Refunding Bond 2004	Bonds Issued On or Before 12/31/10	04/13/2004	09/01/2026	Wells Fargo/ Finance	Downtown Infrastructure, Capital Improvement Projects and Fa□ade Program; including debt management costs	CCRP	7,160,524	N	$2,287,559	-	1,067,007	-	-	-	$1,067,007	-	-	-	1,220,552	-	$1,220,552
2	CCRP Assessment District Payment	Property Maintenance	07/01/2006	06/30/2022	Ox. Downtown Mgmt District	Property Based Improvement District Payment	CCRP	7,000	N	$7,000	-	-	-	3,500	-	$3,500	-	-	-	3,500	-	$3,500
10	Project Management	Project Management Costs	01/01/2014	06/30/2022	City Community Development	Property management, project management and inspection	Central City Revitalization Project	6,200	N	$6,200	-	-	-	6,200	-	$6,200	-	-	-	-	-	$-
15	Project Management	Project Management Costs	01/01/2014	06/30/2022	City Community Development	Property management, project management and inspection	Downtown	10,000	N	$10,000	-	-	-	10,000	-	$10,000	-	-	-	-	-	$-
17	HERO Tax Alloc Bond 2006	Bonds Issued On or Before 12/31/10	12/13/2006	09/01/2036	Wells Fargo/ Finance	Street Reconstruction Projects; including debt management costs	HERO	12,149,795	N	$1,348,670	-	569,290	-	-	-	$569,290	-	-	-	779,380	-	$779,380
18	HERO Tax Alloc Bond 2008	Bonds Issued On or Before 12/31/10	06/17/2008	09/01/2038	Wells Fargo/ Finance	RiverPark Parking Structure Infrastructure; including debt management costs	HERO	14,280,604	N	$1,206,607	-	492,719	-	-	-	$492,719	-	-	-	713,888	-	$713,888
24	HERO RiverPark	OPA/DDA/ Construction	05/18/2010	11/19/2032	U.S. Bank, NA	Affordable Housing	HERO	8,917,951	N	$642,883	-	-	111,224	210,218	-	$321,442	-	-	-	321,441	-	$321,441
38	Contracts and services	Professional Services	12/12/2011	06/30/2023	HDL Coren and Cone	Property Tax and Tax	HERO	10,000	N	$10,000	-	-	-	5,000	-	$5,000	-	-	-	5,000	-	$5,000

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											ROPS 21-22A (Jul - Dec)						ROPS 21-22B (Jan - Jun)					
											Fund Sources						Fund Sources					
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	21-22A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	21-22B Total
						Increment Preparation																
40	HERO RiverPark MOU to OPA	OPA/DDA/ Construction	09/26/ 2010	07/27/2035	RiverPark A	Infrastructure reimbursement payments per MOU to OPA	HERO	19,485,881	N	$1,425,141	-	-	-	712,571	-	$712,571	-	-	-	712,570	-	$712,570
44	Project Management	Project Management Costs	01/01/ 2014	06/30/2022	City Employees	Property management, project management and inspection	HERO	8,000	N	$8,000	-	-	-	8,000	-	$8,000	-	-	-	-	-	$-
48	Ormond Beach Tax Alloc Bond 2006	Bonds Issued On or Before 12/ 31/10	12/13/ 2006	09/01/2036	Wells Fargo	Street Reconstruction Project	Ormond Beach	5,109,574	N	$612,042	-	264,814	-	-	-	$264,814	-	-	-	347,228	-	$347,228
49	Project Management	Project Management Costs	01/01/ 2014	06/30/2022	City Employees	Property management, project management and inspection	Ormond Beach	5,000	N	$5,000	-	-	-	5,000	-	$5,000	-	-	-	-	-	$-
50	Southwinds Tax Allocation Bond 2006	Bonds Issued On or Before 12/ 31/10	12/13/ 2006	09/01/2036	Wells Fargo	Street Reconstruction Bond	Southwinds	2,917,369	N	$347,492	-	150,564	-	-	-	$150,564	-	-	-	196,928	-	$196,928
51	Project Management	Project Management Costs	01/01/ 2014	06/30/2022	City Employees	Property management, project management and inspection	Southwinds	5,000	N	$5,000	-	-	-	5,000	-	$5,000	-	-	-	-	-	$-
52	Downtown Lease Guarantee Pmt 50%	OPA/DDA/ Construction	11/26/ 2003	11/26/2025	Oxnard Theater Group	*Downtown Theater lease guarantee payment	CCRP/DT	5,450,400	N	$1,816,800	-	-	-	908,400	-	$908,400	-	-	-	908,400	-	$908,400
58	Contracts and Services	Property Maintenance	02/01/ 2009	06/30/2022	R.A. Atmore & Sons	Weed Abatement	CCRP/DT/ OB	3,500	N	$3,500	-	-	-	1,750	-	$1,750	-	-	-	1,750	-	$1,750
63	Trustee Services	Fees	01/01/ 2014	06/30/2022	Wells Fargo Bank	Debt service administration for bond issues	CCRP/ HERO/SW/ Ormond	10,000	N	$10,000	-	-	-	10,000	-	$10,000	-	-	-	-	-	$-
98	Litigation for Future Legal Costs	Litigation	01/01/ 2003	08/30/2022	Kane, Ballmer, and Berkman	Agency Legal Cousel	All	-	N	$-	-	-	-	-	-	$-	-	-	-	-	-	$-
101	Disposition of Successor Agency Property	Property Dispositions	01/01/ 2017	08/30/2022	Kane, Ballmer, and Berkman	Agency Legal Counsel		50,000	N	$50,000	-	-	-	25,000	-	$25,000	-	-	-	25,000	-	$25,000

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	**ROPS 21-22 Total**	**ROPS 21-22A (Jul - Dec)**					**21-22A Total**	**ROPS 21-22B (Jan - Jun)**					**21-22B Total**
											Fund Sources						**Fund Sources**					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
106	Admin Costs	Admin Costs	07/01/ 2021	06/30/2022	Oxnard CDC Successor Agency	Admin Costs		175,000	N	$175,000	-	-	-	-	87,500	$87,500	-	-	-	-	87,500	$87,500

Oxnard
Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	**Fund Sources**					**Comments**
		Bond Proceeds		**Reserve Balance**	**Other Funds**	**RPTTF**	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	**Beginning Available Cash Balance (Actual 07/01/18)** RPTTF amount should exclude "A" period distribution amount.	2,870,261		4,563,031	2,815,389	1,953,803	
2	**Revenue/Income (Actual 06/30/19)** RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller	160,103			348,507	3,870,375	
3	**Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)**	1,148		4,563,031	1,680,758	764,237	
4	**Retention of Available Cash Balance (Actual 06/30/19)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	3,029,216			1,514,213	4,585,489	
5	**ROPS 18-19 RPTTF Prior Period Adjustment** RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required			474,452	
6	**Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)**	**$-**	**$-**	**$-**	**$(31,075)**	**$-**	

Oxnard
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

Item #	Notes/Comments
1	
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OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY

RESOLUTION NO. _____

RESOLUTION OF THE OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY ADOPTING A SIXTH ANNUAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 21-22) FOR JULY 1, 2021 – JUNE 30, 2022

WHEREAS, Assembly Bill x1 26 ("AB 26") and AB x1 27 ("AB 27") were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, among other things, AB 26 amends Sections 33500, 33501, 33607.5 and 33607.7 of the California Health and Safety Code and adds Part 1.8 and Part 1.85 to Division 24 of the California Health and Safety Code; and

WHEREAS, by enactment of Part 1.85 of Division 24 of the Health and Safety Code, subject to all reservations herein stated, the Community Development Commission was dissolved as of February 1, 2012 such that the Community Development Commission shall be deemed a former redevelopment agency under Health and Safety Code section 34173(a); and

WHEREAS, Health and Safety Code section 34173(a) designates successor agencies as successor entities to former redevelopment agencies; and

WHEREAS, on January 10, 2012, by Resolution 14,135, the City Council of the City of Oxnard declared itself as the successor agency upon the dissolution of the Community Development Commission, subject to all reservations stated in such resolution; and

WHEREAS, the California Supreme Court in *California Redevelopment Association v. Matosantos*, Case No. S194861 upheld the constitutionality of ABx1 26 and established May 1, 2012 as the date by which the draft Recognized Obligation Payment Schedule ("ROPS") must be prepared; and

WHEREAS, California Health and Safety Code Section 34171(h) and 34177(m) provide that a successor agency must prepare a ROPS every six months after the initial ROPS period; and

WHEREAS, on April 24, 2012 the Successor Agency adopted a Draft ROPS; and

WHEREAS, on April 25, 2012 the Oversight Board to the Oxnard Community Development Commission Successor Agency directed Successor Agency Staff to amend the ROPS to incorporate the State Department of Finance's revised ROPS format; and

WHEREAS, on May 8, 2012 a revised Amended ROPS I was adopted by the Successor Agency and identified enforceable obligations for the period of February 1, 2012 through June

30, 2012; and

WHEREAS, on May 8, 2012 a ROPS II was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2012 through December 31, 2012; and

WHEREAS, on July 22, 2012 a ROPS III was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2013 through June 30, 2013; and

WHEREAS, on February 12, 2013 a ROPS IV (13-14A) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2013 through December 31, 2013; and

WHEREAS, on September 10, 2013 a ROPS V (13-14B) was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2014 through June 30, 2014; and

WHEREAS, on February 11, 2014 a ROPS VI (14-15A) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2014 through December 31, 2014; and

WHEREAS, on September 9, 2014 a ROPS VII (14-15B) was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2015 through June 30, 2015; and

WHEREAS, on February 24, 2015 a ROPS VIII (15-16A) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2015 through December 31, 2015; and

WHEREAS, on September 1, 2015 a ROPS IX (15-16B) was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2016 through June 30, 2016; and

WHEREAS, SB 107 terminates the every six months ROPS timeline as of December 31, 2015 and instead requires annual ROPS reporting starting with the first annual ROPS 16-17 for the period beginning July 1, 2016 and ending June 30, 2017; and

WHEREAS, California Health and Safety Code Section 34177(o) provides that a successor agency must prepare a ROPS every twelve months; and

WHEREAS, on January 19, 2016 the First Annual ROPS (16-17) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2016 through June 30, 2017; and

WHEREAS, on January 24, 2017 the Second Annual ROPS (17-18) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2017 through June 30, 2018; and

WHEREAS, on January 23, 2018 the Third Annual ROPS (18-19) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2018 through June 30, 2019; and

WHEREAS, on September 11, 2018 an amended Third Annual ROPS (18-19B) was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2019 through June 30, 2019; and

WHEREAS, on January 8, 2019 the Fourth Annual ROPS (19-20) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2019 through June 30, 2019; and

WHEREAS, on January 7, 2020 the Fifth Annual ROPS (20-21) was adopted by the Successor Agency and identified enforceable obligations for the period of July 1, 2020 through June 30, 2021; and

WHEREAS, on September 1, 2020 an amended Fifth Annual ROPS (20-21B) was adopted by the Successor Agency and identified enforceable obligations for the period of January 1, 2021 through June 30, 2021; and

WHEREAS, on January 19, 2021 the Successor Agency was presented the proposed Sixth Annual ROPS (21-22) which identifies each enforceable obligation on which payments will be required during the period of July 1, 2021 through June 30, 2022.

NOW, THEREFORE, THE OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The Oxnard Community Development Commission Successor Agency hereby finds and determines that the foregoing recitals are true and correct.

Section 2. All legal prerequisites to the adoption of this Resolution have occurred.

Section 3. The attached Proposed ROPS is hereby adopted.

Section 4. Successor Agency staff is hereby authorized to administratively amend the ROPS in order to modify, adjust or remove line items pending the outcome of review by the Oversight Board, the County Auditor-Controller, and/or the California

Department of Finance and to format the ROPS to conform with State Department of Finance requirements not yet published, and to take all necessary and appropriate actions to prepare and submit the ROPS, provided, however, that neither such authorization nor such removal shall be deemed to be, nor are they intended as, an acknowledgment of the validity of ABx1 26 and AB 1484 or such action by the Oversight Board, the County Auditor-Controller and/or the California Department of Finance. The Successor Agency reserves all rights to challenge the validity and/or application of any or all provisions of ABx1 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Successor Agency's right to list any such removed item on this or a future ROPS. The Successor Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by law to obtain the correction of any erroneous decision regarding the ROPS.

Section 5. This Resolution shall take effect immediately upon its adoption.

Section 6. The Successor Agency's Secretary Designate shall certify as to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this ___ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Chairman

ATTEST:

_____
Rose Chaparro, Secretary Designate

APPROVED AS TO FORM:

_____
Stephen M. Fischer, General Counsel

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.4

DATE: January 25, 2021

TO: City Council

FROM: Alexander Hamilton, Interim Fire Chief, (805) 385-7708, alexander.hamilton@oxnard.org

SUBJECT: Approve submission of application for 2020 Emergency Management Performance Grant (EMPG)

RECOMMENDATION

That City Council adopt a resolution:
1. That ratifies the submission of the application for 2020 Emergency Management Program Grant (EMPG);
2. That authorizes the City Manager or designee to execute grant agreements in the amount of $46,604.75 for the purpose of offsetting the salary of the Emergency Services Manager;
3. That authorizes the Chief Financial Officer or designee to submit financial reports and grant claims, approve special budget appropriations for the use of the grant funds and perform all other required financial actions; and
4. That authorizes the Fire Chief or designee to submit non-financial reports.

BACKGROUND

The 2020 Emergency Management Program Grant (EMPG) is funded by the U.S. Department of Homeland Security and administered through the California Office of Emergency Services. The funds are distributed to the City on a reimbursement basis through the Ventura County Sheriff's Office of Emergency Services. Grant funds must be used to prevent, prepare for, mitigate against, or recover from natural or man-made emergencies and disasters.

The Grant Award of $46,604.75 will be used to offset the salary and benefits of the Emergency Services Manager (ESM). The use of EMPG funds for salary offset meets the requirements of the grant include ensuring compliance with the National Incident Management System (NIMS), the National Response Framework (NRF) and the State of California's Standardized Emergency Management System (SEMS).

Under the 2020 Emergency Management Program Grant the City must provide a 100% match. The City may use the General Fund budget for the salary of the Emergency Services Manager as the matching funds for this grant. The 2020 grant will provide $46,604.75 in funding with Oxnard matching $46,604.75 in Fire Department personnel salary.

It was not possible to obtain prior approvals from the Public Safety Committee and the City Council before submitting this grant application due to the extremely short application period required by the Ventura County Office of Emergency Services (OES). The Oxnard Fire Department received notification of the 2020 EMPG Application on Tuesday, December 8th. The deadline for submittal of the application to Ventura County OES was Wednesday, December 23rd. The provided the Fire Department only 12 working days to prepare and submit the application.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

There is a matching funds requirement of 100% for this grant. Under the provisions of this grant the matching funds can be a direct financial contribution or in the form of an in-kind match. The 2020 award is in the amount of $46,604.75. Therefore the federal share will be $46,604.75 with the applicant match being $46,604.75. The Fire Department will provide an in-kind match of $46,604.75 using existing Fire Department personnel

costs. The grant will be funded and the match will be provided in FY 2020-2021. As a result, the General Fund will avoid $46,604.75 in costs this fiscal year that it otherwise would have had to bear. (Account 101-2203-802.80-01)

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Scott Brewer,

ATTACHMENTS

1. Resolution for EMPG Application1.19.21

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING ACCEPTANCE OF GRANT APPLICATION

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

WHEREAS, the Fire Department has requested that City Council ratify the application submitted and approve the acceptance of a grant award from the County of Ventura Office of Emergency Services for a Federal Emergency Management Performance Grant (EMPG) in the amount of $46,604.75. Grant funds to be used to prevent, prepare for, mitigate against, and recover from natural or manmade emergencies and disasters.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to approve the acceptance of a grant by the City Manager under the Ventura County Office of Emergency Management to offset the salary and benefits of City Emergency Services Manager. The City Council further resolves that the City Manager or designee is authorized to execute grant agreements; the Chief Financial Officer or designee is authorized to submit financial reports and grant claims, approve special budget appropriations for the use of the grant funds and perform all other required financial actions; and the Fire Chief or designee is authorized to submit non-financial reports.

PASSED AND ADOPTED THIS 19th day of January, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

APPROVED AS TO FORM:

_____
Rose Chaparro, City Clerk

_____
Stephen M. Fischer, City Attorney

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.5

DATE: January 25, 2021

TO: City Council

FROM: Stephen Fischer, City Attorney, (805) 385-7483, stephen.fischer@oxnard.org

SUBJECT: Council Vacancy Ordinance Adoption

RECOMMENDATION

That the City Council adopt Ordinance No. 2995 adding Section 2-3.1 to Chapter 2 of the Oxnard City Code regarding the filling of Council vacancies.

BACKGROUND

As authorized by Government Code Section 36512(c)(3), Ordinance No. 2995 amends Chapter 2 of the City Code to add section 2-3.1 to require that if a vacancy on the Council or the office of Mayor is filled by appointment, the appointee shall hold office only until the date of a special election, which shall immediately be called to fill the remainder of the term.

At its regular meeting of January 5, 2021, the City Council approved the first reading by title only and waived further reading of Ordinance No. 2995 by a 5-1 vote, with Councilmember Lopez voting "No".

If adopted, Ordinance No. 2995 would take effect immediately pursuant to Government Code Section 36937 and Elections Code Section 9235.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on May 17, 2016.

FINANCIAL IMPACT

By requiring special elections to fill Council vacancies, the City would incur the costs of conducting such elections, which are typically stand-alone elections. The County Registrar of Voters estimates the cost of the special election that will be called for November 2021 at $93,000 plus legal publication costs. An appropriation for the costs of the November 2021 special election would be included in the FY 2021-22 Proposed Budget.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Stephen Fischer, City Attorney

ATTACHMENTS

1. Vacancy Ordinance.2995.Adoption

CITY COUNCIL OF THE CITY OF OXNARD
ORDINANCE NO. 2995

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, ADDING SECTION 2-3.1 TO CHAPTER 2 OF THE OXNARD CITY CODE REGARDING THE FILLING OF COUNCIL VACANCIES

WHEREAS, Government Code section 36512(b) provides that the City Council may fill a vacancy on the City Council by either appointment or calling a special election; and

WHEREAS, Government Code section 36512(c) authorizes the Council to adopt an ordinance regarding the process for filling a vacancy on the City Council; and

WHEREAS, this ordinance relates to an election within the meaning of Government Code section 36937(a) and Elections Code section 9235(a).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

Part 1. Section 2-3.1 is hereby added to the City Code to read as follows:

"2-3.1. FILLING OF COUNCIL VACANCIES.

If a vacancy occurs on the city council, or in the office of mayor, and the city council determines to fill such vacancy by appointment, the person appointed to fill such vacancy shall hold office only until the date of a special election which shall immediately be called to fill the remainder of the term. The special election may be held on a date permitted by Government Code section 36512(c)(3)."

Part 2. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

Part 3. Pursuant to Government Code Section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five days before the City Council's adoption of the ordinance.

Part 4. The City Council determines and finds that this ordinance is exempt from the California Environmental Quality Act under section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Part 5. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation, published and circulated in the City. Ordinance No. 2995 was first read on January 5, 2021, and finally adopted on January 19, 2021, to become effective immediately in accordance with Government Code section 36937(a) and Elections Code section 9235(a).

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

_____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. L.6

DATE: January 25, 2021

TO: City Council

FROM: Rosemarie Gaglione, Public Works Director, (805) 385-8055, rosemarie.gaglione@oxnard.org

SUBJECT: Third-party Water Purveyor Pass-through Rate Adjustment Analysis.

RECOMMENDATION

That the City Council receive and file the third-party water purveyor pass-through rate adjustment analysis.

BACKGROUND

The Water Division is responsible for the transmission and distribution of potable water to City customers. The City water system includes: 10 water wells, five (5) turnouts from the United Water Conservation District's Oxnard-Hueneme Pipeline system, one (1) turnout from the Calleguas Municipal Water District's water system, one (1) desalter facility, six (6) blending stations, and over 500 miles of transmission and distribution pipelines. The City delivers over 20 million gallons per day of safe and reliable potable water supply to customers.

In addition, the Water Division has a recycled water treatment facility, the Advanced Water Purification Facility (AWPF), 10 miles of recycled water distribution pipelines, and a partially completed Aquifer Storage and Recovery (ASR) system.

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

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

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

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

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

DISCUSSION

In July 2017, the City Council adopted new water rates (Ordinance 2921). As part of the Ordinance 2921, the Water Division is allowed to administratively pass-through third-party water purveyor inflation rate adjustment. The current water rate structure is as follows:

- Residential charges: water meter fixed charge + water usage charge (tiers 1, 2, and 3)
- Commercial and Industrial (2'' & below) charges: water meter fixed charge + water usage charge (tiers 1 and 2)
- Commercial and Industrial (3'' & above) charges: water meter fixed charge + water uniform rate
- Recycled water for commercial & industrial charges: water meter fixed charge + recycled water uniform rate

The following analysis factors in recent rate adjustments from UWCD and CMWD that will take effect in Fiscal Year 2020-21.

United Water Conservation District (UWCD)

United Water Conservation District (UWCD) adjusts their water rates and fees every July of each year. The UWCD Board of Directors held a public budget workshop on May 27, 2020 to discuss their proposed water rate increase and the Fiscal Year 2020-21 recommended budget. In May 2020, the City of Oxnard requested the UWCD to postpone any water rate increases due to the financial challenges stemming from the COVID-19 pandemic. Ultimately, the Board of Directors decided to postpone water rate adjustments, with the exception of minor adjustments that resulted in overall decreases.

The adopted UWCD water rate changes effective July 2020 are as follows:

UWCD	FY 2019-20 Rates	FY 2020-21 Rates	Unit Change ($)	Unit Change (%)
Variable Rate (per AF)	$541.95	$535.59	-$6.36	-1.17%
Fixed Charges (split into monthly payments)	$805,300	$740,779	-$64,521	-8.01%

Calleguas Municipal Water District (CMWD)

Calleguas Municipal Water District (CMWD) adjusts their water rates and fees every January of each year. On April 27, 2020 CMWD notified its customers of proposed adjusted water rates and fees that would take effect on January 1, 2021. In May 2020, the City of Oxnard requested the UWCD the UWCD to postpone any water rate increases due to the financial challenges stemming from the COVID-19 pandemic. Subsequently, the water rates and fees were revised and passed by the CMWD Board of Directors on June 17, 2020.

The CMWD rate changes effective January 2021 are as follows:

CMWD	2020 Rates	2021 Rates	Unit Change ($)	Unit Change (%)
Tier 1 Rate (per AF)	$1,472	$1,507	$35	2.38%
Tier 2 Rate (per AF)	$1,559	$1,549	-$10	-0.64%
Fixed Charges (Split into monthly payments)	$1,522,130	$1,493,681	-$28,449	-1.87%

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the four strategic plans adopted by City Council on

May 17, 2016.

FINANCIAL IMPACT

There is no fiscal impact to receive this report. The total water rates and fees adjustments from both the UWCD and the CMWD are estimated to increase water acquisition costs by $223,219 in FY 2020-21. The current Water Fund operating budget of $46.7 million is able to absorb the additional estimated cost of the water rates and fees adjustments from the UWCD and the CMWD.

Due to the Covid-19 pandemic, the Water Division will not implement the water pass through rate adjustments for FY 2020-21.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Omar Castro, Water Division Manager

ATTACHMENTS
None

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. N.1

DATE: January 25, 2021

TO: City Council

FROM: Jeff Pengilley, Interim Community Development Director, (805) 385-8208, jeff.pengilley@oxnard.org

SUBJECT: Update on the City of Oxnard's Participation in The Clean Power Alliance. (0/10/10)

RECOMMENDATION

That the City Council receive and file an update on the Clean Power Alliance.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/dyBTK9EYD8g

BACKGROUND

Executive Summary

This report provides an update regarding the status of the Clean Power Alliance (CPA). The Clean Power Alliance (CPA) is a community choice energy (CCE) program, established as a Joint Powers Authority (JPA) of counties and cities. As a CCE, CPA purchases clean power and sells it to customers, while Southern California Edison (SCE) remains responsible for delivery, billing, and resolving any electricity service issues.

Background

On February 27, 2018, the City Council introduced Ordinance No. 2935 approving the execution of a Joint Powers Agreement with the Los Angeles Community Choice Energy (LACCE) authority and authorizing implementation of a community choice aggregation (CCA) program in the City of Oxnard. Since this time, LACCE has been renamed the Clean Power Alliance (CPA) to better reflect the organization and its goals. Councilmember Ramirez was the primary CPA Board member; Councilmember Perello is the identified alternate. The Planning & Sustainability Manager is also an alternate member. A new Primary CPA Board member will need to be appointed by the City Council.

A CCA program is a legal structure that allows cities and counties to aggregate the buying power of individual electricity customers within their jurisdictions in order to secure energy supply contracts on a community-wide basis. The purpose of aggregating the purchase of electricity is to create an alternative electrical service option to the incumbent utility, which in Oxnard is Southern California Edison (SCE). A CCA program provides for government-led procurement of electricity for customers within their jurisdictional boundaries who elect to remain a program participant. This introduction of competition to the marketplace of electricity services allows customers an alternative choice in deciding which provider best meets their needs.

The goals of a CCA program include increasing the amount of renewable energy provided to residents, creating local clean energy jobs, reducing greenhouse gas emissions, and providing greater public accountability in energy decisions, generally at a cost savings compared to the incumbent electricity provider.

The CCA program for the City of Oxnard was created with the intent of lowering electricity bills for participating customers (both residential and commercial), as well as to provide a public board that would make decisions regarding the type, amount, and characteristics of clean power to be delivered to the CCA's customers. Local elected officials would then have the authority to create energy programs to support broad environmental and job creation goals, including energy efficiency, renewable energy construction, and energy conservation. The City's greenhouse gas (GHG) emissions could also be lowered as a result of program operations; this would support the City Council's goals stipulated in the City's Energy Action Plan (April 2013) of reducing greenhouse gas emissions ten percent by 2020.

CPA procures its renewable energy from a mix of eligible resources; these primarily come from solar and wind power, but also include small amounts of geothermal, biomass, and small hydroelectric power. Since 2018, CPA has entered into long-term power purchase agreements for over 1,300 megawatts of new renewable energy and over 700 megawatts of new battery energy storage. CPA continues to seek economically viable local renewable energy and battery storage projects and will be pursuing local community solar projects in disadvantaged areas in Ventura County; locally, these are census tracts which are primarily located in Oxnard and Ventura.

Clean Power Alliance Energy Tier Structure

The City joined the CPA in 2018, consistent with the CPA enrollment protocol, residential customers were enrolled in a phased manner beginning on February 1, 2019. Non-residential accounts were enrolled on their first meter read on or after May 1, 2019.

In October 2018, the City selected the 100% ("Green") renewable level offered by the CPA. The City chose to be an environmental and energy leader by selecting the 100% renewable tier in advance of SCE's 2045 - 100% renewable California Public Utility Commission (CPUC) mandate.

A comparison of CPUC renewable requirements compared to CPA is as follows:

CPA Renewable Levels	**SCE Renewable Mandates/Year**
36% (Lean) renewable 2018 50% (Clean) renewable 2018 100% (Green) renewable 2018	33% renewable by Dec. 31, 2020 40% renewable by Dec. 31, 2024 45% renewable by Dec. 31, 2027 50% renewable by Dec. 31, 2030 100% renewable by Dec. 31, 2045

When the City enrolled in the CPA "Green" renewable level, the assumption was based upon the following tier rate structure and estimated comparison to SCE rates/cost:

Tier Rate Options	**Cost Relative to SCE Rates/Cost**
36% (Lean) renewables	1%-2% overall bill discount to SCE base rate
50% (Clean) renewables	0%-1% overall bill discount to SCE base rate
100% (Green) renewables	7%-9% overall bill premium to SCE base rate for non-CARE/FERA** customers (at least 5% overall bill discount to SCE 100% renewable option) Parity with SCE base rate for CARE and other low-income customers

** California Alternate Rates for Energy Program (CARE) and Family Electric Rate Assistance Program (FERA). COVID relief funds are also available to assist lower income families.

CPA has maintained these rate comparisons for 99% of its customers. However, in May 2019, an unprecedented series of

rate changes by SCE required the CPA Board to increase rates for street lighting and a small number of large commercial customer rate classes, impacting less than 1% of customers across CPA's service territory.

In response to this action on May 16, 2019 (effective June 2019), the City converted all of the municipal accounts (approximately 456) to the "Lean Power" (36% renewable) level. Additionally, due to the increased rate structure specifically on street lights, municipal pump accounts, and high usage accounts, the City opted out of the CPA and returned them to SCE bundled service; this conversion saved the City 1-2% on total electricity costs for these accounts.

Customer Opt Actions – Oxnard CPA (as of December 15, 2020)

City of Oxnard	Opt 100% Green*	Opt Clean (50%)	Opt Lean (36%)	Opt Out
Non-Residential (8,037 eligible accounts)	78.32%	0.32%	10.60 %	10.76%
Residential (52,861 eligible accounts)	89.12%	0.52%	3.08 %	7.28%
Total (60,898 eligible accounts)	87.69%	0.50%	4.07%	7.74%

**Customers in the City of Oxnard are initially enrolled at 100% Green Power, the default rate tier for Oxnard. The opt action rates in this table reflect the percentage of those customers who chose a rate tier other than 100% Green or opted out of CPA service. Customers who do not opt down or opt out remain enrolled in 100% Green Power; they do not have to "opt up" to this rate tier.*

From January 1, 2020 through December 1, 2020, the City spent approximately $4.539M for electricity through CPA and SCE. This was the first full year with electric service via both utility providers. The City paid approximately $3.335M to SCE in 2020 for street lights, pumping, and high-usage accounts. Returning these accounts to CPA services at the current time could result in an estimated 5-10% increase in total electricity costs because the rates for these types of accounts do not follow CPA's prescribed rate comparison ranges (1-2% savings/Lean Power; 0-1%/Clean Power; and 7-9% Green Power tier rates).

The City paid approximately $1.204M in electricity charges for municipal accounts supplied by CPA in 2020 at the Lean Power rate (approximately 456 accounts). A comparison of CPA rate tiers shows that additional costs would have been incurred by moving to either the Green or Clean Power rate tiers:

- 100% Green Power = $84,000 - $108,000 increase (7% - 9% overall bill increase compared to total bill in 2020)
- 50% Clean Power = $12,000 increase (1% increase compared to total bill in 2020)
- 36% Lean Power = $0 change compared to total bill in 2020 ($1.204M) (this option provides the City with the greatest savings) (1-2% discount relative to SCE)

Benefit of CPA Enrollment

Participation in the Clean Power Alliance as an 100% Green Power City significantly shifted the percentage of the City's electricity powered by clean renewable energy, thereby reducing its overall greenhouse gas emissions and better positioning the City to achieve its energy action plan and climate goals.

A summary of account metrics from December 15, 2020 is as follows:

- From February 2019 when initial enrollment began through December 2020, Oxnard's residents and businesses have reduced their carbon emissions by approximately 198,000 metric tons as a result of receiving 100% Green Power from CPA.
- Only 7.7% of all customers in Oxnard have opted out of CPA service. Oxnard's opt-out rate is lower than the average for 100% Green default cities across CPA's territory, while its opt-down rates (the percent of customers switching from 100% Green to Lean or Clean Power) is significantly higher, nearly double the rates for other

100% Green default cities. Approximately 40% of Oxnard's residential customers are enrolled in CARE, FERA or Medical Baseline financial assistance programs. Per CPA Board policy these customers receive 100% Green Power at no additional cost compared to SCE rates.

Relationship of the CPA with the Climate Action Plan

The City is preparing a Climate Action Plan (CAP). The CAP will include emission reduction goals for various land uses, and establish reduction targets for 2030, 2040, and 2050. The City's participation on the CPA and implementation of clean energy targets, in advance of SCE's requirements, will assist the City in meeting these reduction targets. The production and use of energy contributes to climate change, and importantly greenhouse gas emissions. Electricity from renewable resources such as solar, geothermal, and wind generally does not contribute to climate change or local air pollution since no fuels are combusted.

In evaluating the impact of implementing the CPA tier structure from July 2019-June 2020, Oxnard residents and businesses purchased 539,000 kilowatt-hours of electricity from CPA. By choosing CPA's 100% Green Power, Oxnard reduced its greenhouse gas emissions by more than 111,000 metric tons in one year which is equivalent to taking 23,981 passenger cars off the road for one year, eliminating the electricity consumed by 18,793 homes in one year, or planting 1.8 million trees and growing them for 10 years.

Future of CPA

CPA will continue to focus on expanding its long-term supply of new renewable energy sources and energy storage capacity to meet increasing demand for clean energy from its customers and communities and to support community and grid resilience. In doing this, CPA plays an important role in helping the region and its member jurisdictions mitigate and adapt to the adverse impacts of climate change.

CPA adopted a Local Programs Strategic Plan in 2020 which calls for $200 million in investments in local community energy needs and priorities. Customer program offerings launched in 2020 include Power Response, a demand response program, and Power Share, a type of community solar program for low-income customers. Power Share provides residential and business customers with financial incentives for customers' that utilize smart thermostat, battery storage, or Electric Vehicle charging equipment to reduce energy use during specified peak demand hours, resulting in bill savings and reduced strain on the electric grid. Power Share enables CARE/FERA eligible customers in state-designated disadvantaged communities to receive the benefits of solar power without having to install their own rooftop solar panels. Participating customers will receive 100% renewable energy from CPA at a 20% bill discount in addition to the CARE/FERA discount as well as the 100% Green Power subsidy they already receive. The program will be available on a first-come, first served basis and will be fully launched in February 2021.

Other CPA programs coming in 2021 include rebates for publicly accessible electric vehicle charging stations in partnership with the Ventura County Air Pollution Control District and the California Energy Commission, and investment in battery backup power for critical municipal facilities at CPA member cities.

STRATEGIC PRIORITIES

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

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Goal 2. Enhance business development throughout the City.

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and

Natural Resources strategy is to establish, preserve and improve our infrastructure and natural resources through effective planning, prioritization, and efficient use of available funding. This item supports the following goals and objectives:

Goal 5. Ensure orderly development and long-range conservation and management of our natural resources and coastal assets.

Objective 5a. Develop and implement a sustainability program.

Objective 5b. Protect ocean and waterways.

FINANCIAL IMPACT

The City has approximately 456 municipal accounts with CPA. Street lighting, pumping, and high-usage accounts were opted out and returned to SCE bundled service in June 2019.The City opted to enroll all municipal CPA accounts in the 36% renewable rate tier (Lean Power), resulting in a 1-2% savings on total electric bills for these accounts. Periodic evaluation of accounts and opportunities for cost savings and/or GHG emission reductions from other CPA or investor owned utility rate offerings will be considered. The precise fiscal implication to the City and all accounts is dependent upon which rate tier is selected for municipal accounts and future rate-setting by SCE, CPA, and the CPUC. Neither CPA nor SCE rates are locked in for any fixed period of time though CPA's aim is to change its rates only once a year, most likely around March/April.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager

ATTACHMENTS

1. Clean Power Alliance Customer Status Report - November 2020
2. Clean Power Alliance Presentation

Clean Power Alliance Customer Status Report

Jurisdiction: City of Oxnard
Default Rate Product: 100% Green (100% renewable)
As Of: November 24, 2020

Community Profile	
Non-Residential Accounts	8,042
Residential Accounts	52,838

Customer Statistics								
	Opt to 100% (#)	Opt Up (%)	Opt to Clean (#)	Opt Mid (%)	Opt to Lean (#)	Opt Down (%)	Opt Out (#)	Opt Out (%)
Non-Residential	-	0.00%	26	0.32%	852	10.59%	859	10.68%
Residential	-	0.00%	275	0.52%	1,609	3.05%	3,822	7.23%

CPA Service Territory Statistics								
	Opt to 100% (#)	Opt Up (%)	Opt to Clean (#)	Opt Mid (%)	Opt to Lean (#)	Opt Down (%)	Opt Out (#)	Opt Out (%)
Non-Residential								
Total 100% Green Power Jurisdictions	-	0.00%	468	0.95%	2,599	5.28%	5,636	11.46%
Total Clean Power Jurisdictions	264	0.41%	-	0.00%	647	1.01%	3,160	4.91%
Total Lean Power Jurisdictions	80	0.30%	23	0.09%	-	0.00%	1,714	6.50%
Total All CPA Jurisdictions	403	0.29%	495	0.35%	3,254	2.33%	10,510	7.51%
Residential								
Total 100% Green Power Jurisdictions	-	0.00%	2,986	1.01%	13,651	4.63%	27,685	9.39%
Total Clean Power Jurisdictions	992	0.20%	-	0.00%	8,942	1.78%	23,048	4.58%
Total Lean Jurisdictions	348	0.21%	221	0.14%	-	0.00%	10,543	6.50%
Total All CPA Jurisdictions	1,456	0.15%	3,274	0.34%	22,639	2.36%	61,276	6.38%

Ventura County Service Territory Statistics			
	Total Accounts	Opt Out (#)	Opt Out (%)
Non-Residential	43,271	5,595	12.93%
Residential	260,807	30,642	11.75%

Customers on Financial Assistance Programs								
	Active Accounts as of 4/20/2020	Active Accounts as of 5/18/2020	Active Accounts as of 6/22/2020	Active Accounts as of 7/20/2020	Active Accounts as of 8/17/2020	Active Accounts as of 9/28/2020	Active Accounts as of 10/19/2020	Active Accounts as of 11/02/2020
CARE	15687	15860	16398	16804	17114	17820	17959	18147
FERA	290	293	315	316	324	339	341	346
Medical Baseline	424	431	439	445	457	460	461	463

Customers on Payment Plans	
Non-Residential Accounts	21
Residential Accounts	266

CPA Customer COVID-19 Relief Bill Credits Issued		
	Credits ($)	Customers (#)
	$98,584	3,855

Financial Assistance Program Descriptions	
CARE:	California Alternate Rates for Energy (CARE) Program reduces electric bills for eligible customers by about 30%. Customers can qualify for CARE based on participation in public assistance programs, or on household income. During COVID-19, eligibility for CARE/FERA has been expanded. More information here: www.sce.com/residential/assistance/care-fera
FERA:	Family Electric Rate Assistance (FERA) Program reduces electric bills for qualified households by about 18%. Customers can qualify for FERA based on participation in public assistance programs, or on household income. During COVID-19, eligibility for CARE/FERA has been expanded. More information here: www.sce.com/residential/assistance/care-fera
Medical Baseline:	If someone in a household needs powered medical equipment, the Medical Baseline Program provides additional energy to the customer's normal baseline allocation. During COVID-19, the Medical Baseline application has been streamlined. More information here: www.sce.com/residential/assistance/medical-baseline
Payment Plans:	SCE offers customers the option to go on a special payment plan if they are having trouble paying their bills. During COVID-19, eligibility for these payment arrangements have been expanded. More information here: www.sce.com/customer-service/billing-payment/financial-assistance
CPA COVID-19 Relief Credits:	CPA is currently offering bill credits to eligible customers impacted by COVID-19. Residential customers who sign up for CARE/FERA/Medical Baseline on or after March 16 receive $25 bill credits, residential customers already on those programs who sign up for SCE payment plans on or after March 16 receive $25 bill credits, and small business customers who sign up for SCE payment plans on or after March 16 receive $50 bill credits. More information here: www.cleanpoweralliance.org/covid19

CPA Contact Information
For questions on your municipal account information, please contact Jennifer Giles at jgiles@cleanpoweralliance.org
For general customer service inquiries, please call 888-585-3788 or email customerservice@cleanpoweralliance.org

Update on the City of Oxnard's Participation in The Clean Power Alliance

Kathleen Mallory, Planning and Sustainability Manager
Jeff Pengilley, Interim Community Development Director
Community Development Department

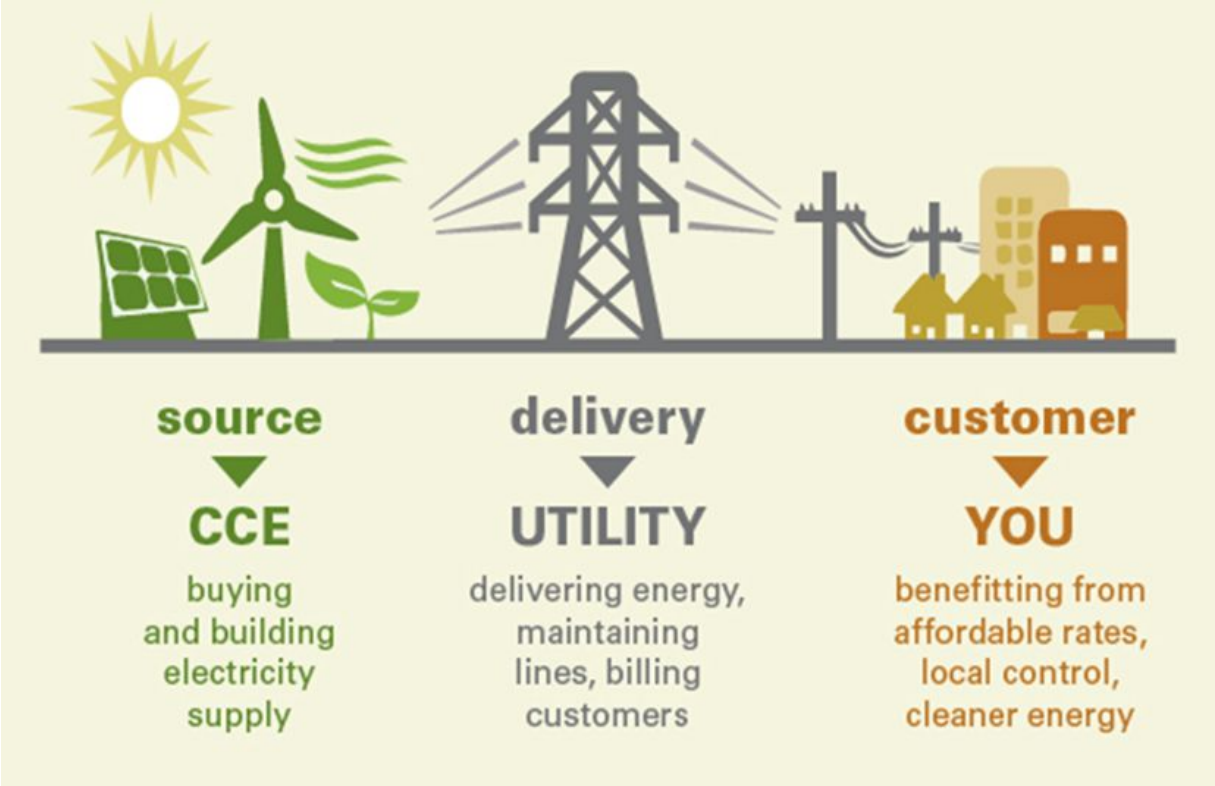
January 19, 2021
City Council Meeting

CITY OF OXNARD CALIFORNIA

What is the Clean Power Alliance?

- Clean Power Alliance (CPA) is a Community Choice Energy (CCE) program which leads to Community Choice Aggregation (CCA)
- CCA = aggregate buying power of individual electricity customers to secure energy supply contracts on a communitywide basis
- City participates on CPA Board = greater public accountability on energy decisions
- CPA renewable energy primarily from solar and wind power, also small amounts of geothermal, biomass, and small hydroelectric power
- Lower energy cost dependent upon tier selected; implement renewables earlier on, and reduce greenhouse gas emissions (GHG's)
- Local authority to direct funds on implementation of energy programs

How Community Choice Energy Works



CPA Energy Tiers

- All account owners must select one of three rate options as their default.
- City of Oxnard selected “Green power”, but later opted down to “Lean Power” for municipal accounts; street lights/pump accounts opted out.

36% Lean Power	**50% Clean Power**	**100% Green Power**
Renewable energy that offers a **1%-2%** discount to overall Southern California Edison (SCE) bill.	Renewable energy that offers a **0%-1%** overall bill discount to SCE.	Renewable energy that is a **7%-9%** overall bill premium to SCE base rates for non-CARE customers. Offers parity with SCE rates for CARE customers.

Customer Opt Actions – Oxnard & All CPA

(as of December 10, 2020)

City of Oxnard	Opt 100% Green	Opt Clean	Opt Lean	Opt Out
Non-Residential (8,037 eligible accounts)	**78.32%**	**0.32 %**	**10.60 %**	**10.76 %**
Residential (52,861 eligible accounts)	**89.12%**	**0.52 %**	**3.08 %**	**7.28 %**
Total (60,898 eligible accounts)	**87.69%**	**0.50%**	**4.07%**	**7.74%**

All CPA	Opt 100% Green	Opt Clean	Opt Lean	Opt Out
Non-Residential				
100% Green Power Default	**82.21%**	**0.96 %**	**5.33 %**	**11.50%**
Clean Power Default	**0.42%**	**93.64%**	**1.01%**	**4.93%**
Lean Power Default	**0.30 %**	**0.09 %**	**92.98%**	**6.63%**
Residential				
100% Green Power Default	**84.85%**	**1.02%**	**4.68%**	**9.45%**
Clean Power Default	**0.20 %**	**93.36%**	**1.80 %**	**4.64 %**
Lean Power Default	**0.22 %**	**0.14 %**	**93.08%**	**6.56 %**

With CPA, How was Energy Usage Distributed by Tier?

Electricity Usage By CPA Customers – City of Oxnard
July 2019 – June 2020
(kilowatt-hours)

Customer Class*	100% Green Power	Clean Power	Lean Power	Total
Residential	204,024,026**	1,732,524	8,129,086	213,885,636
Commercial	262,930,085	1,307,378	53,613,123	317,850,585
Municipal	-		7,463,952	7,463,952
Total	466,954,111	3,039,902	69,206,161	539,200,173
% of Total	86.6%	0.6%	12.8%	100%

*Commercial *includes all non-residential accounts except for City of Oxnard municipal accounts.* Municipal *includes City of Oxnard municipal accounts served by CPA; does not include street lighting/pumps or other accounts not currently served by CPA but within SCE servicing.*

***Approximately 42% of residential 100% Green Power usage went to Oxnard customers enrolled in CARE/FERA/Medical Baseline financial assistance programs. These customers received 100% Green Power at the subsidized Clean Power rate, per CPA Board policy for 100% Green Power default jurisdictions.*

Relationship of CPA with Climate Action Plan (CAP)

- CAP will:
  - include emission reduction goals and target for various land uses and municipal operations; and
  - establish overall communitywide reduction targets for 2030, 2040, and 2050
- Participation in CPA helps City meet emission and local energy reduction targets sooner versus procuring energy through SCE
- CPA continues focus on expanding long-term supply of new renewable energy sources and energy storage capacity which will enhance and support community and grid resilience; these are anticipated goals of the City's CAP

Recommendation

That the City Council receive and file an update on the Clean Power Alliance

CITY OF
OXNARD
CALIFORNIA

Discussion

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. N.2

DATE: January 25, 2021

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Encampment Response Project Plan Utilizing CARES Act for Coronavirus Response Grants (0/5/5)

RECOMMENDATION

That the City Council:

1. Receive and approve a plan to respond to an existing homeless encampment near Ormond Beach; and

2. Authorize the City Manager to procure and contract third party to administer temporary housing assistance to effectuate the objectives of the Encampment Response Project Plan.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/xX8QAMFxYsk

BACKGROUND

On October 6, 2020, City Council approved the 2020 Annual Action Plan CARES Act Amendment, which set forth several proposed activities that conform with the Community Development Block Grant and Emergency Solutions Grant requirements and regulatory CARES Act requirements.

As part of the Annual Action Plan CARES Act Amendment, Council authorized the utilization of $150,000 CDBG-CV funds for Homeless Encampment Response, and $200,000 for Homeless Encampment Response Outreach.

This report is an update on the encampment response activities that have been done to date, and plans for encampment response going forward with the addition of procuring a third party to administer temporary housing assistance to those currently living unsheltered in Oxnard.

DISCUSSION

In August 2020, the City of Oxnard, in partnership with Ventura County, the Oxnard Police Department, and other service providers, began providing services and conducting outreach at the large homeless encampment near Ormond Beach. The operation consisted of providing services onsite through the end of the calendar year and then assessing timing for eventual clearing and abatement of the site. During this time, the City and its agency partners have engaged with over forty individuals residing at the encampment to provide medical services, practical assistance (showers, clothing donations, etc.), and engagement with street outreach. In addition, nine people were placed in shelter including motels through Project RoomKey, focusing on those who were medically vulnerable. Staff and partners also performed intake with people about their shelter and housing needs. By a large majority, those living on the encampment said they were not interested in entering congregate shelter but would be interested in single occupancy housing or shelter. At last

count on December 7, 2020, it is estimated that there are now less than fifty people living at the site, though exact numbers are hard to determine, where staff previously estimated that count to be approximately seventy-five.

As of January 2021, Federal and State COVID-19 guidance states that, if individual housing options are not available, local authorities must allow people who are living in encampments to remain where they are. The guidance states that clearing encampments can cause people to disperse throughout the community and break connections with service providers - increasing potential for infectious disease spread, including COVID-19. Because of this, it is recommended that the City of Oxnard continue the outreach and service provision at the homeless encampment near Ormond beach and reassess again in six months. The assessment will include identifying how many people are living at the encampment, how many people were engaged into services, and what the Federal and State COVID-19 guidance states at that time. Once the city has determined the appropriate timing, the city will clear the site and remove debris using the funds described above.

In order to provide single occupancy shelter in the most efficient and effective manner possible, the Housing Department recommends procurement of a third-party service provider agency to administer temporary housing assistance for those living unsheltered in Oxnard, with a priority for those living at the large encampment near Ormond Beach.

The temporary housing assistance would consist of 5 Phases:

Phase 1- Invite to service: Determine program eligibility and if client agrees to participate, sign a consent form and service agreement.

Phase 2- Temporary housing: The service provider will assist the participant to find temporary housing that is suitable for them (motel, residential treatment, etc.). The funds for temporary housing will be administered by the service provider. The service provider will provide support to the program participant and will liaise with the temporary housing manager.

Phase 3 - Application to permanent housing: The service provider will assist the participant to get “document ready” and apply to permanent housing including through the Oxnard Housing Authority.

Phase 4 - Housing search and move in: Once a participant has been matched with a voucher (or other permanent housing option), the service provider will assist with the housing search.

Phase 5 - Housing stabilization: Once a participant has moved into housing, the service provider will continue to provide services and support to that person for 6 months.

On October 6, 2020, the City Council allocated $350,000 in CDBG and ESG CARES Act funds to Homeless Encampment Response.
Staff proposes to use these funds as follows:

1. $275,000 for the Encampment Response Project administered by a contracted third party

a. $245,000 of the above amount for temporary housing costs

b. $10,000 of the above amount for administrative costs, and

c. $20,000 of the above amount for a flex fund to respond to costs associated with moving someone into housing (move in costs, repairs etc.)

2. $75,000 for clearing and debris removal

STRATEGIC PRIORITIES

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

Goal 2. Address homelessness through the development and implementation of a multi-tiered strategy.

FINANCIAL IMPACT

The cost of the Encampment Response Plan described above will be covered by the $350,000 in funding previously approved by Council for CARES Community Development Block Grant and Emergency Solutions Grant – CV. No additional appropriation is requested at this time.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. HALACO

ENCAMPMENT RESPONSE PROJECT PLAN

Utilizing CARES Act for Coronavirus Response

City of Oxnard
January 19th 2021

CITY OF OXNARD CALIFORNIA

The Encampment at Ormond Beach

CARES Act Funding

Federal and State Covid-19 Guidance

As of January 2021, Federal and State guidance states that, if individual housing options are not available, local authorities must allow people who are living in encampments to remain.

Clearing encampments can cause people to disperse throughout the community and break connections with service providers, increasing potential for spread of COVID-19.

It is recommended that the City of Oxnard continue the outreach and service provision at the homeless encampment near Ormond beach and reassess again in six months.

Once the city has determined the appropriate timing, the city will clear the site and remove debris.

A Phased Plan

Phase 1- Invite to service: Determine program eligibility and if client agrees to participate, sign a consent form and service agreement.

Phase 2- Temporary housing: The service provider will assist the participant to find temporary housing that is suitable for them (motel, residential treatment, etc.). The funds for temporary housing will be administered by the service provider. The service provider will provide supports to the program participant and will liaise with the temporary housing manager.

A Phased Plan

Phase 3 - Application to permanent housing: The service provider will assist the participant to get "document ready" and apply to permanent housing including through the Oxnard Housing Authority.

Phase 4 - Housing search and move in: Once a participant has been matched with a voucher (or other permanent housing option), the service provider will assist with the housing search.

Phase 5 - Housing stabilization: Once a participant has moved into housing, the service provider will continue to provide services and support to that person for 6 months.

Temporary Housing Assistance

In order to provide single occupancy shelter in the most efficient and effective manner possible, the Housing Department recommends procurement of a third-party service provider agency to administer temporary housing assistance for those living unsheltered in Oxnard, with a priority for those living at the large encampment near Ormond Beach.

Estimated Budget

$350,000 CARES Act funds allocated to Homeless Encampment Response.

1. $275,000 for the Encampment Response Project
   a) $245,000 of the above amount for temporary housing costs
   b) $10,000 of the above amount for administrative costs, and
   c) $20,000 of the above amount for a flex fund (move in costs, repairs etc.)
2. $75,000 for clearing and debris removal
3. $45,000 for other compatible city expenses including but not limited to the Oxnard Police Department, Community Development Department, Public Works, Oxnard Housing Authority, City Attorney, Fire and Community Services.

Recommendation

That City Council:

1. Receive and approve a plan to respond to an existing encampment near Ormond Beach; and

2. Authorize the City Manager to procure and contract third party to administer temporary housing assistance to effectuate the objectives of the Encampment Response Project Plan.

CITY OF OXNARD CALIFORNIA

QUESTIONS?

Written comments to:

emilio.ramirez@oxnard.org

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. N.3

DATE: January 25, 2021

TO: City Council

FROM: Stephen Fischer, City Attorney, (805) 385-7483, stephen.fischer@oxnard.org

SUBJECT: Bridge Jumping Ordinance Introduction. (0/5/5)

RECOMMENDATION

That the City Council approve the first reading by title only and waive further reading of an ordinance adding Article XXIII to Chapter 7 of the Oxnard City Code prohibiting bridge jumping. (Public Safety Committee approved 3-0)

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/bQqOnvNzAp0

BACKGROUND

In recent months, City staff and elected officials have received several complaints of persons jumping into the water from bridges in the harbor. Diving, jumping, falling or in any manner propelling oneself from a bridge creates serious risks to the health, safety and welfare of residents and visitors.

The ordinance presented prohibits dangerous activities occurring on and around bridges within City limits to protect the health, safety and welfare of residents and visitors.

A violation of the ordinance may be enforced according to the provisions of section 1-10 of the Oxnard City Code. Penalties depend on how a violation is prosecuted. Prosecution options include (1) misdemeanor, with punishment by a fine of $1,000 or imprisonment of six months, or both; (2) civil citation; (3) civil injunction; (4) infraction with punishment by a fine not exceeding $100 for a first violation, $200 for a second violation within one year, and $500 for the third and every additional violation within one year.

Where necessary the City will seek agent authorization to enforce the ordinance on private property, such as a bridge on property owned by an HOA.

STRATEGIC PRIORITIES

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

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

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

The Public Safety Committee approved 3-0 on November 24, 2020 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Andrew Gonzalez, Deputy City Attorney

ATTACHMENTS

1. BRIDGE JUMPING ORDINANCE
2. Bridge Jumping Ordinance Presentation

CITY COUNCIL OF THE CITY OF OXNARD
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD AMENDING THE OXNARD CITY CODE BY ADDING ARTICLE XXIII TO CHAPTER 7 PROHIBITING BRIDGE JUMPING

WHEREAS, California Government Code Section 831.7(b)(2) defines any form of diving into water from any structure where diving is prohibited as a "hazardous recreational activity;" and

WHEREAS, diving, jumping, falling or in any manner propelling oneself from a bridge creates serious risks to the health, safety and welfare of residents and visitors; and

WHEREAS, in recent months, City staff and elected officials have received numerous complaints of persons jumping from bridges in the City; and

WHEREAS, the City Council finds that it is necessary to prohibit dangerous activities occurring on and around bridges within City limits to protect the health, safety and welfare of residents and visitors.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES ORDAIN AS FOLLOWS:

PART 1. Article XXIII is hereby added to Chapter 7 of the Oxnard City Code to read as follows:

"ARTICLE XXIII BRIDGE JUMPING PROHIBITED

SEC. 7-340. DEFINITIONS

For the purposes of this Article, the following definitions shall apply:

(A) BRIDGE - A structure that is built over a railroad, road, river, or other body of water so that people or vehicles can cross from one side to the other.
(B) JUMP - To dive, jump, fall, or in any manner propel oneself from a Bridge or similar type of structure.

SEC. 7-341. BRIDGE JUMPING; VIOLATION

It shall be unlawful for any person, other than a city officer, employee or agent acting in the course of official duties, to do any of the following:
(A) To jump from any portion of a Bridge.
(B) To climb on or over any portion of the railing of a Bridge."

PART 2. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

PART 3. Pursuant to Government Code Section 36933(c)(1), the City Attorney was designated to prepare, and the City Clerk published, a summary of this ordinance, and a certified copy of the ordinance was posted in the Office of the City Clerk a minimum of five days before the City Council's adoption of the ordinance.

PART 4. The City Council determines and finds that this ordinance is exempt from the California Environmental Quality Act under section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

PART 5. Within fifteen days after passage, the City Clerk shall cause this ordinance to be published one time in a newspaper of general circulation, published and circulated in the City. Ordinance _____ was first read on _____, and finally adopted on _____, to become effective on _____.

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
John C. Zaragoza, Mayor

ATTEST:

_____
Rose Chapparo, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

City Council
January 19, 2021

Ordinance prohibiting bridge jumping

Andrew Gonzalez, Deputy City Attorney

CITY OF OXNARD CALIFORNIA

Recommendation

That the City Council approve the first reading by title only and waive further reading of an ordinance adding Article XXIII to Chapter 7 of the Oxnard City Code prohibiting bridge jumping.

CITY OF OXNARD CALIFORNIA

Background

California Government Code Section 831.7(b)(2) defines any form of diving into water from any structure where diving is prohibited as a “hazardous recreational activity;”

Background

In recent months, City staff and elected officials have received numerous complaints of persons jumping from bridges in the City.

Bridge Jumping

CITY OF OXNARD CALIFORNIA

Bridge Jumping

CITY OF OXNARD CALIFORNIA

Definitions

BRIDGE - A structure that is built over a railroad, road, river, or other body of water so that people or vehicles can cross from one side to the other.

JUMP - To dive, jump, fall, or in any manner propel oneself from a Bridge or similar type of structure.

Definitions

- *The proposed ordinance makes it unlawful to:*

1. *Jump from any portion of a Bridge;*
2. *Climb on or over any portion of the railing of a Bridge.*

Questions?

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. N.4

DATE: January 25, 2021

TO: City Council

FROM: Eden Alomeri, Billing and Licensing Director, (805) 385-7811, eden.alomeri@oxnard.org

SUBJECT: Agreements with Elavon for Credit Card Merchant Services. (0/5/5)

RECOMMENDATION

That the City Council award and authorize the Mayor to execute the three-year agreements A-8268 (for over the counter non-utility payments), A-8269 (for over the counter utility payments) and A-8270 (for online utility payments) between Elavon, Inc. and the City of Oxnard for credit card merchant services in the amount of $954,000.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/YmP4xYjv1kI

BACKGROUND

In late July 2020, our current enterprise resource planning (ERP) provider Central Square notified our IT Department that the product called Transaction Manager is sunsetting on December 31, 2020. Transaction Manager works as the "gateway" to allow collection of credit card payments from our customers (such as our utility ratepayers) over the counter and online via Click2Gov. The gateway accepts and forwards the transaction to the credit card processor, currently Bank of America, which checks for ample funding with the issuer bank.

Every year, the City receives credit card payments of approximately $38,000,000 from utility customers and $5,000,000 from non-utility customers.

DISCUSSION

Central Square recommends we replace both the gateway and processor with a product called Paya. Further staff research yielded another option: Paymentus as a gateway with Elavon as processor. While there may be other options, these two are the only ones that staff is confident integrate with Central Square.

Evaluation of the two candidates yielded the following results:

Sample month: July 2020	Transaction Manager/ Bank of America	PAYA	PAYMENTUS/ELAVON
Cost of online payments	23,739.00	23,779.00	22,947.00
Cost of over the counter payments	711.73	1,500.00	520.00
Total per month	24,450.73	25,279.00	23,467.00
Monthly savings		(828.27)	983.73
Other considerations:			
Integration with Click2gov		✓	✓
Integration with Central Square		✓	✓
Integration with Tyler Munis		?	Prefered
Integration with Auto Pay		?	✓
Integrations with IVR		?	✓
Integration cost of $3,500			Waived
Implemantation cost of 20 hours			Not needed
Review from City of Leesburg			Positive

Based on this research, staff recommends the City enter into the agreements with Paymentus and Elavon.

The agreement with Paymentus will cost $57,098 annually. This is within the signing authority of the Purchasing Manager. Thus, staff does not need any Council action regarding this agreement.

However, the three Elavon agreements collectively exceed staff's authority to approve. Initially, staff worked with the knowledge that the implementation period could take up to 60 days and must be completed by December 31, 2020. To meet the deadline, and pursuant to Oxnard City Code section 4-75 regarding immediate need, staff planned on requesting the Mayor and City Manager to co-execute the Elavon agreements in order for the staff to immediately commence the integration process; the Council would have been asked to ratify these agreements later. We explained this to the Finance and Governance Committee on November 24, 2020. However, on December 15, 2020, staff received notification from Central Square that the transition period for Transaction Manager is extended to December 31, 2021. Hence, this agreement is now being processed following the City's regular approval process.

STRATEGIC PRIORITIES

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

Goal 4. Implement a "one stop shop" effort at the City's Service Center.

FINANCIAL IMPACT

The three agreements with Elavon will cost a total of $318,000 annually. The agreement with Paymentus will cost $57,098 annually. These amounts are included in the FY 2020-2021 budget under Bank Charges for Fund 101 and 725.

The agreements will bring cost savings to the City of about $12,000 annually.

COMMITTEE OUTCOME

The Finance and Governance Committee voted 2-0 on November 24, 2020 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Eden Alomeri, Billing and Licensing Director

ATTACHMENTS

1. A-8268
2. A-8269
3. A-8270
4. Agreements with Elavon for Credit Card Merchant Services - Presentation

NEW APPLICATION - GOVERNMENT / INSTITUTIONAL

1 COMPANY INFORMATION

♦ DBA NAME: CITY OF OXNARD PAYMENT

CONTACT NAME: EDEN ALOMERI | MARTHA GUERRA

♦ DBA ADDRESS TYPE: **Business** ♦ DBA ADDRESS1 *(NO PO BOX)*: 214 SOUTH C STREET

DBA ADDRESS 2: C2G OTC MISC PAYMENTS

♦ CITY: OXNARD	♦ STATE CA	♦ ZIP CODE: 93030
♦ DBA PHONE #: 805-385-7811		DBA FAX #: 805-385-7865
DATE FOUNDED: 1903		MOBILE PHONE #:

♦ EMAIL ADDRESS: eden.alomeri@oxnard.org

CIP EXEMPTION: US State Local Govt

2 OTHER ADDRESS *(IF DIFFERENT THAN ABOVE)*

☐ MAILING ☐ SHIPPING ☐ *SEE ALSO SPECIAL INSTRUCTIONS* *(MORE THAN ONE OPTION MAY BE SELECTED)*

LOCATION NAME:		PHONE #:	
CONTACT:		FAX #:	
ADDRESS:	CITY:	STATE:	ZIP CODE:

STATEMENTS/ RETRIEVALS /CHARGEBACKS

STATEMENTS: ■ *DBA* OR ☐ *MAILING* OR ☐ *W-9* | *AUTO SEND:* ☒ *YES* ☐ *NO (CHAIN COMPANIES ONLY – MUST INCLUDE CHAIN SET UP FORM)*

RETRIEVALS: ☐ *ONLINE CASE MANAGEMENT (OCM)* OR ***EMAIL TO:*** eden.alomer OR ***FAX TO:*** ☐ *DBA* ☐ *MAILING* OR ***MAIL TO:*** ☐ *DBA* ☐ *MAILING*

CHARGEBACKS: ☐ *ONLINE CASE MANAGEMENT (OCM)* OR ***EMAIL TO:*** eden.alomer OR ***FAX TO:*** ☐ *DBA* ☐ *MAILING* OR ***MAIL TO:*** ☐ *DBA* ☐ *MAILING*

3 CONTACT INFORMATION (AUTHORIZED REP)

♦ ■ OFFICER ☐ MANAGER ☐ AUTHORIZED REPRESENTATIVE ☐ OTHER: _____

♦ FIRST NAME: EDEN	MN:	♦ LAST NAME: ALOMERI
♦ TITLE: ASST CITY TREASURER | DIR. REVENUE AND LICENSING	♦ US PERSON: YES	
▸ CONTACT ADDRESS (NO PO BOX): 214 SOUTH C STREET		▸ ADDRESS TYPE: BUSINESS
▸ CITY: OXNARD	▸ STATE: CA	▸ ZIP CODE: 93030
▸ DOB: XX-XX-XXXX	CONTACT PHONE #: 805-385-7811	

INDIVIDUAL ID EXEMPTION CLASS: **GOVERNMENT** ☐ FEDERAL ☐ STATE ■ LOCAL (POLITICAL SUBDIVISION OF A US STATE)

OTHER COMPANY INFORMATION

♦ AVERAGE SALE AMOUNT: $ 1,000	☐ CARD PRESENT 100%	OMNI COMMERCE (MUST TOTAL 100%)
♦ HIGH SALE AMOUNT: $ 20,000	☐ CARD NOT PRESENT 100%	CARD PRESENT 60 %
♦ NUMBER OF HIGH SALES TRANSACTIONS ANNUALLY: 12	☐ INTERNET 100%	CARD NOT PRESENT* 10 %
♦ TOTAL **MONTHLY** VISA/MC/AMEX/DISC/UNIONPAY SALES: $ 125,000	■ OMNI COMMERCE	INTERNET * 30 %
♦ ANNUAL TOTAL REVENUE: (CASH, CHECK, CARD) $ 1,500,000	▸ INTERNET : PRODUCT WEBSITE: https://oxna-egov.aspgov.com/Click2GovCX/index.html	
♦ INDUSTRY TYPE: RETAIL		
♦ DESCRIPTION OF PRODUCT/SERVICES OFFERED: Building permits, taxes, license payments	▸ INTERNET: "CONTACT US" EMAIL:	
SPECIAL PROGRAM MCC ONLY: 9399	**CUSTOMER SERVICE PHONE # AND PREVIOUS PROCESSOR REQUIRED BELOW*	
WHEN DOES THE CUSTOMER RECEIVE THE PRODUCT OR SERVICE? IF NOT SAME DAY, _____ # OF DAYS (INCLUDE SHIPPING TIME FRAME)	▸ CUSTOMER SERVICE PHONE #: 805-385-7816 ▸ PREVIOUS PROCESSOR: **Bank of America**	

IF SEASONAL, PLEASE CHECK MONTHS CLOSED BELOW. *(CUSTOMER MUST CONTACT CUSTOMER SERVICE TO DEACTIVATE AND REACTIVATE ACCOUNT)*

☐ JANUARY ☐ FEBRUARY ☐ MARCH ☐ APRIL ☐ MAY ☐ JUNE
☐ JULY ☐ AUGUST ☐ SEPTEMBER ☐ OCTOBER ☐ NOVEMBER ☐ DECEMBER

BANK ACCOUNT *(CHECKING ACCOUNTS ONLY)*

♦ DEPOSIT BANK NAME: BANK OF AMERICA	♦ ABA/ROUTING #: 1210003058	♦ DDA ACCOUNT #: XXXXXXX047
BILLING/CHARGEBACK BANK NAME *(IF DIFFERENT)*:	ABA/ROUTING #:	DDA ACCOUNT #:
CHARGEBACK BANK NAME (IF DIFFERENT THAN BILLING):	ABA/ROUTING #:	DDA ACCOUNT #:
FUNDING OPTIONS:	MONTHLY FEE $	TAPE ID (OPT):

Card Acceptance *(Please check each card you wish to accept)*

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)/ with PIN / PINLess Debit
☐ PIN Debit ☐ PINLess Debit

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)

☒ Visa Credit ☒ Visa Debit ☒ MC Credit ☒ MC Debit ☒ Discover (JCB, DI ,Pay Pal Payment Device) ☐ UnionPay ☐ Amex
☐ PIN Debit ☐ PINLess Debit

Pricing Category

☐ Retail
☐ Restaurant
☐ Lodging
☐ Supermarket
☒ MO/TO / Internet
☐ ARU
☐ Omni Commerce (Tiered & EICP Only)

Pricing Information

Pricing Program: *(Fixed only)*	Visa/MasterCard/UnionPay/ Discover Cards (JCB, DI,Pay Pal Pay Device**)		American Express Opt Blue		PIN//PINLess Debit***	
	Rate*	Per Item*	Rate	Per Item	Rate	Per Item
Tiered						
Qualified	%	$	%	$	%	$
Mid Qualified	%	$	%	$		
Non Qualified	%	$	%	$		
Standard	%	$	%	$		
Opt. ☐ Check Card ☐ Sprmkt ☐ QPS/Small Tkt						
Opt. Rewards	%	$				
Opt. Commercial Card	%	$				
Interchange Plus	0.05 %	$ 0	%	$	%	$
PIN/PINLess Debit Enablement Service Fee						$
Enhanced ICPlus						
Check Card Qualified	%	$				
Qualified	%	$	%	$	%	$
Rewards Qualified	%	$				
Mid Qualified	%	$	%	$		
Commercial Non Qualified	%	$				
Non Qualified	%	$	%	$		
Fixed - pricing pgm:	%	$	%	$		

*Rates are for all Card Acceptance types selected. All Card Brand Assessments will be passed through at cost.
**Paypal Acceptance and rates are based on card present transactions only.
***PIN/PINLess Debit rate will be optimized available rate

Fees

Application	$ 0
Installation/Training	$ 0
Reporting & Support Package (per month)	$ 0
Monthly Minimum	$ 25
Chargeback (per occurrence)	$ 25
Return Item/NSF (per occurrence)	$ 20
Other:	$
Statement: ☐ Electronic or ☒ Paper Monthly Statement Mailing(paper statements only)	$10
Rush Shipment	$0
Other:	$

Authorizations

Visa (per auth)	$	Voice - ARU (per auth)	$ 0.85
MasterCard (per auth)	$	Voice Operator (per auth)	$ 0.85
Discover (per auth)	$	Voice - AVS (per auth)	$ 0.85
UnionPay (per auth)	$	Voice Bank Ref (per auth)	$ 0.85
AMEX Opt Blue (per auth)	$		
AMEX Public Sector (TPSP)(per auth)	$	Dial Communication (per auth)	$ 0.024
PIN/PINLess Debit (per auth)			$
International Card Handling Fee (Rate): (charged on Visa, MC, Discover,AMEX)			0.40 %

Security Programs

Security Program (per month): ▸ PCI Basic

Please see pricing for the Security Program you have selected in the Company Representations and Certifications below.

Other Card Types Existing

Amex SE # *(10 digits)*: Per Auth: $ | EBT SE # *(7 digits)*: Per Auth: $

American Express Public Sector (TPSP)

☐ Company is eligible for American Express Public Sector (TPSP) and accepts ☐ Company is eligible for American Express Public Sector (TPSP) but declines acceptance

Industry Type:

Pricing Information for American Express Public Sector (TPSP)

Tiered	Rate	Per Item	Enhanced ICPlus	Rate	Per Item
Qualified	%	$	Qualified	%	$
Mid Qualified	%	$	Mid Qualified	%	$
Non Qualified	%	$	Non Qualified	%	$
Interchange Plus	%	$			

POINT OF SALE (EQUIPMENT OR SOFTWARE)

NETWORK: ☒ ELAVON ☐ OTHER ☐ A THIRD PARTY INTEGRATOR WILL BE USED FOR IMPLEMENTATION:

VAR SERVICE PROVIDER (HOSTED): Viaconnex | VAR (DISTRIBUTED): VENDOR: Paymentus PRODUCT: Click2Gov VERSION: n/a

OF TIDS 1 TID TYPE OMNI ONLY: | # OF TIDS TID TYPE OMNI ONLY:

							PURCHASE/SETUP	SOFTWARE/WIRELESS		
QTY	POS DESCRIPTION	ITEM CODE	TID TYPE OMNI ONLY	TERMINAL ENCRYPT	OWNS	REPROG FEE PER UNIT	PRICE PER UNIT	ANNUAL FEE PER UNIT	MONTHLY FEE PER UNIT	PER AUTH FEE
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$

ALL APPLICABLE STATE AND LOCAL TAXES WILL BE APPLIED. ☐ SALES TAX EXEMPT

Elavon and Member have no responsibility for, and shall have no liability to Company in connection with, any hardware or software, or any related services, Company receives under a direct agreement (including any sale, warranty or end-user license agreement) between Company and a third party, including any Value Added Servicer, even if Elavon collects fees or other amounts from Company with respect to such hardware, software or services.

ADDITIONAL POS SERVICES:	DESCRIPTION	SETUP FEE	ANNUAL FEE	MONTHLY FEE	PER AUTH FEE
		$	$	$	$
		$	$	$	$

TERMINAL PROGRAMING INSTRUCTIONS *(DO NOT USE FOR CONVERGE – THIS INFORMATION IS COVERED DURING TRAINING)*

☐ RETAIL (AUTO CLOSE DEFAULT) ☐ QUICK CLOSE ☐ STORE AND FORWARD ☐ NO SIGNATURE ☐ CONTACTLESS (+ NO SIGNATURE)

☐ RESTAURANT (QUICK CLOSE DEFAULT) TIP FUNCTION (DEFAULT) ☐ FINE DINING ☐ TAB FUNCTION

☐ CARD NOT PRESENT (AUTO CLOSE DEFAULT) ☐ QUICK CLOSE

☐ LODGING (QUICK CLOSE DEFAULT) ☐ QUICK STAY

☐ SEMI INTEGRATED

CUSTOM PROMPTS: ☐ TERMINAL AUTO CLOSE (RTL, MOTO) TIME ZONE ☐ CASH BACK PIN DEBIT (RTL): $ (MAX) ☐ CUSTOM FOOTER:
☐ NO TIP (REST) ☐ NO SERVER PROMPT (REST) ☐ CLERK PROMPT (RTL) ☐ TIP FUNCTION WAITER (RTL) ☐ TIP FUNCTION CASHIER (RTL)

COMMUNICATION METHOD (IP DEFAULT): ☐ DIAL | TRAINING (DEFAULT = TRAINING REQUIRED): ☐ NO TRAINING | PHONE INFORMATION: ACCESS #:

REPORTING TOOLS

☐ MCP ONLY OR ☐ MCP WITH OCM ▸ MONTHLY FEE $ ▸SET UP FEE $ ▸# USERS ▸SET UP TYPE (CHECK ONE) ☐ MID ☐ CHN

☐ ACS ▸MONTHLY FEE $ ▸SET UP FEE $ ▸REMOTE ID

OTHER VAS

☐ 3D Secure Per Occurrence: $

Electronic check and ACH Processing and Service Options

Annual Check Volume: $	Maximum Check Amount: $
Average Check Amount: $	Monthly Minimum: $

ECS- Paper Check Conversion	ACH Echeck – Card Not Present (CNP)
Processing Options: ☐ POP – Point of Purchase ☐ ARC – Accounts Receivable Conversion ☐ BOC – Back Office Conversion	**Processing Options:** ☐ Concurrent Enrollment (includes: WEB, TEL, PPD and CCD) = XNP ☐ Individual Enrollment - choose one (one per MID) ☐ WEB – Internet Initiated Entries ☐ TEL/IVR – Telephone Initiated Entries ☐ PPD – Prearranged Payment Entries ☐ CCD – Corporate to Corporate Entries *Converge setups will be Concurrently enrolled in all product types = XNP*
Service: ☐ **Conversion with Guarantee** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **Conversion with Verification** or ☐ **Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____	**Service:** ☐ **ACH-Echeck with Verification** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **ACH-Echeck Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____

Other ECS Check Conversion Service Requests

☐ Prompts for Driver's License Number, State of License Issuance and Telephone Number (Required for Guarantee Service)

ACH-Echeck Questionnaire

1. What types of payments will you accept using ACH-Echeck (e.g., utility bill payments, monthly rent payments, monthly billing for general services)?
2. Will you obtain authorization from your customers prior to accepting an ACH entry in accordance with the ECS MOG (e.g., orally via telephone for tel/ivr, or in writing for ppd)? ☐ **Yes** ☐ **No**
3. Will you verify and authenticate the identity of your customers in accordance with the ECS MOG prior to initiating ACH entries for those customers (e.g., by obtaining a customer's name, address and telephone number or using a database to verify the accuracy of the information provided by customer)? ☐ **Yes** ☐ **No**
4. Will you offer ACH-Echeck to existing or new customers? ☐ **Existing** ☐ **New**
5. Will you maintain and disclose to your customers procedures for cancelling an authorization? ☐ **Yes** ☐ **No**
6. Will you ensure that information regarding each transaction authorization entered by a customer and/or your service representative is accurate and not a duplicate transaction? ☐ **Yes** ☐ **No**

CONVENIENCE FEE AND GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES (GPISF)

CONVENIENCE FEE SERVICES PROGRAMS

CONVENIENCE FEE FUNDING MODEL (CHECK ONE):

☐ COMPANY MANAGED CONVENIENCE FEE[1]

☐ ELAVON MANAGED CONVENIENCE FEE[2]

☐ PARTNER MANAGED CONVENIENCE FEE[3]

PAYMENT TRANSACTION TYPES

☐ CREDIT (CHECK ALL THAT APPLY):

☐ VISA ☐ MASTERCARD ☐ DISCOVER ☐ AMERICAN EXPRESS PS

☐ SIGNATURE DEBIT (CHECK ALL THAT APPLY):

☐ VISA ☐ MASTERCARD ☐ DISCOVER

☐ PIN-BASED DEBIT ☐ PINLESS DEBIT

☐ ACH (VIA ELECTRONIC CHECK SERVICES)

ELAVON PRODUCT SUPPORTING ELAVON-MANAGED CONVENIENCE FEE ASSESSMENT TO BE USED BY COMPANY (CHECK ALL THAT APPLY):

☐ PAYCENTRIC BILL PAY SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)*** :

☐ COMPANY PROPRIETARY SOLUTION OR VALUE-ADDED SERVICER

☐ OTHER:

CONVENIENCE FEE PRICING:

CONVENIENCE FLAT FEE AMOUNT: **$**

CONVENIENCE FEE **%**: (MASTERCARD, DISCOVER & ACH PROGRAMS ONLY)

IMPLEMENTATION FEE (IF APPLICABLE): **$**

GPISF SERVICES PROGRAMS

(CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENTS:

☐ COMPANY-MANAGED SERVICE FEE[4]

☐ COMPANY-MANAGED WITH ELAVON POS DEVICES/SERVICE FEE TERMINALS[5]

☐ ELAVON-MANAGED SERVICE FEE[6]

☐ PARTNER MANAGED SERVICE FEE[7]

CARD ACCEPTANCE (CHECK ALL THAT APPLY):

☐ POINT OF SALE ☐ INTERNET

☐ IVR ☐ OTHER:

GPISF SERVICES PROGRAMS (CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENTS:

☐ MASTERCARD GOVERNMENT AND EDUCATION PAYMENT PROGRAM
☐ VISA GOVERNMENT AND EDUCATION PAYMENT PROGRAM
☐ AMERICAN EXPRESS GOVERNMENT AND EDUCATION PAYMENT PROGRAM
☐ DISCOVER GOVERNMENT AND EDUCATION PAYMENT PROGRAM

TRANSACTION TYPES:

☐ FEDERAL INCOME TAX ☐ BUSINESS TAX
☐ GOVERNMENT FEES ☐ OTHER TAX
☐ STATE INCOME TAX ☐ TUITION
☐ REAL ESTATE PROPERTY TAX ☐ OTHER EDUCATION EXPENSES

PAYMENT TYPES FOR GPISF ASSESSMENT (NOT ALL PAYMENT TYPES ARE SUPPORTED FOR ALL PROGRAMS)(CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENT):

☐ CREDIT – (CHECK ALL THAT APPLY):

☐ VISA – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399

☐ MASTERCARD – ELIGIBLE MCCS: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
☐ DISCOVER (AVAILABLE IF ELAVON-ACQUIRED)
☐ AMERICAN EXPRESS PS – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9311, 9399, 9222

☐ SIGNATURE DEBIT – (CHECK ALL THAT APPLY)

☐ VISA – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399
☐ MASTERCARD – ELIGIBLE MCCS: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
☐ DISCOVER (AVAILABLE IF ELAVON-ACQUIRED)

☐ ACH (VIA ELECTRONIC CHECK SERVICES)

ELAVON PRODUCT SUPPORTING GPISF ASSESSMENT TO BE USED BY COMPANY (CHECK ALL THAT APPLY):

☐ PAYCENTRIC BILL PAY SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)***:

☐ SERVICE FEE TERMINAL

☐ COMPANY PROPRIETARY SOLUTION OR VALUE-ADDED SERVICER

☐ SAFE-T SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)***

☐ OTHER:

GPISF PRICING:

CREDIT CARD SERVICE FEE: **%** OR **$**

SIGNATURE DEBIT SERVICE FEE: **%** OR **$**

ACH (VIA ELECTRONIC CHECK SERVICES): **$**

IMPLEMENTATION FEE (IF APPLICABLE): **$**

[1] "Company-Managed" Convenience Fee means that Company establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) and retains the Convenience Fee. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all Convenience Fee Transactions.

[2] "Elavon- Managed" Convenience Fee means that Elavon establishes the amount of the Convenience Fee and retains the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement for Convenience Fee Transactions. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[3] "Partner- Managed" Convenience Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[4] "Company-Managed" Service Fee means that Company establishes the amount of the GPISF, programs its POS Devices to assess the GPISF, and retains the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations). Company pays Elavon the per transaction fees as set forth in this application for all GPISF Transactions.

[5] "Company-Managed with Elavon POS Devices/Service Fee Terminals" means that Elavon programs the POS Devices to assess the GPISF established by Company and Company retains the GPISF. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all GPISF Transactions.

[6] "Elavon-Managed" Service Fee means that Elavon establishes the amount of the GPISF, and Elavon charges and retains the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

[7] "Partner- Managed" Service Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

SUBSTITUTE FORM W-9

☒ GOVERNMENT
☐ NON-PROFIT CHARITABLE OR SOCIAL (INCLUDE DOCUMENTS THAT SUPPORT TAX EXEMPT STATUS)
☐ OTHER

♦ LEGAL BUSINESS NAME*: CITY OF OXNARD

*NAME (OF BUSINESS) AS SHOWN ON YOUR BUSINESS INCOME TAX RETURNS. FOR SOLE PROPRIETORS, THIS SHOULD ALWAYS BE THE OWNER'S NAME.

♦ LEGAL BUSINESS ADDRESS (NO PO BOX): 214 SOUTH C STREET			OR ▸TIN (EMPLOYER ID #): **96-6000756**
♦ CITY: OXNARD	♦ STATE: CA	♦ ZIP CODE: 93030	▸TIN (SOCIAL SECURITY #):

4 COMPANY REPRESENTATIONS AND CERTIFICATIONS

Company Representations and Certifications. By signing below, the applicant company ("Company") and its representative(s) represent and warrant to Elavon, Inc. ("Elavon" or "member" as applicable), with offices at 7300 Chapman Highway, Knoxville, TN 37920 (collectively, "we" or "us") that (i) all information provided in this company application ("Company Application") is true and complete and properly reflects the business and financial condition of Company; and (ii) the persons signing this Company Application are duly authorized to bind Company to all provisions of this Company Application and the Agreement. The signature by an authorized representative of Company on the Company Application, or the transmission of a Transaction Receipt or other evidence of a Transaction to us, shall be the Company's acceptance of and agreement to the terms and conditions contained in the Agreement including, without limitation, this Company Application, the Terms of Service ("TOS"), the Addendum to the Terms of Service for Government/Institutional Companies attached hereto, and the Operating Guide incorporated herein by this reference and located at our website at https://www.merchantconnect.com/CWRWeb/pdf/TOS_ENG.pdf and https://www.merchantconnect.com/CWRWeb/pdf/OPERATING GUIDE_Eng.pdf, respectively. If you are accepting electronic payments through Transend Pay you also agree to the Terms and Conditions set out under the Resources tab at www.elavon.com/transendpay, and as subsequently amended in the Operating Guide in the Transend Pay Services Chapter. If Company does not have access to view the TOS or Operating Guide at our website please contact our customer service center. Notwithstanding any such non-receipt of the TOS or Operating Guide, Company agrees to comply with the Agreement, and all applicable laws, rules, and regulations including the rules and regulations of the Payment Networks, and understands that failure to comply will result in termination of processing services. Capitalized terms shall, unless otherwise defined in this Company Application, have the same meaning ascribed to them in the TOS and Operating Guide.

Company must obtain an Authorization Code via electronic terminal or similar device before completing any transaction. Company understands that an AUTHORIZATION CODE IS NOT A GUARANTEE OF ACCEPTANCE OR PAYMENT OF A TRANSACTION. RECEIPT OF AN AUTHORIZATION CODE DOES NOT MEAN THAT COMPANY WILL NOT RECEIVE A CHARGEBACK FOR THAT TRANSACTION.

Company and its representative(s) authorize us prior to our acceptance of this Company Application and from time to time thereafter, to investigate the business history and background of Company and to obtain credit reports or other background investigation reports on Company that we consider necessary to review the acceptance and continuation of this Company Application. Company also authorizes any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to us.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means we will ask for certain information and identifying documents to allow us to identify you.

This Company Application may be signed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same Company Application. Delivery of executed counterparts of this Company Application may be accomplished by a facsimile transmission, and a signed facsimile or copy of this Company Application shall constitute a signed original.

PCI Compliance and PCI Program Fee. All companies, regardless of Transaction volume, must comply with the requirements of the Payment Card Industry Data Security Standard ("PCI DSS"). Elavon's monthly Standard PCI Program Fee for Level 4 companies (based on Transaction volume) is **$84.99**. Any Level 4 company that validates PCI DSS compliance on an annual basis, with initial validation to occur no later than ninety (90) days after account approval, is eligible for the Discounted PCI Program Fee of **$10**. *Merchants that have selected a SAFE-T solution*: Your price for the SAFE-T solution selected above is **$NA**, which includes the Discounted PCI Program Fee. You must validate PCI DSS compliance within ninety (90) days of account approval, and annually thereafter, to continue to receive the Discounted PCI Program Fee. ***By signature below, Company acknowledges that if Company has not validated PCI DSS compliance within ninety (90) days of account approval, or in subsequent years on or before the anniversary date of account approval, Company will no longer be eligible for this discount and will be required to pay the full, undiscounted monthly Standard PCI Program Fee of $84.99 until Elavon is provided with validation of PCI DSS compliance. If Company utilizes a SAFE-T solution and Company fails to validate PCI DSS compliance, Company acknowledges that the price of Company's SAFE-T solution will be adjusted to $NA to reflect the loss of this discount.*** Company may be eligible for Data Breach Financial Assistance following account approval and PCI DSS compliance validation. See the PCI Compliance Program Overview in the Operating Guide for assistance details and conditions.

American Express Acceptance Program (Acceptance Program). If Company has elected to accept American Express® Transactions (as indicated in the Card Acceptance section of this Company Application), in addition to all other terms of this Agreement, Company agrees to the Acceptance Program terms of the TOS. By signing below or by accepting a Transaction initiated with an American Express® Payment Device, Company expressly authorizes Elavon to submit American Express® Transactions to, and to receive settlement funds from, American Express on Company's behalf. Company further authorizes Elavon to provide Company's contact information to American Express, and Company agrees that American Express may use and share such contact information for its business purposes and as permitted by applicable Laws, including to communicate with Company regarding products, services, and resources available to Company's business. American Express's use of the email address and mobile phone number provided above is subject to the consent to such use as indicated in Section 1 of this Company Application. Consent to American Express's use of contact information for such communications may be withdrawn at any time by contacting our customer service center. Even if consent is withdrawn, Company may still receive messages related to important information about Company's account from American Express. Company or Elavon may terminate Company's acceptance of American Express® Payment Devices at any time, with or without cause, without affecting Company's rights and obligations pursuant to the remainder of this Agreement. Company acknowledges that, if at any time Company is no longer qualified to participate in the Acceptance Program, Company may be enrolled in the standard American Express® card acceptance program, which may have different terms and conditions than the Acceptance Program, and Company's acceptance of American Express® Payment Devices pursuant to this Agreement will be terminated. Company acknowledges that American Express is an intended third-party beneficiary of this Agreement, solely with respect to the terms and conditions applicable to Company's acceptance of American Express® Payment Devices, and that American Express has the right to enforce such terms and conditions directly against Company.

A PIN/PINLess Debit Enablement Service Fee will be collected for any Interchange and Assessment savings generated through debit routing on your monthly debit transactions for Interchange Plus customers only. This monthly fee will be calculated from your actual debit transaction volume and will be a percentage of your overall debit cost savings. The PIN/PINLess Debit Enablement Service Fee collected and the Interchange and Assessment savings will be reflected on your monthly statement.

♦ SIGNATURE: X	♦ PRINTED NAME: See signature page 12	♦ TITLE:	♦ DATE:
SIGNATURE: X	PRINTED NAME: See signature page 12	TITLE:	DATE:

SUBMITTED BY (INTERNAL USE ONLY)

To the best of my knowledge, I certify that the information provided in this Company Application was provided by the Company and is true, complete and accurate. I further certify that the signatures were provided by the Company's authorized representative.

♦ SALES REP PRINTED NAME: MARY FLADLAND	♦ REP ID #: 38101	♦ DATE: 10-23-2020
♦ REP PHONE #: 425-210-9606	♦ REP EMAIL: mary.fladland@elavon.com	USA-GOV-ELV-1020

ADDENDUM TO THE TERMS OF SERVICE FOR GOVERNMENT/INSTITUTIONAL COMPANIES

The following provisions hereby replace the like-numbered provisions of the Terms of Service ("**TOS**") or are hereby inserted or deleted from the TOS, as indicated, for Companies operating under the Agreement. Capitalized terms used and not otherwise defined in this Addendum shall have the meanings ascribed to them in the Agreement or the Operating Guide.

1) **Section 4.1 Security Interests** is deleted.

2) **Section 5.2(a)** is revised to add the following:

   "(iv) Company may terminate the Agreement on 60 days' prior written notice to Elavon if sufficient legislative appropriation is not available."

3) **Section 5.2(b)** is deleted and replaced with the following:

   "**By Elavon**. Elavon may terminate the Agreement immediately in writing if any of the following occur:

   (i) A material adverse change in Company's financial condition;

   (ii) The commencement of a Bankruptcy Proceeding by or against Company;

   (iii) Any representation by Company is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the Term;

   (iv) Any Payment Network or application of Payment Network Regulations requires Elavon to terminate the Agreement or cease processing Transactions for Company;

   (v) Assignment of the Agreement or change of control of Company without Elavon's written consent;

   (vi) The levy, garnishment or attachment of the DDA, the Reserve Account, or any of Company's property in Elavon's possession;

   (vii) Any change, not approved by Elavon, that constitutes a material change in the types of goods or services Company sells or in the methods by which Company sells them, or any change that results in Company's violation of Elavon's underwriting policy; or

   (viii) If, after Elavon provides 30 days' written notice, Company has either (1) Chargebacks or Retrieval Requests in excess of 1% of the gross dollar amount of Company's Transactions or returns in excess of 2.5% of the gross dollar amount of Company's Transactions, or (2) the acceptance of Card Not Present or Convenience Fee Transactions without proper disclosure to Elavon in the Agreement (including in the Company Application) or an amendment to the Agreement.

4) **Section 10.1Audit** is revised to read as follows:

   "**Audit.** If Elavon or Member reasonably suspects that they are subject to a financial or reputational risk due to Company's actions or omissions, Company authorizes Elavon and its agents to perform an audit or inspection of Company's operations and records to confirm Company's compliance with the Agreement upon reasonable advance notice, during normal business hours, and at Elavon's expense (unless Elavon reasonably determines based on such audit that Company is not in compliance with the Agreement, in which case Company will bear the cost). Company will obtain and submit a copy of an audit from a third party acceptable to Elavon of the financial, physical security, information security, and operational facets of Company's business at its expense when requested by Elavon. Further, Company acknowledges and agrees that the Payment Networks have the right to audit Company's business to confirm compliance with the Payment Network Regulations. Company will maintain complete and accurate records of its performance under the Agreement. Company will execute and deliver to Elavon all documents Elavon reasonably deems necessary to verify Company's compliance with Section 8.1."

5) **Section 10.2(b) Financial Information** is revised as follows:

   "**Financial Information.** At Elavon's request, Company will provide Elavon audited financial statements prepared by an independent certified public accountant selected by Company, or if Company is audited by a governmental authority, then Company will provide financial statements from such governmental authority. Within 120 days after the end of each fiscal year (or in the case of a government entity, when available), Company will furnish Elavon, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Company will also provide Elavon such interim financial statements and other information as Elavon may request from time to time."

6) **Section 13 Indemnification** is deleted and replaced with the following four sections:

   "**13(a). Company Responsibilities.** As between Company and Elavon, Company will be responsible for, and at its own expense, defend itself against any suits, claims, losses, demands or damages arising out of (i) any sale or provision of

goods or services resulting in a Transaction processed under the Agreement; (ii) Company's breach of the Agreement; (iii) all use of any user ID and password other than by Elavon or Elavon's third-party contractors; (iv) Company's or its Service Providers' gross negligence or willful misconduct; (v) Company's or its Service Providers' violation of Laws or Payment Network Regulations; or (vi) any personal injury or real or tangible personal property damage to the extent caused by Company or its Service Providers. Company will not make any claims against Elavon for any liabilities, claims losses, costs, expenses and demands of any kind or nature, arising out of or in connection with any of the foregoing suits, claims, losses, demands or damages.

13(b). Elavon Responsibilities. In addition to Elavon's obligations in Section 13(c), Elavon will be responsible for and will at its own expense defend itself against any suits, claims, losses, demands or damages arising out of (i) Elavon's breach of the Agreement; (ii) Elavon's or its third party contractors' gross negligence or willful misconduct; (iii) Elavon's or its third party contractors' violation of applicable Laws or Payment Network Regulations; (iv) Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services in the form delivered or Company's use thereof; or (v) any personal injury or real or tangible personal property damage to the extent caused by Elavon or its third party contractors.

13(c). Infringement Claims.

(i) Elavon will defend Company and its employees, officers, and agents in connection with claims, actions, demands or proceedings (made or threatened) brought by a third party, and will pay the final award of damages assessed against Company, its employees, officers or agents in a final judgment by a court of competent jurisdiction, including awarded costs, or any amount in settlement or compromise authorized by Elavon in writing, arising out of Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services (but not Equipment) in the form delivered or Company's use thereof (an "Infringement Claim").

(ii) If any part of the Services or the use of the Services becomes, or in Elavon's opinion is likely to become, the subject of an Infringement Claim, and as a result of such Infringement Claim Company's use of the Services may be enjoined or interfered with, then Elavon will, at its option and expense, either, and in addition to defending Company and paying the final amount of damages as provided for in this section, (1) obtain a license for Company to continue using the alleged infringing component(s) of the Services; (2) modify the alleged infringing component(s) of the Services to avoid the infringement in a manner that still permits the Services to perform in all material respects in accordance with the Agreement; or (3) replace the alleged infringing component(s) of the Services with compatible, functionally equivalent, and non-infringing component(s). Elavon will use commercially reasonable efforts to accomplish the remedies identified in this section in a manner that minimizes the disruption to Company's business operations. If Elavon is not able to accomplish the above remedies within a commercially reasonable time frame and on commercially reasonable terms, Elavon may terminate the Agreement upon written notice to Company. Upon such termination, Elavon will promptly refund any fees paid for Services not performed as of the date of termination.

(iii) Elavon will have no liability for any Infringement Claim to the extent caused by (1) access to or use of the Services other than as specified under the Agreement and the related Documentation, (2) combination or use of the Services with non-Elavon products or services (whether or not provided to Company by Elavon), (3) any hardware, devices, software, services or other resources not provided by Elavon, (4) failure or refusal by Company to install, implement or use any Update or correction provided by Elavon, (5) modification or alteration of the Services by anyone other than Elavon without Elavon's prior written consent, (6) Company's goods or services, or (7) the negligence, gross negligence or willful misconduct of, or breach of the Agreement by, Company.

(iv) THIS SECTION 13(c) SETS FORTH THE EXCLUSIVE REMEDY OF COMPANY AND THE SOLE AND COMPLETE LIABILITY OF ELAVON WITH RESPECT TO ANY INFRINGEMENT CLAIMS.

13(d). Procedure.

(i) If an Infringement Claim is subject to Elavon's obligations in Section 13(c) of the Agreement, Company will:

(1) Provide Elavon prompt notice of the Infringement Claim (provided that any delay in notification will not relieve Elavon of its obligations under this Section 13(d) except to the extent that the delay materially impairs its ability to fully defend the Infringement Claim);

(2) Subject to Section 13(d)(ii), give Elavon the right to exercise exclusive control over the preparation and defense of the Infringement Claim, including appeals, negotiations and any settlement or compromise thereof, provided that Elavon will notify Company in writing of its election regarding the assumption of control of the preparation and defense of such Infringement Claim within 15 days following receipt of Company's written notice of such Infringement Claim, but, in any event, no later than 10 days before the date on which any written response to a complaint, summons, or other legal filing is due; and

(3) Provide such assistance in connection with the defense and settlement of the Infringement Claim as Elavon may reasonably request, at Elavon's expense. Elavon will not enter into any settlement that imposes any liability or obligation on Company, or contains any admission or acknowledgement of wrongdoing (whether in tort or otherwise), without Company's prior written consent.

(ii) Company may join in the defense, with its own counsel, at its own expense."

7) **Section 16 Personal Guaranty** is deleted.

8) **Section 18.2 Jurisdiction and Venue; Governing Law** is deleted.

9) **Section 18.3 Exclusivity** is deleted.

10) **Section 18.5 Assignability** is revised as follows:

"**Assignability.** Company will not assign the Agreement, directly, by operation of law, or by change of control of Company, without Elavon's prior written consent. If Company nevertheless assigns the Agreement without Elavon's consent, the Agreement will be binding on both the assignee and Company. Elavon will not transfer or assign the Agreement without the prior written consent of Company, provided that such consent will not be required for (i) the assignment or delegation to an affiliate of Elavon, or (ii) the assignment or delegation to any Person into or with which Elavon will merge or consolidate, or who may acquire substantially all of Elavon's stock or assets."

11) **Section 18.6Arbitration** is deleted.

12) **Section 18.9 Attorney's Fees and Expenses** is deleted.

13) **Section 18.12 Amendments** is revised as follows:

"**Amendments.** Except as otherwise provided in the Agreement, amendments to the Agreement will be in writing and signed by the parties. Notwithstanding the foregoing, Elavon and Member may amend or modify the Agreement, to the extent such changes are required by or attributable to changes in the Payment Network Regulations or other Laws, upon written notice to Company. Elavon or Member will inform Company of such a change in a periodic statement or other written notice, and such change will become effective at least 30 days after the issuance of the notice. Notwithstanding the previous sentence, changes to fees authorized by the Agreement will be effective upon notice to Company, unless a later effective date is provided. Further, Elavon is entitled to pass through to Company any fee increases imposed upon Elavon by Visa, MasterCard, Discover Network, any other Payment Network, and any other third party including telecommunications vendors."

14) **Schedule A, Section 1.8 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. All documents of title and evidence of delivery will be delivered to Lessor. Lessee hereby authorizes Lessor, at Lessee's expense, to cause the lease or any statement or other instrument in respect to the lease showing the interest of Lessor in the Leased Equipment including Uniform Commercial Code Financing Statements, to be filed or recorded and/or refiled and rerecorded, and grants Lessor the right to execute Lessee's name thereto. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose, and agrees to pay or reimburse Lessor for any filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. Lessee will at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever and, will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may reasonably request. Provided Lessee is not in default hereunder, Lessee will quietly use and enjoy the Leased Equipment subject to the terms hereof."

15) **Schedule A, Section 1.10 Net Lease; Taxes** is replaced as follows:

"**Net Lease; Taxes**. Lessee intends the rental payments hereunder to be net to Lessor, and Lessee agrees to pay any applicable sales, use, excise, personal equipment, stamp, documentary and ad valorem taxes, license and registration fees, assessment, fines, penalties and similar charges imposed on the ownership, possession or use of the Leased Equipment during the term of the lease. Lessee will pay all applicable taxes (except Lessor's federal or state net income taxes) which may be imposed on Lessor or Lessee with respect to the lease payments hereunder or the ownership of the Leased Equipment. Lessee will pay as additional rent, any applicable taxes documented as paid or advanced by Lessor on behalf of Lessee. Lessee agrees that the reimbursement of equipment tax calculation is based on an average tax rate. Unless otherwise agreed to in writing, Lessee will file personal equipment tax returns with respect to the Leased Equipment."

16) **Schedule A, Section 1.11 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

17) **Schedule A, Section 1.16 Remedies** is replaced as follows:

"**Remedies**. If an Event of Default will occur, Lessor may, at its option, at any time (i) declare immediately due and payable and recover from Lessee, as liquidated damages for the loss of a bargain and not as a penalty, an amount equal to all accrued and unpaid rental payments and late charges, taxes, and other fees, plus the Loss Amount; provided, however, that if an Event of Default will occur as described in Section 1.15(iv) through (vi) above, Lessor without any notice or action will be deemed to have made such a declaration; (ii) automatically charge the DDA for all money amounts owed; (iii) to the extent permitted by applicable Law, without demand or legal process, enter into the premises where the Leased

Equipment may be found and take possession of and remove the Leased Equipment, without liability for such retaking; (iv) Lessor may hold, sell or otherwise dispose of any such Leased Equipment at a private or public sale; or (v) exercise any other remedies available under applicable Law. If Lessor takes possession of the Leased Equipment, Lessor will give Lessee credit for any sums received by Lessor from the sale or rental of the Leased Equipment after deduction of the expenses of sale or rental and Lessee will remain liable to Lessor for any deficiency. Notwithstanding the foregoing, to the extent any software included with the Leased Equipment is nontransferable or its transfer restricted, Lessee agrees that Lessor and/or the licensor of such software will have no duty to remarket or otherwise mitigate any damages relating to such software.

Lessee will also be responsible for all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies including all expenses of repossessing, storing, shipping, repairing and selling the Leased Equipment. Lessor and Lessee acknowledge the difficulty in establishing a value for the unexpired lease term and, owing to such difficulty, agree that the provisions of this Section represent an agreed measure of damages and are not to be deemed a forfeiture or penalty. All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by Law, and may, to the extent permitted by Law, be exercised concurrently or separately. The exercise of any one remedy will not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right to remedy will operate as a waiver thereof or modify the terms of the lease."

18) **Schedule A, Section 1.19 Miscellaneous** is replaced as follows:

"**Miscellaneous**. If Lessee fails to pay any rent or other amount required herein to be paid to Lessor within five (5) days of when due, Lessee agrees to pay Lessor, in addition to the payment, a late charge of 15% of the amount past due (but at least $7.50) for each late payment. Each month the past due payment remains unpaid, an additional late fee in the amount defined will be assessed. Payments are applied to late fees and service charges first and then to the lease obligation. Amounts will be payable in addition to all amounts payable by Lessee to Lessor as a result of exercise of any of the remedies herein provided. If Lessee requests any services not provided for herein, Lessee agrees to pay an applicable fee for delivery of such services. Lessee will inform Lessor of any change in Lessee's name, address, billing address, telephone numbers, location of the Leased Equipment, or DDA. If Lessee fails to comply with any provision of the lease, Lessor will have the right, but not be obligated, to affect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all monies expended by, and all expenses of Lessor in effecting such compliance, will be deemed to be additional rental, and will be paid by Lessee at the time of the next monthly payment of rent. All notices under the lease will be sufficient if given personally or mailed postage prepaid to the party intended at the respective address set forth herein, or at such other address as said party may provide in writing from time to time. The lease inures to the benefit of and is binding upon the personal representatives, successors and assigns of the parties hereto. Time is of the essence of the lease. Lessor and Lessee intend the lease to be a valid and subsisting legal instrument, and agree that no provision of the lease that may be deemed unenforceable will in any way invalidate any other provision or provisions of the lease, all of which will remain in full force and effect. The lease will be binding when accepted in writing by Lessor and will be governed by the laws of the state where the Leased Equipment is located."

19) **Schedule A, Section 1.20 Important Information about Credit Reporting** is deleted.

20) **Schedule A, Section 2.6 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. Lessor may at Lessee's expense, cause the lease or any document, statement or other instrument in respect to the lease showing Lessor's interest in the Leased Equipment, including without limitation Personal Property Security Act or Civil Code of Quebec financing statements, to be filed, registered or recorded, or refiled, reregistered and rerecorded, as applicable. Lessee waives the right, where permitted by law, to receive a copy of any financing statement, financing change statement or verification statement. Lessee agrees to execute and deliver any document, statement or instrument requested by Lessor for such purpose, and agrees to reimburse Lessor for any expense arising therefrom. Lessee will at Lessee's expense protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever, and will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for and deliver to Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may request. Provided Lessee is not in default hereunder, Lessee may quietly use and enjoy the Leased Equipment subject to the terms hereof."

21) **Schedule A, Section 2.9 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

22) **Schedule B, Section 1.5 Personal Guaranty** is deleted.

23) **Schedule B, Section 1.6 Jurisdiction and Venue; Governing Law** is deleted.

24) **Schedule B, Section 1.7 Arbitration** is deleted.

25) **Schedule C, Section 16** is hereby added:

"16. Effective March 1, 2020, (i) either Elavon or Company may terminate the ECS services portion of the Agreement at any time upon thirty days' prior written notice to the other party, and (ii) Elavon may, at its option, transition Company to a new program offered by Elavon that provides services similar to the ECS."

SIGNATURES ON THE PAGE TO FOLLOW

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER		CONTACT NAME: Dawn Heinemann and Melody Kronbach	
Hays Companies 80 South 8th Street Suite 700 Minneapolis, MN 55402	1-612-333-3323	PHONE (A/C, No, Ext): 612-333-3323	FAX (A/C, No): 612-373-7270
		E-MAIL ADDRESS: dheinemann@hayscompanies.com	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A: OLD REPUBLIC INS CO	24147
INSURED U.S. Bancorp and its Subsidiaries 200 South 6th Street EP-MN-L20I Minneapolis, MN 55402		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 60629716 **REVISION NUMBER:**

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		MWZY31397920	08/01/20	08/01/21	EACH OCCURRENCE	$ 5,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ EXCLUDED
							PERSONAL & ADV INJURY	$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 6,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 6,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY	X		MWTB31397720	08/01/20	08/01/21	COMBINED SINGLE LIMIT (Ea accident)	$ 250,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		X	MWC31397620	08/01/20	08/01/21	X PER STATUTE / OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N	N/A					E.L. EACH ACCIDENT	$ 2,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 2,000,000
							E.L. DISEASE - POLICY LIMIT	$ 2,000,000
A	Excess Automobile Liab.			MWZX31398120	08/01/20	08/01/21	LIMIT	4,750,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Oxnard, its City Council, officers, employees & volunteers are additional insured for On-going & Completed Ops & on a primary and non-contributory basis as respects general liability & additional insured as respects automobile liability policies where required by written contract subject to the policy(s) terms and conditions. Waiver of subrogation applies in favor of the additional insured as respects workers compensation policy where required by written contract subject to the policy terms and conditions.

CERTIFICATE HOLDER

City of Oxnard

Insurance Compliance
PO Box 100085-OX

Duluth, GA 30096

USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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IN WITNESS WHEREOF, these signatures supplant the signature blocks on page 6 of *New Application-Government/Institutional* form of A-8268. Further, the parties hereto have executed the *Addendum to the Terms of Service for Government/Institutional Companies* beginning at page 7 of A-8268.

CITY OF OXNARD

John C. Zaragoza, Mayor — Date

ATTEST:

Rose Chaparro, City Clerk — Date

(only if Mayor signs)

APPROVED AS TO FORM:

12/28/20

Stephen M. Fischer, City Attorney (always required) — Date

ELAVON, INC.

11/17/2020

[name], [title][1] Ly I. Miller, Senior Vice President ~~Global Credit and Risk~~ — Date

11/17/2020

[name], [title] — Date

11/17/2020

Name/Title — Date

ANDREW MARK TROUTMAN — November 17, 2020

Name/Title — Date

ASSISTANT GENERAL COUNSEL

[1] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

NEW APPLICATION-GOVERNMENT/INSTITUTIONAL

1 COMPANY INFORMATION

♦ DBA NAME: OXNARD UTILITY PAYMENT

CONTACT NAME: EDEN ALOMERI | MARTHA GUERRA

♦ DBA ADDRESS TYPE: Business ♦ DBA ADDRESS1 (NO PO BOX): 214 SOUTH C STREET

DBA ADDRESS 2: C2G OTC UTILITY PAYMENT

♦ CITY: OXNARD ♦ STATE CA ♦ ZIP CODE: 93030

♦ DBA PHONE #: 805-385-7811 DBA FAX #: 805-385-7865

DATE FOUNDED: 1903 MOBILE PHONE #:

♦ EMAIL ADDRESS: eden.alomeri@oxnard.org

CIP EXEMPTION: US State Local Govt

2 OTHER ADDRESS (IF DIFFERENT THAN ABOVE)

☐ MAILING ☐ SHIPPING ☐ SEE ALSO SPECIAL INSTRUCTIONS (MORE THAN ONE OPTION MAY BE SELECTED)

LOCATION NAME: PHONE #:

CONTACT: FAX #:

ADDRESS: CITY: STATE: ZIP CODE:

STATEMENTS/ RETRIEVALS /CHARGEBACKS

STATEMENTS: ■ DBA OR ☐ MAILING OR ☐ W-9 AUTO SEND: ☒ YES ☐ NO (CHAIN COMPANIES ONLY – MUST INCLUDE CHAIN SET UP FORM)

RETRIEVALS: ☐ ONLINE CASE MANAGEMENT (OCM) OR EMAIL TO: eden.alomeri OR FAX TO: ☐ DBA ☐ MAILING OR MAIL TO: ☐ DBA ☐ MAILING

CHARGEBACKS: ☐ ONLINE CASE MANAGEMENT (OCM) OR EMAIL TO: eden.alomeri OR FAX TO: ☐ DBA ☐ MAILING OR MAIL TO: ☐ DBA ☐ MAILING

3 CONTACT INFORMATION (AUTHORIZED REP)

♦ ■ OFFICER ☐ MANAGER ☐ AUTHORIZED REPRESENTATIVE ☐ OTHER: _____

♦ FIRST NAME: EDEN MN: ♦ LAST NAME: ALOMERI

♦ TITLE: ASST CITY TREASURER | DIR. REVENUE AND LICENSING ♦ US PERSON: YES

▸ CONTACT ADDRESS (NO PO BOX): 214 SOUTH C STREET ▸ ADDRESS TYPE: BUSINESS

▸ CITY: OXNARD ▸ STATE: CA ▸ ZIP CODE: 93030

▸ DOB: XX-XX-XXXX CONTACT PHONE #: 805-385-7811

INDIVIDUAL ID EXEMPTION CLASS: **GOVERNMENT** ☐ FEDERAL ☐ STATE ■ LOCAL (POLITICAL SUBDIVISION OF A US STATE)

OTHER COMPANY INFORMATION

♦ AVERAGE SALE AMOUNT: $ 200

♦ HIGH SALE AMOUNT: $ 10,000

♦ NUMBER OF HIGH SALES TRANSACTIONS ANNUALLY: 12

♦ TOTAL **MONTHLY** VISA/MC/AMEX/DISC/UNIONPAY SALES: $ 235,000

♦ ANNUAL TOTAL REVENUE: (CASH, CHECK, CARD) $ 2,820,000

♦ INDUSTRY TYPE: RETAIL

♦ DESCRIPTION OF PRODUCT/SERVICES OFFERED: Utility Payments

SPECIAL PROGRAM MCC ONLY: 4900

WHEN DOES THE CUSTOMER RECEIVE THE PRODUCT OR SERVICE?
IF NOT SAME DAY, _____ # OF DAYS (INCLUDE SHIPPING TIME FRAME)

☐ CARD PRESENT 100%
☐ CARD NOT PRESENT 100%
☐ INTERNET 100%
■ OMNI COMMERCE

OMNI COMMERCE (MUST TOTAL 100%)
CARD PRESENT 80 %
CARD NOT PRESENT* 20 %
INTERNET * 0 %

▸ INTERNET : PRODUCT WEBSITE:

▸ INTERNET: "CONTACT US" EMAIL:

*CUSTOMER SERVICE PHONE # AND PREVIOUS PROCESSOR REQUIRED BELOW
▸ CUSTOMER SERVICE PHONE #: 805-385-7816
▸ PREVIOUS PROCESSOR: Bank of America

IF SEASONAL, PLEASE CHECK MONTHS CLOSED BELOW. (CUSTOMER MUST CONTACT CUSTOMER SERVICE TO DEACTIVATE AND REACTIVATE ACCOUNT)

☐ JANUARY ☐ FEBRUARY ☐ MARCH ☐ APRIL ☐ MAY ☐ JUNE
☐ JULY ☐ AUGUST ☐ SEPTEMBER ☐ OCTOBER ☐ NOVEMBER ☐ DECEMBER

BANK ACCOUNT (CHECKING ACCOUNTS ONLY)

♦ DEPOSIT BANK NAME: BANK OF AMERICA ♦ ABA/ROUTING #: 1210003058 ♦ DDA ACCOUNT #: XXXXXXX047

BILLING/CHARGEBACK BANK NAME (IF DIFFERENT): ABA/ROUTING #: DDA ACCOUNT #:

CHARGEBACK BANK NAME (IF DIFFERENT THAN BILLING): ABA/ROUTING #: DDA ACCOUNT #:

FUNDING OPTIONS: MONTHLY FEE $ TAPE ID (OPT):

Card Acceptance (Please check each card you wish to accept)

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)/ with PIN / PINLess Debit
☐ PIN Debit ☐ PINLess Debit

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)

■ Visa Credit ■ Visa Debit ■ MC Credit ■ MC Debit ■ Discover (JCB, DI ,Pay Pal Payment Device) ☐ UnionPay ☐ Amex
☐ PIN Debit ☐ PINLess Debit

Pricing Category

☐ Retail
☐ Restaurant
☐ Lodging
☐ Supermarket
■ MO/TO / Internet
☐ ARU
☐ Omni Commerce (Tiered & EICP Only)

Pricing Information

Pricing Program: (Fixed Only)		Visa/MasterCard/UnionPay/ Discover Cards (JCB, DI,Pay Pal Pay Device**)		American Express Opt Blue		PIN//PINLess Debit***	
		Rate*	Per Item*	Rate	Per Item	Rate	Per Item
Tiered	Qualified	%	$	%	$	%	$
	Mid Qualified	%	$	%	$		
	Non Qualified	%	$	%	$		
	Standard	%	$	%	$		
	Opt. ☐ Check Card ☐ Sprmkt ☐ QPS/Small Tkt						
	Opt. Rewards	%	$				
	Opt. Commercial Card	%	$				
Interchange Plus		0.05 %	$ 0	%	$	%	$
PIN/PINLess Debit Enablement Service Fee							$
Enhanced IC Plus	Check Card Qualified	%	$				
	Qualified	%	$	%	$	%	$
	Rewards Qualified	%	$				
	Mid Qualified	%	$	%	$		
	Commercial Non Qualified	%	$				
	Non Qualified	%	$	%	$		
Fixed - Pricing Pgm:		%	$	%	$		

*Rates are for all Card Acceptance types selected. All Card Brand Assessments will be passed through at cost.
**Paypal Acceptance and rates are based on card present transactions only.
***PIN/PINLess Debit rate will be optimized available rate

Fees

Application	$ 0
Installation/Training	$ 0
Reporting & Support Package (per month)	$ 0
Monthly Minimum	$ 25
Chargeback (per occurrence)	$ 25
Return Item/NSF (per occurrence)	$ 20
Other:	$
Statement: ☐ Electronic or ■ Paper Monthly Statement Mailing(paper statements only)	$10
Rush Shipment	$ 0
Other:	$

Authorizations

Visa (per auth)	$	Voice - ARU (per auth)	$ 0.85
MasterCard (per auth)	$	Voice Operator (per auth)	$ 0.85
Discover (per auth)	$	Voice - AVS (per auth)	$ 0.85
UnionPay (per auth)	$	Voice Bank Ref (per auth)	$ 0.85
AMEX Opt Blue (per auth)	$		
AMEX Public Sector (TPSP)(per auth)	$	Dial Communication (per auth)	$ 0.024
PIN/PINLess Debit (per auth)			$
International Card Handling Fee (Rate): (Charged on Visa, MC, Discover,AMEX)			0.40 %

Security Programs

Security Program (per month): ▸ PCI Basic

Please see pricing for the Security Program you have selected in the Company Representations and Certifications below.

Other Card Types Existing

Amex SE # (10 digits): Per Auth: $ | EBT SE # (7 digits): Per Auth: $

American Express Public Sector (TPSP)

☐ Company is eligible for American Express Public Sector (TPSP) and accepts ☐ Company is eligible for American Express Public Sector (TPSP) but declines acceptance

Industry Type:

Pricing Information for American Express Public Sector (TPSP)

Tiered	Rate	Per Item	Enhanced ICPlus	Rate	Per Item
Qualified	%	$	Qualified	%	$
Mid Qualified	%	$	Mid Qualified	%	$
Non Qualified	%	$	Non Qualified	%	$
Interchange Plus	%	$			

POINT OF SALE (EQUIPMENT OR SOFTWARE)

NETWORK: ☒ ELAVON ☐ OTHER ☐ A THIRD PARTY INTEGRATOR WILL BE USED FOR IMPLEMENTATION:

VAR SERVICE PROVIDER (HOSTED): **Viaconnex** VAR (DISTRIBUTED): VENDOR: **Paymentus** PRODUCT: **Click2Gov** VERSION: **n/a**

OF TIDS **1** TID TYPE OMNI ONLY: # OF TIDS TID TYPE OMNI ONLY:

							PURCHASE/SETUP	SOFTWARE/WIRELESS		
QTY	POS DESCRIPTION	ITEM CODE	TID TYPE OMNI ONLY	TERMINAL ENCRYPT	OWNS	REPROG FEE PER UNIT	PRICE PER UNIT	ANNUAL FEE PER UNIT	MONTHLY FEE PER UNIT	PER AUTH FEE
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$

ALL APPLICABLE STATE AND LOCAL TAXES WILL BE APPLIED. ☐ SALES TAX EXEMPT

Elavon and Member have no responsibility for, and shall have no liability to Company in connection with, any hardware or software, or any related services, Company receives under a direct agreement (including any sale, warranty or end-user license agreement) between Company and a third party, including any Value Added Servicer, even if Elavon collects fees or other amounts from Company with respect to such hardware, software or services.

ADDITIONAL POS SERVICES:	DESCRIPTION	SETUP FEE	ANNUAL FEE	MONTHLY FEE	PER AUTH FEE
		$	$	$	$
		$	$	$	$

TERMINAL PROGRAMING INSTRUCTIONS *(DO NOT USE FOR CONVERGE – THIS INFORMATION IS COVERED DURING TRAINING)*

☐ **RETAIL (AUTO CLOSE DEFAULT)** ☐ QUICK CLOSE ☐ STORE AND FORWARD ☐ NO SIGNATURE ☐ CONTACTLESS (+ NO SIGNATURE)

☐ **RESTAURANT (QUICK CLOSE DEFAULT)** TIP FUNCTION (DEFAULT) ☐ FINE DINING ☐ TAB FUNCTION

☐ **CARD NOT PRESENT (AUTO CLOSE DEFAULT)** ☐ QUICK CLOSE

☐ **LODGING (QUICK CLOSE DEFAULT)** ☐ QUICK STAY

☐ **SEMI INTEGRATED**

CUSTOM PROMPTS: ☐ TERMINAL AUTO CLOSE (RTL, MOTO) TIME ZONE ☐ CASH BACK PIN DEBIT (RTL): $ (MAX) ☐ CUSTOM FOOTER:
☐ NO TIP (REST) ☐ NO SERVER PROMPT (REST) ☐ CLERK PROMPT (RTL) ☐ TIP FUNCTION WAITER (RTL) ☐ TIP FUNCTION CASHIER (RTL)

COMMUNICATION METHOD (IP DEFAULT): ☐ DIAL **TRAINING (DEFAULT = TRAINING REQUIRED):** ☐ NO TRAINING **PHONE INFORMATION:** ACCESS #:

REPORTING TOOLS

☐ MCP ONLY **OR** ☐ MCP WITH OCM ▸ MONTHLY FEE $ ▸SET UP FEE $ ▸# USERS ▸SET UP TYPE (CHECK ONE) ☐ MID ☐ CHN

☐ ACS ▸MONTHLY FEE $ ▸SET UP FEE $ ▸REMOTE ID

OTHER VAS

☐ 3D Secure Per Occurrence: $

Electronic check and ACH Processing and Service Options

Annual Check Volume: $	Maximum Check Amount: $
Average Check Amount: $	Monthly Minimum: $

ECS- Paper Check Conversion	ACH Echeck – Card Not Present (CNP)
Processing Options: ☐ POP – Point of Purchase ☐ ARC – Accounts Receivable Conversion ☐ BOC – Back Office Conversion	**Processing Options:** ☐ Concurrent Enrollment (includes: WEB, TEL, PPD and CCD) = XNP ☐ Individual Enrollment - choose one (one per MID) ☐ WEB – Internet Initiated Entries ☐ TEL/IVR – Telephone Initiated Entries ☐ PPD – Prearranged Payment Entries ☐ CCD – Corporate to Corporate Entries ***Converge setups will be Concurrently enrolled in all product types = XNP***
Service: ☐ **Conversion with Guarantee** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **Conversion with Verification** or ☐ **Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____	**Service:** ☐ **ACH-Echeck with Verification** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **ACH-Echeck Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____

Other ECS Check Conversion Service Requests

☐ Prompts for Driver's License Number, State of License Issuance and Telephone Number (Required for Guarantee Service)

ACH-Echeck Questionnaire

1. What types of payments will you accept using ACH-Echeck (e.g., utility bill payments, monthly rent payments, monthly billing for general services)?
2. Will you obtain authorization from your customers prior to accepting an ACH entry in accordance with the ECS MOG (e.g., orally via telephone for tel/ivr, or in writing for ppd)? ☐ **Yes** ☐ **No**
3. Will you verify and authenticate the identity of your customers in accordance with the ECS MOG prior to initiating ACH entries for those customers (e.g., by obtaining a customer's name, address and telephone number or using a database to verify the accuracy of the information provided by customer)? ☐ **Yes** ☐ **No**
4. Will you offer ACH-Echeck to existing or new customers? ☐ **Existing** ☐ **New**
5. Will you maintain and disclose to your customers procedures for cancelling an authorization? ☐ **Yes** ☐ **No**
6. Will you ensure that information regarding each transaction authorization entered by a customer and/or your service representative is accurate and not a duplicate transaction? ☐ **Yes** ☐ **No**

CONVENIENCE FEE AND GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES (GPISF)

CONVENIENCE FEE SERVICES PROGRAMS

CONVENIENCE FEE FUNDING MODEL (CHECK ONE):

- ☐ COMPANY MANAGED CONVENIENCE FEE[1]
- ☐ ELAVON MANAGED CONVENIENCE FEE[2]
- ☐ PARTNER MANAGED CONVENIENCE FEE[3]

PAYMENT TRANSACTION TYPES

☐ CREDIT (CHECK ALL THAT APPLY):

☐ VISA ☐ MASTERCARD ☐ DISCOVER ☐ AMERICAN EXPRESS PS

☐ SIGNATURE DEBIT (CHECK ALL THAT APPLY):

☐ VISA ☐ MASTERCARD ☐ DISCOVER

☐ PIN-BASED DEBIT ☐ PINLESS DEBIT

☐ ACH (VIA ELECTRONIC CHECK SERVICES)

ELAVON PRODUCT SUPPORTING ELAVON-MANAGED CONVENIENCE FEE ASSESSMENT TO BE USED BY COMPANY (CHECK ALL THAT APPLY):

☐ PAYCENTRIC BILL PAY SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)*** :

☐ COMPANY PROPRIETARY SOLUTION OR VALUE-ADDED SERVICER

☐ OTHER:

CONVENIENCE FEE PRICING:

CONVENIENCE FLAT FEE AMOUNT: **$**

CONVENIENCE FEE **%**: (MASTERCARD, DISCOVER & ACH PROGRAMS ONLY)

IMPLEMENTATION FEE (IF APPLICABLE): **$**

GPISF SERVICES PROGRAMS

(CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENTS:

- ☐ COMPANY-MANAGED SERVICE FEE[4]
- ☐ COMPANY-MANAGED WITH ELAVON POS DEVICES/SERVICE FEE TERMINALS[5]
- ☐ ELAVON-MANAGED SERVICE FEE[6]
- ☐ PARTNER MANAGED SERVICE FEE[7]

CARD ACCEPTANCE (CHECK ALL THAT APPLY):

☐ POINT OF SALE ☐ INTERNET

☐ IVR ☐ OTHER:

GPISF SERVICES PROGRAMS (CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENTS:

- ☐ MASTERCARD GOVERNMENT AND EDUCATION PAYMENT PROGRAM
- ☐ VISA GOVERNMENT AND EDUCATION PAYMENT PROGRAM
- ☐ AMERICAN EXPRESS GOVERNMENT AND EDUCATION PAYMENT PROGRAM
- ☐ DISCOVER GOVERNMENT AND EDUCATION PAYMENT PROGRAM

TRANSACTION TYPES:

☐ FEDERAL INCOME TAX ☐ BUSINESS TAX

☐ GOVERNMENT FEES ☐ OTHER TAX

☐ STATE INCOME TAX ☐ TUITION

☐ REAL ESTATE PROPERTY TAX ☐ OTHER EDUCATION EXPENSES

PAYMENT TYPES FOR GPISF ASSESSMENT (NOT ALL PAYMENT TYPES ARE SUPPORTED FOR ALL PROGRAMS)(CHECK ALL THAT APPLY, BUT ONLY IF COMPANY ELECTS GPISF ASSESSMENT):

☐ CREDIT – (CHECK ALL THAT APPLY):

- ☐ VISA – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399
- ☐ MASTERCARD – ELIGIBLE MCCS: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
- ☐ DISCOVER (AVAILABLE IF ELAVON-ACQUIRED)
- ☐ AMERICAN EXPRESS PS – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9311, 9399, 9222

☐ SIGNATURE DEBIT – (CHECK ALL THAT APPLY)

- ☐ VISA – ELIGIBLE MCCS: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399
- ☐ MASTERCARD – ELIGIBLE MCCS: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
- ☐ DISCOVER (AVAILABLE IF ELAVON-ACQUIRED)

☐ ACH (VIA ELECTRONIC CHECK SERVICES)

ELAVON PRODUCT SUPPORTING GPISF ASSESSMENT TO BE USED BY COMPANY (CHECK ALL THAT APPLY):

☐ PAYCENTRIC BILL PAY SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)***:

☐ SERVICE FEE TERMINAL

☐ COMPANY PROPRIETARY SOLUTION OR VALUE-ADDED SERVICER

☐ SAFE-T SERVICES ***(ADDITIONAL ENROLLMENT FORM REQUIRED)***

☐ OTHER:

GPISF PRICING:

CREDIT CARD SERVICE FEE: **%** OR **$**

SIGNATURE DEBIT SERVICE FEE: **%** OR **$**

ACH (VIA ELECTRONIC CHECK SERVICES): **$**

IMPLEMENTATION FEE (IF APPLICABLE): **$**

[1] "Company-Managed" Convenience Fee means that Company establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) and retains the Convenience Fee. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all Convenience Fee Transactions.

[2] "Elavon- Managed" Convenience Fee means that Elavon establishes the amount of the Convenience Fee and retains the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement for Convenience Fee Transactions. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[3] "Partner- Managed" Convenience Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[4] "Company-Managed" Service Fee means that Company establishes the amount of the GPISF, programs its POS Devices to assess the GPISF, and retains the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations). Company pays Elavon the per transaction fees as set forth in this application for all GPISF Transactions.

[5] "Company-Managed with Elavon POS Devices/Service Fee Terminals" means that Elavon programs the POS Devices to assess the GPISF established by Company and Company retains the GPISF. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all GPISF Transactions.

[6] "Elavon-Managed" Service Fee means that Elavon establishes the amount of the GPISF, and Elavon charges and retains the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

[7] "Partner- Managed" Service Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

SUBSTITUTE FORM W-9

☒ GOVERNMENT
☐ NON-PROFIT CHARITABLE OR SOCIAL (INCLUDE DOCUMENTS THAT SUPPORT TAX EXEMPT STATUS)
☐ OTHER

♦ LEGAL BUSINESS NAME*: CITY OF OXNARD

*NAME (OF BUSINESS) AS SHOWN ON YOUR BUSINESS INCOME TAX RETURNS. FOR SOLE PROPRIETORS, THIS SHOULD ALWAYS BE THE OWNER'S NAME.

♦ LEGAL BUSINESS ADDRESS (NO PO BOX): 214 SOUTH C STREET			▸TIN (EMPLOYER ID #): 96-6000756
♦ CITY: OXNARD	♦ STATE: CA	♦ ZIP CODE: 93030	OR ▸TIN (SOCIAL SECURITY #):

4 COMPANY REPRESENTATIONS AND CERTIFICATIONS

Company Representations and Certifications. By signing below, the applicant company ("Company") and its representative(s) represent and warrant to Elavon, Inc. ("Elavon" or "member" as applicable), with offices at 7300 Chapman Highway, Knoxville, TN 37920 (collectively, "we" or "us") that (i) all information provided in this company application ("Company Application") is true and complete and properly reflects the business and financial condition of Company; and (ii) the persons signing this Company Application are duly authorized to bind Company to all provisions of this Company Application and the Agreement. The signature by an authorized representative of Company on the Company Application, or the transmission of a Transaction Receipt or other evidence of a Transaction to us, shall be the Company's acceptance of and agreement to the terms and conditions contained in the Agreement including, without limitation, this Company Application, the Terms of Service ("TOS"), the Addendum to the Terms of Service for Government/Institutional Companies attached hereto, and the Operating Guide incorporated herein by this reference and located at our website at https://www.merchantconnect.com/CWRWeb/pdf/TOS_ENG.pdf and https://www.merchantconnect.com/CWRWeb/pdf/OPERATING GUIDE_Eng.pdf, respectively. If you are accepting electronic payments through Transend Pay you also agree to the Terms and Conditions set out under the Resources tab at www.elavon.com/transendpay, and as subsequently amended in the Operating Guide in the Transend Pay Services Chapter. If Company does not have access to view the TOS or Operating Guide at our website please contact our customer service center. Notwithstanding any such non-receipt of the TOS or Operating Guide, Company agrees to comply with the Agreement, and all applicable laws, rules, and regulations including the rules and regulations of the Payment Networks, and understands that failure to comply will result in termination of processing services. Capitalized terms shall, unless otherwise defined in this Company Application, have the same meaning ascribed to them in the TOS and Operating Guide.

Company must obtain an Authorization Code via electronic terminal or similar device before completing any transaction. Company understands that an AUTHORIZATION CODE IS NOT A GUARANTEE OF ACCEPTANCE OR PAYMENT OF A TRANSACTION. RECEIPT OF AN AUTHORIZATION CODE DOES NOT MEAN THAT COMPANY WILL NOT RECEIVE A CHARGEBACK FOR THAT TRANSACTION.

Company and its representative(s) authorize us prior to our acceptance of this Company Application and from time to time thereafter, to investigate the business history and background of Company and to obtain credit reports or other background investigation reports on Company that we consider necessary to review the acceptance and continuation of this Company Application. Company also authorizes any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to us.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means we will ask for certain information and identifying documents to allow us to identify you.

This Company Application may be signed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same Company Application. Delivery of executed counterparts of this Company Application may be accomplished by a facsimile transmission, and a signed facsimile or copy of this Company Application shall constitute a signed original.

PCI Compliance and PCI Program Fee. All companies, regardless of Transaction volume, must comply with the requirements of the Payment Card Industry Data Security Standard ("PCI DSS"). Elavon's monthly Standard PCI Program Fee for Level 4 companies (based on Transaction volume) is **$84.99**. Any Level 4 company that validates PCI DSS compliance on an annual basis, with initial validation to occur no later than ninety (90) days after account approval, is eligible for the Discounted PCI Program Fee of **$10**. *Merchants that have selected a SAFE-T solution*: Your price for the SAFE-T solution selected above is **$NA**, which includes the Discounted PCI Program Fee. You must validate PCI DSS compliance within ninety (90) days of account approval, and annually thereafter, to continue to receive the Discounted PCI Program Fee. ***By signature below, Company acknowledges that if Company has not validated PCI DSS compliance within ninety (90) days of account approval, or in subsequent years on or before the anniversary date of account approval, Company will no longer be eligible for this discount and will be required to pay the full, undiscounted monthly Standard PCI Program Fee of $84.99 until Elavon is provided with validation of PCI DSS compliance. If Company utilizes a SAFE-T solution and Company fails to validate PCI DSS compliance, Company acknowledges that the price of Company's SAFE-T solution will be adjusted to $NA to reflect the loss of this discount.*** Company may be eligible for Data Breach Financial Assistance following account approval and PCI DSS compliance validation. See the PCI Compliance Program Overview in the Operating Guide for assistance details and conditions.

American Express Acceptance Program (Acceptance Program). If Company has elected to accept American Express® Transactions (as indicated in the Card Acceptance section of this Company Application), in addition to all other terms of this Agreement, Company agrees to the Acceptance Program terms of the TOS. By signing below or by accepting a Transaction initiated with an American Express® Payment Device, Company expressly authorizes Elavon to submit American Express® Transactions to, and to receive settlement funds from, American Express on Company's behalf. Company further authorizes Elavon to provide Company's contact information to American Express, and Company agrees that American Express may use and share such contact information for its business purposes and as permitted by applicable Laws, including to communicate with Company regarding products, services, and resources available to Company's business. American Express's use of the email address and mobile phone number provided above is subject to the consent to such use as indicated in Section 1 of this Company Application. Consent to American Express's use of contact information for such communications may be withdrawn at any time by contacting our customer service center. Even if consent is withdrawn, Company may still receive messages related to important information about Company's account from American Express. Company or Elavon may terminate Company's acceptance of American Express® Payment Devices at any time, with or without cause, without affecting Company's rights and obligations pursuant to the remainder of this Agreement. Company acknowledges that, if at any time Company is no longer qualified to participate in the Acceptance Program, Company may be enrolled in the standard American Express® card acceptance program, which may have different terms and conditions than the Acceptance Program, and Company's acceptance of American Express® Payment Devices pursuant to this Agreement will be terminated. Company acknowledges that American Express is an intended third-party beneficiary of this Agreement, solely with respect to the terms and conditions applicable to Company's acceptance of American Express® Payment Devices, and that American Express has the right to enforce such terms and conditions directly against Company.

A PIN/PINLess Debit Enablement Service Fee will be collected for any Interchange and Assessment savings generated through debit routing on your monthly debit transactions for Interchange Plus customers only. This monthly fee will be calculated from your actual debit transaction volume and will be a percentage of your overall debit cost savings. The PIN/PINLess Debit Enablement Service Fee collected and the Interchange and Assessment savings will be reflected on your monthly statement.

♦ SIGNATURE: X	♦ PRINTED NAME: See signature page 12	♦ TITLE:	♦ DATE:
SIGNATURE: X	PRINTED NAME: See signature page 12	TITLE:	DATE:

SUBMITTED BY (INTERNAL USE ONLY)

To the best of my knowledge, I certify that the information provided in this Company Application was provided by the Company and is true, complete and accurate. I further certify that the signatures were provided by the Company's authorized representative.

♦ SALES REP PRINTED NAME: MARY FLADLAND		♦ REP ID #: 38101	♦ DATE: 10-23-2020
♦ REP PHONE #: 425-210-9606	♦ REP EMAIL: mary.fladland@elavon.com		USA-GOV-ELV-1020

ADDENDUM TO THE TERMS OF SERVICE FOR GOVERNMENT/INSTITUTIONAL COMPANIES

The following provisions hereby replace the like-numbered provisions of the Terms of Service ("**TOS**") or are hereby inserted or deleted from the TOS, as indicated, for Companies operating under the Agreement. Capitalized terms used and not otherwise defined in this Addendum shall have the meanings ascribed to them in the Agreement or the Operating Guide.

1) **Section 4.1 Security Interests** is deleted.

2) **Section 5.2(a)** is revised to add the following:

   "(iv) Company may terminate the Agreement on 60 days' prior written notice to Elavon if sufficient legislative appropriation is not available."

3) **Section 5.2(b)** is deleted and replaced with the following:

   "**By Elavon**. Elavon may terminate the Agreement immediately in writing if any of the following occur:

   (i) A material adverse change in Company's financial condition;

   (ii) The commencement of a Bankruptcy Proceeding by or against Company;

   (iii) Any representation by Company is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the Term;

   (iv) Any Payment Network or application of Payment Network Regulations requires Elavon to terminate the Agreement or cease processing Transactions for Company;

   (v) Assignment of the Agreement or change of control of Company without Elavon's written consent;

   (vi) The levy, garnishment or attachment of the DDA, the Reserve Account, or any of Company's property in Elavon's possession;

   (vii) Any change, not approved by Elavon, that constitutes a material change in the types of goods or services Company sells or in the methods by which Company sells them, or any change that results in Company's violation of Elavon's underwriting policy; or

   (viii) If, after Elavon provides 30 days' written notice, Company has either (1) Chargebacks or Retrieval Requests in excess of 1% of the gross dollar amount of Company's Transactions or returns in excess of 2.5% of the gross dollar amount of Company's Transactions, or (2) the acceptance of Card Not Present or Convenience Fee Transactions without proper disclosure to Elavon in the Agreement (including in the Company Application) or an amendment to the Agreement.

4) **Section 10.1Audit** is revised to read as follows:

   "**Audit.** If Elavon or Member reasonably suspects that they are subject to a financial or reputational risk due to Company's actions or omissions, Company authorizes Elavon and its agents to perform an audit or inspection of Company's operations and records to confirm Company's compliance with the Agreement upon reasonable advance notice, during normal business hours, and at Elavon's expense (unless Elavon reasonably determines based on such audit that Company is not in compliance with the Agreement, in which case Company will bear the cost). Company will obtain and submit a copy of an audit from a third party acceptable to Elavon of the financial, physical security, information security, and operational facets of Company's business at its expense when requested by Elavon. Further, Company acknowledges and agrees that the Payment Networks have the right to audit Company's business to confirm compliance with the Payment Network Regulations. Company will maintain complete and accurate records of its performance under the Agreement. Company will execute and deliver to Elavon all documents Elavon reasonably deems necessary to verify Company's compliance with Section 8.1."

5) **Section 10.2(b) Financial Information** is revised as follows:

   "**Financial Information.** At Elavon's request, Company will provide Elavon audited financial statements prepared by an independent certified public accountant selected by Company, or if Company is audited by a governmental authority, then Company will provide financial statements from such governmental authority. Within 120 days after the end of each fiscal year (or in the case of a government entity, when available), Company will furnish Elavon, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Company will also provide Elavon such interim financial statements and other information as Elavon may request from time to time."

6) **Section 13 Indemnification** is deleted and replaced with the following four sections:

   "**13(a). Company Responsibilities.** As between Company and Elavon, Company will be responsible for, and at its own expense, defend itself against any suits, claims, losses, demands or damages arising out of (i) any sale or provision of

goods or services resulting in a Transaction processed under the Agreement; (ii) Company's breach of the Agreement; (iii) all use of any user ID and password other than by Elavon or Elavon's third-party contractors; (iv) Company's or its Service Providers' gross negligence or willful misconduct; (v) Company's or its Service Providers' violation of Laws or Payment Network Regulations; or (vi) any personal injury or real or tangible personal property damage to the extent caused by Company or its Service Providers. Company will not make any claims against Elavon for any liabilities, claims losses, costs, expenses and demands of any kind or nature, arising out of or in connection with any of the foregoing suits, claims, losses, demands or damages.

13(b). Elavon Responsibilities. In addition to Elavon's obligations in Section 13(c), Elavon will be responsible for and will at its own expense defend itself against any suits, claims, losses, demands or damages arising out of (i) Elavon's breach of the Agreement; (ii) Elavon's or its third party contractors' gross negligence or willful misconduct; (iii) Elavon's or its third party contractors' violation of applicable Laws or Payment Network Regulations; (iv) Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services in the form delivered or Company's use thereof; or (v) any personal injury or real or tangible personal property damage to the extent caused by Elavon or its third party contractors.

13(c). Infringement Claims.

(i) Elavon will defend Company and its employees, officers, and agents in connection with claims, actions, demands or proceedings (made or threatened) brought by a third party, and will pay the final award of damages assessed against Company, its employees, officers or agents in a final judgment by a court of competent jurisdiction, including awarded costs, or any amount in settlement or compromise authorized by Elavon in writing, arising out of Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services (but not Equipment) in the form delivered or Company's use thereof (an "Infringement Claim").

(ii) If any part of the Services or the use of the Services becomes, or in Elavon's opinion is likely to become, the subject of an Infringement Claim, and as a result of such Infringement Claim Company's use of the Services may be enjoined or interfered with, then Elavon will, at its option and expense, either, and in addition to defending Company and paying the final amount of damages as provided for in this section, (1) obtain a license for Company to continue using the alleged infringing component(s) of the Services; (2) modify the alleged infringing component(s) of the Services to avoid the infringement in a manner that still permits the Services to perform in all material respects in accordance with the Agreement; or (3) replace the alleged infringing component(s) of the Services with compatible, functionally equivalent, and non-infringing component(s). Elavon will use commercially reasonable efforts to accomplish the remedies identified in this section in a manner that minimizes the disruption to Company's business operations. If Elavon is not able to accomplish the above remedies within a commercially reasonable time frame and on commercially reasonable terms, Elavon may terminate the Agreement upon written notice to Company. Upon such termination, Elavon will promptly refund any fees paid for Services not performed as of the date of termination.

(iii) Elavon will have no liability for any Infringement Claim to the extent caused by (1) access to or use of the Services other than as specified under the Agreement and the related Documentation, (2) combination or use of the Services with non-Elavon products or services (whether or not provided to Company by Elavon), (3) any hardware, devices, software, services or other resources not provided by Elavon, (4) failure or refusal by Company to install, implement or use any Update or correction provided by Elavon, (5) modification or alteration of the Services by anyone other than Elavon without Elavon's prior written consent, (6) Company's goods or services, or (7) the negligence, gross negligence or willful misconduct of, or breach of the Agreement by, Company.

(iv) THIS SECTION 13(c) SETS FORTH THE EXCLUSIVE REMEDY OF COMPANY AND THE SOLE AND COMPLETE LIABILITY OF ELAVON WITH RESPECT TO ANY INFRINGEMENT CLAIMS.

13(d). Procedure.

(i) If an Infringement Claim is subject to Elavon's obligations in Section 13(c) of the Agreement, Company will:

(1) Provide Elavon prompt notice of the Infringement Claim (provided that any delay in notification will not relieve Elavon of its obligations under this Section 13(d) except to the extent that the delay materially impairs its ability to fully defend the Infringement Claim);

(2) Subject to Section 13(d)(ii), give Elavon the right to exercise exclusive control over the preparation and defense of the Infringement Claim, including appeals, negotiations and any settlement or compromise thereof, provided that Elavon will notify Company in writing of its election regarding the assumption of control of the preparation and defense of such Infringement Claim within 15 days following receipt of Company's written notice of such Infringement Claim, but, in any event, no later than 10 days before the date on which any written response to a complaint, summons, or other legal filing is due; and

(3) Provide such assistance in connection with the defense and settlement of the Infringement Claim as Elavon may reasonably request, at Elavon's expense. Elavon will not enter into any settlement that imposes any liability or obligation on Company, or contains any admission or acknowledgement of wrongdoing (whether in tort or otherwise), without Company's prior written consent.

(ii) Company may join in the defense, with its own counsel, at its own expense."

7) **Section 16 Personal Guaranty** is deleted.

8) **Section 18.2 Jurisdiction and Venue; Governing Law** is deleted.

9) **Section 18.3 Exclusivity** is deleted.

10) **Section 18.5 Assignability** is revised as follows:

"**Assignability.** Company will not assign the Agreement, directly, by operation of law, or by change of control of Company, without Elavon's prior written consent. If Company nevertheless assigns the Agreement without Elavon's consent, the Agreement will be binding on both the assignee and Company. Elavon will not transfer or assign the Agreement without the prior written consent of Company, provided that such consent will not be required for (i) the assignment or delegation to an affiliate of Elavon, or (ii) the assignment or delegation to any Person into or with which Elavon will merge or consolidate, or who may acquire substantially all of Elavon's stock or assets."

11) **Section 18.6Arbitration** is deleted.

12) **Section 18.9 Attorney's Fees and Expenses** is deleted.

13) **Section 18.12 Amendments** is revised as follows:

"**Amendments.** Except as otherwise provided in the Agreement, amendments to the Agreement will be in writing and signed by the parties. Notwithstanding the foregoing, Elavon and Member may amend or modify the Agreement, to the extent such changes are required by or attributable to changes in the Payment Network Regulations or other Laws, upon written notice to Company. Elavon or Member will inform Company of such a change in a periodic statement or other written notice, and such change will become effective at least 30 days after the issuance of the notice. Notwithstanding the previous sentence, changes to fees authorized by the Agreement will be effective upon notice to Company, unless a later effective date is provided. Further, Elavon is entitled to pass through to Company any fee increases imposed upon Elavon by Visa, MasterCard, Discover Network, any other Payment Network, and any other third party including telecommunications vendors."

14) **Schedule A, Section 1.8 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. All documents of title and evidence of delivery will be delivered to Lessor. Lessee hereby authorizes Lessor, at Lessee's expense, to cause the lease or any statement or other instrument in respect to the lease showing the interest of Lessor in the Leased Equipment including Uniform Commercial Code Financing Statements, to be filed or recorded and/or refiled and rerecorded, and grants Lessor the right to execute Lessee's name thereto. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose, and agrees to pay or reimburse Lessor for any filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. Lessee will at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever and, will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may reasonably request. Provided Lessee is not in default hereunder, Lessee will quietly use and enjoy the Leased Equipment subject to the terms hereof."

15) **Schedule A, Section 1.10 Net Lease; Taxes** is replaced as follows:

"**Net Lease; Taxes**. Lessee intends the rental payments hereunder to be net to Lessor, and Lessee agrees to pay any applicable sales, use, excise, personal equipment, stamp, documentary and ad valorem taxes, license and registration fees, assessment, fines, penalties and similar charges imposed on the ownership, possession or use of the Leased Equipment during the term of the lease. Lessee will pay all applicable taxes (except Lessor's federal or state net income taxes) which may be imposed on Lessor or Lessee with respect to the lease payments hereunder or the ownership of the Leased Equipment. Lessee will pay as additional rent, any applicable taxes documented as paid or advanced by Lessor on behalf of Lessee. Lessee agrees that the reimbursement of equipment tax calculation is based on an average tax rate. Unless otherwise agreed to in writing, Lessee will file personal equipment tax returns with respect to the Leased Equipment."

16) **Schedule A, Section 1.11 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

17) **Schedule A, Section 1.16 Remedies** is replaced as follows:

"**Remedies**. If an Event of Default will occur, Lessor may, at its option, at any time (i) declare immediately due and payable and recover from Lessee, as liquidated damages for the loss of a bargain and not as a penalty, an amount equal to all accrued and unpaid rental payments and late charges, taxes, and other fees, plus the Loss Amount; provided, however, that if an Event of Default will occur as described in Section 1.15(iv) through (vi) above, Lessor without any notice or action will be deemed to have made such a declaration; (ii) automatically charge the DDA for all money amounts owed; (iii) to the extent permitted by applicable Law, without demand or legal process, enter into the premises where the Leased

Equipment may be found and take possession of and remove the Leased Equipment, without liability for such retaking; (iv) Lessor may hold, sell or otherwise dispose of any such Leased Equipment at a private or public sale; or (v) exercise any other remedies available under applicable Law. If Lessor takes possession of the Leased Equipment, Lessor will give Lessee credit for any sums received by Lessor from the sale or rental of the Leased Equipment after deduction of the expenses of sale or rental and Lessee will remain liable to Lessor for any deficiency. Notwithstanding the foregoing, to the extent any software included with the Leased Equipment is nontransferable or its transfer restricted, Lessee agrees that Lessor and/or the licensor of such software will have no duty to remarket or otherwise mitigate any damages relating to such software.

Lessee will also be responsible for all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies including all expenses of repossessing, storing, shipping, repairing and selling the Leased Equipment. Lessor and Lessee acknowledge the difficulty in establishing a value for the unexpired lease term and, owing to such difficulty, agree that the provisions of this Section represent an agreed measure of damages and are not to be deemed a forfeiture or penalty. All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by Law, and may, to the extent permitted by Law, be exercised concurrently or separately. The exercise of any one remedy will not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right to remedy will operate as a waiver thereof or modify the terms of the lease."

18) **Schedule A, Section 1.19 Miscellaneous** is replaced as follows:

"**Miscellaneous**. If Lessee fails to pay any rent or other amount required herein to be paid to Lessor within five (5) days of when due, Lessee agrees to pay Lessor, in addition to the payment, a late charge of 15% of the amount past due (but at least $7.50) for each late payment. Each month the past due payment remains unpaid, an additional late fee in the amount defined will be assessed. Payments are applied to late fees and service charges first and then to the lease obligation. Amounts will be payable in addition to all amounts payable by Lessee to Lessor as a result of exercise of any of the remedies herein provided. If Lessee requests any services not provided for herein, Lessee agrees to pay an applicable fee for delivery of such services. Lessee will inform Lessor of any change in Lessee's name, address, billing address, telephone numbers, location of the Leased Equipment, or DDA. If Lessee fails to comply with any provision of the lease, Lessor will have the right, but not be obligated, to affect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all monies expended by, and all expenses of Lessor in effecting such compliance, will be deemed to be additional rental, and will be paid by Lessee at the time of the next monthly payment of rent. All notices under the lease will be sufficient if given personally or mailed postage prepaid to the party intended at the respective address set forth herein, or at such other address as said party may provide in writing from time to time. The lease inures to the benefit of and is binding upon the personal representatives, successors and assigns of the parties hereto. Time is of the essence of the lease. Lessor and Lessee intend the lease to be a valid and subsisting legal instrument, and agree that no provision of the lease that may be deemed unenforceable will in any way invalidate any other provision or provisions of the lease, all of which will remain in full force and effect. The lease will be binding when accepted in writing by Lessor and will be governed by the laws of the state where the Leased Equipment is located."

19) **Schedule A, Section 1.20 Important Information about Credit Reporting** is deleted.

20) **Schedule A, Section 2.6 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. Lessor may at Lessee's expense, cause the lease or any document, statement or other instrument in respect to the lease showing Lessor's interest in the Leased Equipment, including without limitation Personal Property Security Act or Civil Code of Quebec financing statements, to be filed, registered or recorded, or refiled, reregistered and rerecorded, as applicable. Lessee waives the right, where permitted by law, to receive a copy of any financing statement, financing change statement or verification statement. Lessee agrees to execute and deliver any document, statement or instrument requested by Lessor for such purpose, and agrees to reimburse Lessor for any expense arising therefrom. Lessee will at Lessee's expense protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever, and will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for and deliver to Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may request. Provided Lessee is not in default hereunder, Lessee may quietly use and enjoy the Leased Equipment subject to the terms hereof."

21) **Schedule A, Section 2.9 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

22) **Schedule B, Section 1.5 Personal Guaranty** is deleted.

23) **Schedule B, Section 1.6 Jurisdiction and Venue; Governing Law** is deleted.

24) **Schedule B, Section 1.7 Arbitration** is deleted.

25) **Schedule C, Section 16** is hereby added:

"16. Effective March 1, 2020, (i) either Elavon or Company may terminate the ECS services portion of the Agreement at any time upon thirty days' prior written notice to the other party, and (ii) Elavon may, at its option, transition Company to a new program offered by Elavon that provides services similar to the ECS."

SIGNATURES ON THE NEXT PAGE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1-612-333-3323
Hays Companies

80 South 8th Street
Suite 700
Minneapolis, MN 55402

CONTACT NAME: Dawn Heinemann and Melody Kronbach
PHONE (A/C, No, Ext): 612-333-3323 FAX (A/C, No): 612-373-7270
E-MAIL ADDRESS: dheinemann@hayscompanies.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: OLD REPUBLIC INS CO	24147
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
U.S. Bancorp and its Subsidiaries

200 South 6th Street
EP-MN-L20I
Minneapolis, MN 55402

COVERAGES

CERTIFICATE NUMBER: 60629716 REVISION NUMBER:

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		MWZY31397920	08/01/20	08/01/21	EACH OCCURRENCE	$ 5,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ EXCLUDED
							PERSONAL & ADV INJURY	$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 6,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 6,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY	X		MWTB31397720	08/01/20	08/01/21	COMBINED SINGLE LIMIT (Ea accident)	$ 250,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		X	MWC31397620	08/01/20	08/01/21	X PER STATUTE / OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$ 2,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 2,000,000
							E.L. DISEASE - POLICY LIMIT	$ 2,000,000
A	Excess Automobile Liab.			MWZX31398120	08/01/20	08/01/21	LIMIT	4,750,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Oxnard, its City Council, officers, employees & volunteers are additional insured for On-going & Completed Ops & on a primary and non-contributory basis as respects general liability & additional insured as respects automobile liability policies where required by written contract subject to the policy(s) terms and conditions. Waiver of subrogation applies in favor of the additional insured as respects workers compensation policy where required by written contract subject to the policy terms and conditions.

CERTIFICATE HOLDER

City of Oxnard

Insurance Compliance
PO Box 100085-OX

Duluth, GA 30096
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

IN WITNESS WHEREOF, these signatures supplant the signature blocks on page 6 of *New Application-Government/Institutional* form of A-8269. Further, the parties hereto have executed the *Addendum to the Terms of Service for Government/Institutional Companies* beginning at page 7 of A-8269.

CITY OF OXNARD

_____ _____

John C. Zaragoza, Mayor Date

ELAVON, INC.

_____ 11/17/2020

[name], [title][1] Timothy I. Miller Date

Senior Vice President

Global Credit and Risk 11/17/2020

[name] , [title] Date

ATTEST:

_____ _____

Rose Chaparro, City Clerk Date

(only if Mayor signs)

APPROVED AS TO FORM:

_____ 12/20/20

Stephen M. Fischer, City Date

Attorney (always required)

[1] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

NEW APPLICATION-GOVERNMENT/INSTITUTIONAL

1 COMPANY INFORMATION

♦ DBA NAME: OXNARD UTILITIES ON LINE

CONTACT NAME: EDEN ALOMERI | MARTHA GUERRA

♦ DBA ADDRESS TYPE: Business ♦ DBA ADDRESS1 (NO PO BOX): 214 SOUTH C STREET

DBA ADDRESS 2: C2G WEB UTILITY PAYMENTS

♦ CITY: OXNARD | ♦ STATE CA | ♦ ZIP CODE: 93030

♦ DBA PHONE #: 805-385-7811 | DBA FAX #: 805-385-7865

DATE FOUNDED: 1903 | MOBILE PHONE #:

♦ EMAIL ADDRESS: eden.alomeri@oxnard.org

CIP EXEMPTION: US State Local Govt

2 OTHER ADDRESS (IF DIFFERENT THAN ABOVE)

☐ MAILING ☐ SHIPPING ☐ SEE ALSO SPECIAL INSTRUCTIONS (MORE THAN ONE OPTION MAY BE SELECTED)

LOCATION NAME: | PHONE #:

CONTACT: | FAX #:

ADDRESS: | CITY: | STATE: | ZIP CODE:

STATEMENTS/ RETRIEVALS /CHARGEBACKS

STATEMENTS: ☒ DBA OR ☐ MAILING OR ☐ W-9 | AUTO SEND: ☒ YES ☐ NO (CHAIN COMPANIES ONLY – MUST INCLUDE CHAIN SET UP FORM)

RETRIEVALS: ☐ ONLINE CASE MANAGEMENT (OCM) OR EMAIL TO: eden.alomeri OR FAX TO: ☐ DBA ☐ MAILING OR MAIL TO: ☐ DBA ☐ MAILING

CHARGEBACKS: ☐ ONLINE CASE MANAGEMENT (OCM) OR EMAIL TO: eden.alomeri OR FAX TO: ☐ DBA ☐ MAILING OR MAIL TO: ☐ DBA ☐ MAILING

3 CONTACT INFORMATION (AUTHORIZED REP)

♦ ☒ OFFICER ☐ MANAGER ☐ AUTHORIZED REPRESENTATIVE ☐ OTHER: _____

♦ FIRST NAME: EDEN | MN: | ♦ LAST NAME: ALOMERI

♦ TITLE: ASST CITY TREASURER | DIR. REVENUE AND LICENSING | ♦ US PERSON: YES

▸ CONTACT ADDRESS (NO PO BOX): 214 SOUTH C STREET | ▸ ADDRESS TYPE: BUSINESS

▸ CITY: OXNARD | ▸ STATE: CA | ▸ ZIP CODE: 93030

▸ DOB: XX-XX-XXXX | CONTACT PHONE #: 805-385-7811

INDIVIDUAL ID EXEMPTION CLASS: **GOVERNMENT** ☐ FEDERAL ☐ STATE ☒ LOCAL (POLITICAL SUBDIVISION OF A US STATE)

OTHER COMPANY INFORMATION

♦ AVERAGE SALE AMOUNT: $ 200

♦ HIGH SALE AMOUNT: $ 10,000

♦ NUMBER OF HIGH SALES TRANSACTIONS ANNUALLY: 12

♦ TOTAL **MONTHLY** VISA/MC/AMEX/DISC/UNIONPAY SALES: $ 2,000,000

♦ ANNUAL TOTAL REVENUE: (CASH, CHECK, CARD) $ 24,000,000

♦ INDUSTRY TYPE: INTERNET

♦ DESCRIPTION OF PRODUCT/SERVICES OFFERED: Utility Payments

SPECIAL PROGRAM MCC ONLY: 4900

WHEN DOES THE CUSTOMER RECEIVE THE PRODUCT OR SERVICE?
IF NOT SAME DAY, _____ # OF DAYS (INCLUDE SHIPPING TIME FRAME)

☐ CARD PRESENT 100%
☐ CARD NOT PRESENT 100%
☒ INTERNET 100%
☐ OMNI COMMERCE

OMNI COMMERCE (MUST TOTAL 100%)
CARD PRESENT ____ %
CARD NOT PRESENT* ____ %
INTERNET * ____ %

▸ **INTERNET :** PRODUCT WEBSITE: https://www.oxnard.org/online-services-2/

▸ **INTERNET:** "CONTACT US" EMAIL:

*CUSTOMER SERVICE PHONE # AND PREVIOUS PROCESSOR REQUIRED BELOW

▸ CUSTOMER SERVICE PHONE #: 805-385-7816

▸ PREVIOUS PROCESSOR: **Bank of America**

IF SEASONAL, PLEASE CHECK MONTHS CLOSED BELOW. (CUSTOMER MUST CONTACT CUSTOMER SERVICE TO DEACTIVATE AND REACTIVATE ACCOUNT)

☐ JANUARY ☐ FEBRUARY ☐ MARCH ☐ APRIL ☐ MAY ☐ JUNE
☐ JULY ☐ AUGUST ☐ SEPTEMBER ☐ OCTOBER ☐ NOVEMBER ☐ DECEMBER

BANK ACCOUNT (CHECKING ACCOUNTS ONLY)

♦ DEPOSIT BANK NAME: BANK OF AMERICA | ♦ ABA/ROUTING #: 1210003058 | ♦ DDA ACCOUNT #: XXXXXXX047

BILLING/CHARGEBACK BANK NAME (IF DIFFERENT): | ABA/ROUTING #: | DDA ACCOUNT #:

CHARGEBACK BANK NAME (IF DIFFERENT THAN BILLING): | ABA/ROUTING #: | DDA ACCOUNT #:

FUNDING OPTIONS: | MONTHLY FEE $ | TAPE ID (OPT):

Card Acceptance *(Please check each card you wish to accept)*

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)/ with PIN / PINLess Debit
☐ PIN Debit ☐ PINLess Debit

☐ All Visa/MasterCard/AMEX/UnionPay/ Discover(JCB, DI, Pay Pal Payment Device)

■ Visa Credit ■ Visa Debit ■ MC Credit ■ MC Debit ■ Discover (JCB, DI ,Pay Pal Payment Device) ☐ UnionPay ☐ Amex
☐ PIN Debit ☐ PINLess Debit

Pricing Category

☐ Retail
☐ Restaurant
☐ Lodging
☐ Supermarket
■ MO/TO / Internet
☐ ARU
☐ Omni Commerce (Tiered & EICP Only)

Pricing Information

Pricing Program: *(fixed only)*	Visa/MasterCard/UnionPay/ Discover Cards (JCB, DI,Pay Pal Pay Device**)		American Express Opt Blue		PIN//PINLess Debit***	
	Rate*	Per Item*	Rate	Per Item	Rate	Per Item
Tiered						
Qualified	%	$	%	$	%	$
Mid Qualified	%	$	%	$		
Non Qualified	%	$	%	$		
Standard	%	$	%	$		
Opt. ☐ Check Card ☐ Sprmkt ☐ QPS/Small Tkt						
Opt. Rewards	%	$				
Opt. Commercial Card	%	$				
Interchange Plus	0.05 %	$ 0	%	$	%	$
PIN/PINLess Debit Enablement Service Fee						$
Enhanced IC Plus						
Check Card Qualified	%	$				
Qualified	%	$	%	$	%	$
Rewards Qualified	%	$				
Mid Qualified	%	$	%	$		
Commercial Non Qualified	%	$				
Non Qualified	%	$	%	$		
Fixed - pricing pgm:	%	$	%	$		

*Rates are for all Card Acceptance types selected. All Card Brand Assessments will be passed through at cost.
**Paypal Acceptance and rates are based on card present transactions only.
***PIN/PINLess Debit rate will be optimized available rate

Fees

Application	$ 0
Installation/Training	$ 0
Reporting & Support Package (per month)	$ 0
Monthly Minimum	$ 25
Chargeback (per occurrence)	$ 25
Return Item/NSF (per occurrence)	$ 20
Other:	$
Statement: ☐ Electronic or ■ Paper Monthly Statement Mailing(paper statements only)	$10
Rush Shipment	$ 0
Other:	$

Authorizations

Visa (per auth)	$	Voice - ARU (per auth)	$ 0.85
MasterCard (per auth)	$	Voice Operator (per auth)	$ 0.85
Discover (per auth)	$	Voice - AVS (per auth)	$ 0.85
UnionPay (per auth)	$	Voice Bank Ref (per auth)	$ 0.85
AMEX Opt Blue (per auth)	$		
AMEX Public Sector (TPSP)(per auth)	$	Dial Communication (per auth)	$ 0.024
PIN/PINLess Debit (per auth)			$
International Card Handling Fee (Rate): (charged on Visa, MC, Discover,AMEX)			0.40 %

Security Programs

Security Program (per month): ▸ **PCI Basic**

Please see pricing for the Security Program you have selected in the Company Representations and Certifications below.

Other Card Types Existing

Amex SE # *(10 digits)*: Per Auth: $ | EBT SE # *(7 digits)*: Per Auth: $

American Express Public Sector (TPSP)

☐ Company is eligible for American Express Public Sector (TPSP) and accepts ☐ Company is eligible for American Express Public Sector (TPSP) but declines acceptance

Industry Type:

Pricing Information for American Express Public Sector (TPSP)

Tiered	Rate	Per Item	Enhanced ICPlus	Rate	Per Item
Qualified	%	$	Qualified	%	$
Mid Qualified	%	$	Mid Qualified	%	$
Non Qualified	%	$	Non Qualified	%	$
Interchange Plus	%	$			

POINT OF SALE (EQUIPMENT OR SOFTWARE)

NETWORK: ☒ ELAVON ☐ OTHER ☐ A THIRD PARTY INTEGRATOR WILL BE USED FOR IMPLEMENTATION:

VAR SERVICE PROVIDER (HOSTED): **Viaconnex** VAR (DISTRIBUTED): VENDOR: **Paymentus** PRODUCT: **Click2Gov** VERSION: **n/a**

OF TIDS **1** TID TYPE OMNI ONLY: # OF TIDS TID TYPE OMNI ONLY:

							PURCHASE/SETUP	SOFTWARE/WIRELESS		
QTY	POS DESCRIPTION	ITEM CODE	TID TYPE OMNI ONLY	TERMINAL ENCRYPT	OWNS	REPROG FEE PER UNIT	PRICE PER UNIT	ANNUAL FEE PER UNIT	MONTHLY FEE PER UNIT	PER AUTH FEE
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$
				☐	☐	$	$	$	$	$

ALL APPLICABLE STATE AND LOCAL TAXES WILL BE APPLIED. ☐ SALES TAX EXEMPT

Elavon and Member have no responsibility for, and shall have no liability to Company in connection with, any hardware or software, or any related services, Company receives under a direct agreement (including any sale, warranty or end-user license agreement) between Company and a third party, including any Value Added Servicer, even if Elavon collects fees or other amounts from Company with respect to such hardware, software or services.

ADDITIONAL POS SERVICES:	DESCRIPTION	SETUP FEE	ANNUAL FEE	MONTHLY FEE	PER AUTH FEE
		$	$	$	$
		$	$	$	$

TERMINAL PROGRAMING INSTRUCTIONS *(DO NOT USE FOR CONVERGE – THIS INFORMATION IS COVERED DURING TRAINING)*

☐ **RETAIL (AUTO CLOSE DEFAULT)** ☐ QUICK CLOSE ☐ STORE AND FORWARD ☐ NO SIGNATURE ☐ CONTACTLESS (+ NO SIGNATURE)

☐ **RESTAURANT (QUICK CLOSE DEFAULT)** TIP FUNCTION (DEFAULT) ☐ FINE DINING ☐ TAB FUNCTION

☐ **CARD NOT PRESENT (AUTO CLOSE DEFAULT)** ☐ QUICK CLOSE

☐ **LODGING (QUICK CLOSE DEFAULT)** ☐ QUICK STAY

☐ **SEMI INTEGRATED**

CUSTOM PROMPTS: ☐ TERMINAL AUTO CLOSE (RTL, MOTO) TIME ZONE ☐ CASH BACK PIN DEBIT (RTL): $ (MAX) ☐ CUSTOM FOOTER:
☐ NO TIP (REST) ☐ NO SERVER PROMPT (REST) ☐ CLERK PROMPT (RTL) ☐ TIP FUNCTION WAITER (RTL) ☐ TIP FUNCTION CASHIER (RTL)

COMMUNICATION METHOD (IP DEFAULT): ☐ DIAL **TRAINING (DEFAULT = TRAINING REQUIRED):** ☐ NO TRAINING **PHONE INFORMATION:** ACCESS #:

REPORTING TOOLS

☐ MCP ONLY **OR** ☐ MCP WITH OCM ▸ MONTHLY FEE $ ▸SET UP FEE $ ▸# USERS ▸SET UP TYPE (CHECK ONE) ☐ MID ☐ CHN

☐ ACS ▸MONTHLY FEE $ ▸SET UP FEE $ ▸REMOTE ID

OTHER VAS

☐ 3D Secure Per Occurrence: $

Electronic check and ACH Processing and Service Options

Annual Check Volume: $	Maximum Check Amount: $
Average Check Amount: $	Monthly Minimum: $

ECS- Paper Check Conversion	ACH Echeck – Card Not Present (CNP)
Processing Options: ☐ POP – Point of Purchase ☐ ARC – Accounts Receivable Conversion ☐ BOC – Back Office Conversion	**Processing Options:** ☐ Concurrent Enrollment (includes: WEB, TEL, PPD and CCD) = XNP ☐ Individual Enrollment - choose one (one per MID) ☐ WEB – Internet Initiated Entries ☐ TEL/IVR – Telephone Initiated Entries ☐ PPD – Prearranged Payment Entries ☐ CCD – Corporate to Corporate Entries ***Converge setups will be Concurrently enrolled in all product types = XNP***
Service: ☐ **Conversion with Guarantee** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **Conversion with Verification** or ☐ **Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____	**Service:** ☐ **ACH-Echeck with Verification** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____ ☐ **ACH-Echeck Conversion Only** Discount Rate: _____ % Per Transaction: $_____ Per Return Transaction: $_____

Other ECS Check Conversion Service Requests

☐ Prompts for Driver's License Number, State of License Issuance and Telephone Number (Required for Guarantee Service)

ACH-Echeck Questionnaire

1. What types of payments will you accept using ACH-Echeck (e.g., utility bill payments, monthly rent payments, monthly billing for general services)?
2. Will you obtain authorization from your customers prior to accepting an ACH entry in accordance with the ECS MOG (e.g., orally via telephone for tel/ivr, or in writing for ppd)? ☐ **Yes** ☐ **No**
3. Will you verify and authenticate the identity of your customers in accordance with the ECS MOG prior to initiating ACH entries for those customers (e.g., by obtaining a customer's name, address and telephone number or using a database to verify the accuracy of the information provided by customer)? ☐ **Yes** ☐ **No**
4. Will you offer ACH-Echeck to existing or new customers? ☐ **Existing** ☐ **New**
5. Will you maintain and disclose to your customers procedures for cancelling an authorization? ☐ **Yes** ☐ **No**
6. Will you ensure that information regarding each transaction authorization entered by a customer and/or your service representative is accurate and not a duplicate transaction? ☐ **Yes** ☐ **No**

Convenience Fee and Government/Public Institution Service Fees (GPISF)

Convenience Fee Services Programs

Convenience Fee Funding Model (check one):

- ☐ Company Managed Convenience Fee[1]
- ☐ Elavon Managed Convenience Fee[2]
- ☐ Partner Managed Convenience Fee[3]

Payment Transaction Types

☐ Credit (check all that apply):

☐ Visa ☐ MasterCard ☐ Discover ☐ American Express PS

☐ Signature Debit (check all that apply):

☐ Visa ☐ MasterCard ☐ Discover

☐ PIN-Based Debit ☐ PINLess Debit

☐ ACH (via Electronic Check Services)

Elavon Product Supporting Elavon-Managed Convenience Fee Assessment to be Used by Company (check all that apply):

☐ Paycentric Bill Pay Services ***(additional enrollment form required)*** :

☐ Company Proprietary Solution or Value-Added Servicer

☐ Other:

Convenience Fee Pricing:

Convenience Flat Fee Amount: **$**

Convenience Fee **%**: (MasterCard, Discover & ACH Programs only)

Implementation Fee (if applicable): **$**

GPISF Services Programs

(check all that apply, but only if Company elects GPISF assessments:

☐ Company-Managed Service Fee[4]

☐ Company-Managed with Elavon POS Devices/Service Fee Terminals[5]

☐ Elavon-Managed Service Fee[6]

☐ Partner Managed Service Fee[7]

Card Acceptance (check all that apply):

☐ Point of Sale ☐ Internet

☐ IVR ☐ Other:

GPISF Services Programs (check all that apply, but only if Company elects GPISF assessments:

☐ MasterCard Government and Education Payment Program

☐ Visa Government and Education Payment Program

☐ American Express Government and Education Payment Program

☐ Discover Government and Education Payment Program

Transaction Types:

☐ Federal Income Tax ☐ Business Tax

☐ Government Fees ☐ Other Tax

☐ State Income Tax ☐ Tuition

☐ Real Estate Property Tax ☐ Other Education Expenses

Payment Types for GPISF Assessment (not all payment types are supported for all programs)(check all that apply, but only if Company elects GPISF assessment):

☐ Credit – (check all that apply):

- ☐ Visa – Eligible MCCs: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399
- ☐ MasterCard – Eligible MCCs: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
- ☐ Discover (available if Elavon-acquired)
- ☐ American Express PS – Eligible MCCs: 8211, 8220, 8244, 8249, 9211, 9311, 9399, 9222

☐ Signature Debit – (check all that apply)

- ☐ Visa – Eligible MCCs: 8211, 8220, 8244, 8249, 9211, 9222, 9311, 9399
- ☐ MasterCard – Eligible MCCs: 8211, 8220, 8299, 9211, 9222, 9223, 9311, 9399,9402
- ☐ Discover (available if Elavon-acquired)

☐ ACH (via Electronic Check Services)

Elavon Product Supporting GPISF Assessment to be Used by Company (check all that apply):

☐ Paycentric Bill Pay Services ***(additional enrollment form required)***:

☐ Service Fee terminal

☐ Company Proprietary Solution or Value-Added Servicer

☐ Safe-T Services ***(additional enrollment form required)***

☐ Other:

GPISF Pricing:

Credit Card Service Fee: **%** or **$**

Signature Debit Service Fee: **%** or **$**

ACH (via Electronic Check Services): **$**

Implementation Fee (if applicable): **$**

[1] "Company-Managed" Convenience Fee means that Company establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) and retains the Convenience Fee. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all Convenience Fee Transactions.

[2] "Elavon- Managed" Convenience Fee means that Elavon establishes the amount of the Convenience Fee and retains the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement for Convenience Fee Transactions. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[3] "Partner- Managed" Convenience Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the Convenience Fee (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the Convenience Fee in lieu of Company's obligation to pay Elavon the per transaction fees as set forth in this application to the Agreement. The Convenience Fee is still charged by Company and included in the overall transaction amount charged to the Cardholder.

[4] "Company-Managed" Service Fee means that Company establishes the amount of the GPISF, programs its POS Devices to assess the GPISF, and retains the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations). Company pays Elavon the per transaction fees as set forth in this application for all GPISF Transactions.

[5] "Company-Managed with Elavon POS Devices/Service Fee Terminals" means that Elavon programs the POS Devices to assess the GPISF established by Company and Company retains the GPISF. Company pays Elavon the per transaction fees as set forth in this application to the Agreement for all GPISF Transactions.

[6] "Elavon-Managed" Service Fee means that Elavon establishes the amount of the GPISF, and Elavon charges and retains the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

[7] "Partner- Managed" Service Fee means that Sales Partner (a Sales Partner is a registered third party sales organization selling Elavon services) establishes the amount of the GPISF (subject to the requirements of the Agreement and applicable Payment Network Regulations) as set forth in this application to the Agreement. Elavon will retain the GPISF in lieu of Company's obligation to pay Elavon the per transaction fees and Safe-T Services fees (if Safe-T is chosen above) for GPISF Transactions.

SUBSTITUTE FORM W-9

☒ GOVERNMENT
☐ NON-PROFIT CHARITABLE OR SOCIAL (INCLUDE DOCUMENTS THAT SUPPORT TAX EXEMPT STATUS)
☐ OTHER

♦ LEGAL BUSINESS NAME*: CITY OF OXNARD

*NAME (OF BUSINESS) AS SHOWN ON YOUR BUSINESS INCOME TAX RETURNS. FOR SOLE PROPRIETORS, THIS SHOULD ALWAYS BE THE OWNER'S NAME.

♦ LEGAL BUSINESS ADDRESS (NO PO BOX): 214 SOUTH C STREET			▸TIN (EMPLOYER ID #): **96-6000756**
♦ CITY: OXNARD	♦ STATE: CA	♦ ZIP CODE: 93030	OR ▸TIN (SOCIAL SECURITY #):

4 COMPANY REPRESENTATIONS AND CERTIFICATIONS

Company Representations and Certifications. By signing below, the applicant company ("Company") and its representative(s) represent and warrant to Elavon, Inc. ("Elavon" or "member" as applicable), with offices at 7300 Chapman Highway, Knoxville, TN 37920 (collectively, "we" or "us") that (i) all information provided in this company application ("Company Application") is true and complete and properly reflects the business and financial condition of Company; and (ii) the persons signing this Company Application are duly authorized to bind Company to all provisions of this Company Application and the Agreement. The signature by an authorized representative of Company on the Company Application, or the transmission of a Transaction Receipt or other evidence of a Transaction to us, shall be the Company's acceptance of and agreement to the terms and conditions contained in the Agreement including, without limitation, this Company Application, the Terms of Service ("TOS"), the Addendum to the Terms of Service for Government/Institutional Companies attached hereto, and the Operating Guide incorporated herein by this reference and located at our website at https://www.merchantconnect.com/CWRWeb/pdf/TOS_ENG.pdf and https://www.merchantconnect.com/CWRWeb/pdf/OPERATING GUIDE_Eng.pdf, respectively. If you are accepting electronic payments through Transend Pay you also agree to the Terms and Conditions set out under the Resources tab at www.elavon.com/transendpay, and as subsequently amended in the Operating Guide in the Transend Pay Services Chapter. If Company does not have access to view the TOS or Operating Guide at our website please contact our customer service center. Notwithstanding any such non-receipt of the TOS or Operating Guide, Company agrees to comply with the Agreement, and all applicable laws, rules, and regulations including the rules and regulations of the Payment Networks, and understands that failure to comply will result in termination of processing services. Capitalized terms shall, unless otherwise defined in this Company Application, have the same meaning ascribed to them in the TOS and Operating Guide.

Company must obtain an Authorization Code via electronic terminal or similar device before completing any transaction. Company understands that an AUTHORIZATION CODE IS NOT A GUARANTEE OF ACCEPTANCE OR PAYMENT OF A TRANSACTION. RECEIPT OF AN AUTHORIZATION CODE DOES NOT MEAN THAT COMPANY WILL NOT RECEIVE A CHARGEBACK FOR THAT TRANSACTION.

Company and its representative(s) authorize us prior to our acceptance of this Company Application and from time to time thereafter, to investigate the business history and background of Company and to obtain credit reports or other background investigation reports on Company that we consider necessary to review the acceptance and continuation of this Company Application. Company also authorizes any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to us.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means we will ask for certain information and identifying documents to allow us to identify you.

This Company Application may be signed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same Company Application. Delivery of executed counterparts of this Company Application may be accomplished by a facsimile transmission, and a signed facsimile or copy of this Company Application shall constitute a signed original.

PCI Compliance and PCI Program Fee. All companies, regardless of Transaction volume, must comply with the requirements of the Payment Card Industry Data Security Standard ("PCI DSS"). Elavon's monthly Standard PCI Program Fee for Level 4 companies (based on Transaction volume) is **$84.99**. Any Level 4 company that validates PCI DSS compliance on an annual basis, with initial validation to occur no later than ninety (90) days after account approval, is eligible for the Discounted PCI Program Fee of **$10**___. *Merchants that have selected a SAFE-T solution*: Your price for the SAFE-T solution selected above is **$NA**___, which includes the Discounted PCI Program Fee. You must validate PCI DSS compliance within ninety (90) days of account approval, and annually thereafter, to continue to receive the Discounted PCI Program Fee. ***By signature below, Company acknowledges that if Company has not validated PCI DSS compliance within ninety (90) days of account approval, or in subsequent years on or before the anniversary date of account approval, Company will no longer be eligible for this discount and will be required to pay the full, undiscounted monthly Standard PCI Program Fee of $84.99 until Elavon is provided with validation of PCI DSS compliance. If Company utilizes a SAFE-T solution and Company fails to validate PCI DSS compliance, Company acknowledges that the price of Company's SAFE-T solution will be adjusted to $NA to reflect the loss of this discount.*** Company may be eligible for Data Breach Financial Assistance following account approval and PCI DSS compliance validation. See the PCI Compliance Program Overview in the Operating Guide for assistance details and conditions.

American Express Acceptance Program (Acceptance Program). If Company has elected to accept American Express® Transactions (as indicated in the Card Acceptance section of this Company Application), in addition to all other terms of this Agreement, Company agrees to the Acceptance Program terms of the TOS. By signing below or by accepting a Transaction initiated with an American Express® Payment Device, Company expressly authorizes Elavon to submit American Express® Transactions to, and to receive settlement funds from, American Express on Company's behalf. Company further authorizes Elavon to provide Company's contact information to American Express, and Company agrees that American Express may use and share such contact information for its business purposes and as permitted by applicable Laws, including to communicate with Company regarding products, services, and resources available to Company's business. American Express's use of the email address and mobile phone number provided above is subject to the consent to such use as indicated in Section 1 of this Company Application. Consent to American Express's use of contact information for such communications may be withdrawn at any time by contacting our customer service center. Even if consent is withdrawn, Company may still receive messages related to important information about Company's account from American Express. Company or Elavon may terminate Company's acceptance of American Express® Payment Devices at any time, with or without cause, without affecting Company's rights and obligations pursuant to the remainder of this Agreement. Company acknowledges that, if at any time Company is no longer qualified to participate in the Acceptance Program, Company may be enrolled in the standard American Express® card acceptance program, which may have different terms and conditions than the Acceptance Program, and Company's acceptance of American Express® Payment Devices pursuant to this Agreement will be terminated. Company acknowledges that American Express is an intended third-party beneficiary of this Agreement, solely with respect to the terms and conditions applicable to Company's acceptance of American Express® Payment Devices, and that American Express has the right to enforce such terms and conditions directly against Company.

A PIN/PINLess Debit Enablement Service Fee will be collected for any Interchange and Assessment savings generated through debit routing on your monthly debit transactions for Interchange Plus customers only. This monthly fee will be calculated from your actual debit transaction volume and will be a percentage of your overall debit cost savings. The PIN/PINLess Debit Enablement Service Fee collected and the Interchange and Assessment savings will be reflected on your monthly statement.

♦ SIGNATURE: X	♦ PRINTED NAME: See signature page 12	♦ TITLE:	♦ DATE:
SIGNATURE: X	PRINTED NAME: See signature page 12	TITLE:	DATE:

SUBMITTED BY (INTERNAL USE ONLY)

To the best of my knowledge, I certify that the information provided in this Company Application was provided by the Company and is true, complete and accurate. I further certify that the signatures were provided by the Company's authorized representative.

♦ SALES REP PRINTED NAME: MARY FLADLAND	♦ REP ID #: 38101	♦ DATE: 10-23-2020
♦ REP PHONE #: 425-210-9606	♦ REP EMAIL: mary.fladland@elavon.com	USA-GOV-ELV-1020

ADDENDUM TO THE TERMS OF SERVICE FOR GOVERNMENT/INSTITUTIONAL COMPANIES

The following provisions hereby replace the like-numbered provisions of the Terms of Service ("**TOS**") or are hereby inserted or deleted from the TOS, as indicated, for Companies operating under the Agreement. Capitalized terms used and not otherwise defined in this Addendum shall have the meanings ascribed to them in the Agreement or the Operating Guide.

1) **Section 4.1 Security Interests** is deleted.

2) **Section 5.2(a)** is revised to add the following:

   "(iv) Company may terminate the Agreement on 60 days' prior written notice to Elavon if sufficient legislative appropriation is not available."

3) **Section 5.2(b)** is deleted and replaced with the following:

   "**By Elavon**. Elavon may terminate the Agreement immediately in writing if any of the following occur:

   (i) A material adverse change in Company's financial condition;

   (ii) The commencement of a Bankruptcy Proceeding by or against Company;

   (iii) Any representation by Company is false or misleading in any material respect as of the date made, or becomes false or misleading in any material respect at any time during the Term;

   (iv) Any Payment Network or application of Payment Network Regulations requires Elavon to terminate the Agreement or cease processing Transactions for Company;

   (v) Assignment of the Agreement or change of control of Company without Elavon's written consent;

   (vi) The levy, garnishment or attachment of the DDA, the Reserve Account, or any of Company's property in Elavon's possession;

   (vii) Any change, not approved by Elavon, that constitutes a material change in the types of goods or services Company sells or in the methods by which Company sells them, or any change that results in Company's violation of Elavon's underwriting policy; or

   (viii) If, after Elavon provides 30 days' written notice, Company has either (1) Chargebacks or Retrieval Requests in excess of 1% of the gross dollar amount of Company's Transactions or returns in excess of 2.5% of the gross dollar amount of Company's Transactions, or (2) the acceptance of Card Not Present or Convenience Fee Transactions without proper disclosure to Elavon in the Agreement (including in the Company Application) or an amendment to the Agreement.

4) **Section 10.1Audit** is revised to read as follows:

   "**Audit.** If Elavon or Member reasonably suspects that they are subject to a financial or reputational risk due to Company's actions or omissions, Company authorizes Elavon and its agents to perform an audit or inspection of Company's operations and records to confirm Company's compliance with the Agreement upon reasonable advance notice, during normal business hours, and at Elavon's expense (unless Elavon reasonably determines based on such audit that Company is not in compliance with the Agreement, in which case Company will bear the cost). Company will obtain and submit a copy of an audit from a third party acceptable to Elavon of the financial, physical security, information security, and operational facets of Company's business at its expense when requested by Elavon. Further, Company acknowledges and agrees that the Payment Networks have the right to audit Company's business to confirm compliance with the Payment Network Regulations. Company will maintain complete and accurate records of its performance under the Agreement. Company will execute and deliver to Elavon all documents Elavon reasonably deems necessary to verify Company's compliance with Section 8.1."

5) **Section 10.2(b) Financial Information** is revised as follows:

   "**Financial Information.** At Elavon's request, Company will provide Elavon audited financial statements prepared by an independent certified public accountant selected by Company, or if Company is audited by a governmental authority, then Company will provide financial statements from such governmental authority. Within 120 days after the end of each fiscal year (or in the case of a government entity, when available), Company will furnish Elavon, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Company will also provide Elavon such interim financial statements and other information as Elavon may request from time to time."

6) **Section 13 Indemnification** is deleted and replaced with the following four sections:

   "**13(a). Company Responsibilities.** As between Company and Elavon, Company will be responsible for, and at its own expense, defend itself against any suits, claims, losses, demands or damages arising out of (i) any sale or provision of

goods or services resulting in a Transaction processed under the Agreement; (ii) Company's breach of the Agreement; (iii) all use of any user ID and password other than by Elavon or Elavon's third-party contractors; (iv) Company's or its Service Providers' gross negligence or willful misconduct; (v) Company's or its Service Providers' violation of Laws or Payment Network Regulations; or (vi) any personal injury or real or tangible personal property damage to the extent caused by Company or its Service Providers. Company will not make any claims against Elavon for any liabilities, claims losses, costs, expenses and demands of any kind or nature, arising out of or in connection with any of the foregoing suits, claims, losses, demands or damages.

13(b). Elavon Responsibilities. In addition to Elavon's obligations in Section 13(c), Elavon will be responsible for and will at its own expense defend itself against any suits, claims, losses, demands or damages arising out of (i) Elavon's breach of the Agreement; (ii) Elavon's or its third party contractors' gross negligence or willful misconduct; (iii) Elavon's or its third party contractors' violation of applicable Laws or Payment Network Regulations; (iv) Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services in the form delivered or Company's use thereof; or (v) any personal injury or real or tangible personal property damage to the extent caused by Elavon or its third party contractors.

13(c). Infringement Claims.

(i) Elavon will defend Company and its employees, officers, and agents in connection with claims, actions, demands or proceedings (made or threatened) brought by a third party, and will pay the final award of damages assessed against Company, its employees, officers or agents in a final judgment by a court of competent jurisdiction, including awarded costs, or any amount in settlement or compromise authorized by Elavon in writing, arising out of Elavon's alleged infringement or other violation of a U.S. or Canada patent, copyright or trademark of a third party by the Services (but not Equipment) in the form delivered or Company's use thereof (an "Infringement Claim").

(ii) If any part of the Services or the use of the Services becomes, or in Elavon's opinion is likely to become, the subject of an Infringement Claim, and as a result of such Infringement Claim Company's use of the Services may be enjoined or interfered with, then Elavon will, at its option and expense, either, and in addition to defending Company and paying the final amount of damages as provided for in this section, (1) obtain a license for Company to continue using the alleged infringing component(s) of the Services; (2) modify the alleged infringing component(s) of the Services to avoid the infringement in a manner that still permits the Services to perform in all material respects in accordance with the Agreement; or (3) replace the alleged infringing component(s) of the Services with compatible, functionally equivalent, and non-infringing component(s). Elavon will use commercially reasonable efforts to accomplish the remedies identified in this section in a manner that minimizes the disruption to Company's business operations. If Elavon is not able to accomplish the above remedies within a commercially reasonable time frame and on commercially reasonable terms, Elavon may terminate the Agreement upon written notice to Company. Upon such termination, Elavon will promptly refund any fees paid for Services not performed as of the date of termination.

(iii) Elavon will have no liability for any Infringement Claim to the extent caused by (1) access to or use of the Services other than as specified under the Agreement and the related Documentation, (2) combination or use of the Services with non-Elavon products or services (whether or not provided to Company by Elavon), (3) any hardware, devices, software, services or other resources not provided by Elavon, (4) failure or refusal by Company to install, implement or use any Update or correction provided by Elavon, (5) modification or alteration of the Services by anyone other than Elavon without Elavon's prior written consent, (6) Company's goods or services, or (7) the negligence, gross negligence or willful misconduct of, or breach of the Agreement by, Company.

(iv) THIS SECTION 13(c) SETS FORTH THE EXCLUSIVE REMEDY OF COMPANY AND THE SOLE AND COMPLETE LIABILITY OF ELAVON WITH RESPECT TO ANY INFRINGEMENT CLAIMS.

13(d). Procedure.

(i) If an Infringement Claim is subject to Elavon's obligations in Section 13(c) of the Agreement, Company will:

(1) Provide Elavon prompt notice of the Infringement Claim (provided that any delay in notification will not relieve Elavon of its obligations under this Section 13(d) except to the extent that the delay materially impairs its ability to fully defend the Infringement Claim);

(2) Subject to Section 13(d)(ii), give Elavon the right to exercise exclusive control over the preparation and defense of the Infringement Claim, including appeals, negotiations and any settlement or compromise thereof, provided that Elavon will notify Company in writing of its election regarding the assumption of control of the preparation and defense of such Infringement Claim within 15 days following receipt of Company's written notice of such Infringement Claim, but, in any event, no later than 10 days before the date on which any written response to a complaint, summons, or other legal filing is due; and

(3) Provide such assistance in connection with the defense and settlement of the Infringement Claim as Elavon may reasonably request, at Elavon's expense. Elavon will not enter into any settlement that imposes any liability or obligation on Company, or contains any admission or acknowledgement of wrongdoing (whether in tort or otherwise), without Company's prior written consent.

(ii) Company may join in the defense, with its own counsel, at its own expense."

7) **Section 16 Personal Guaranty** is deleted.

8) **Section 18.2 Jurisdiction and Venue; Governing Law** is deleted.

9) **Section 18.3 Exclusivity** is deleted.

10) **Section 18.5 Assignability** is revised as follows:

"**Assignability.** Company will not assign the Agreement, directly, by operation of law, or by change of control of Company, without Elavon's prior written consent. If Company nevertheless assigns the Agreement without Elavon's consent, the Agreement will be binding on both the assignee and Company. Elavon will not transfer or assign the Agreement without the prior written consent of Company, provided that such consent will not be required for (i) the assignment or delegation to an affiliate of Elavon, or (ii) the assignment or delegation to any Person into or with which Elavon will merge or consolidate, or who may acquire substantially all of Elavon's stock or assets."

11) **Section 18.6Arbitration** is deleted.

12) **Section 18.9 Attorney's Fees and Expenses** is deleted.

13) **Section 18.12 Amendments** is revised as follows:

"**Amendments.** Except as otherwise provided in the Agreement, amendments to the Agreement will be in writing and signed by the parties. Notwithstanding the foregoing, Elavon and Member may amend or modify the Agreement, to the extent such changes are required by or attributable to changes in the Payment Network Regulations or other Laws, upon written notice to Company. Elavon or Member will inform Company of such a change in a periodic statement or other written notice, and such change will become effective at least 30 days after the issuance of the notice. Notwithstanding the previous sentence, changes to fees authorized by the Agreement will be effective upon notice to Company, unless a later effective date is provided. Further, Elavon is entitled to pass through to Company any fee increases imposed upon Elavon by Visa, MasterCard, Discover Network, any other Payment Network, and any other third party including telecommunications vendors."

14) **Schedule A, Section 1.8 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. All documents of title and evidence of delivery will be delivered to Lessor. Lessee hereby authorizes Lessor, at Lessee's expense, to cause the lease or any statement or other instrument in respect to the lease showing the interest of Lessor in the Leased Equipment including Uniform Commercial Code Financing Statements, to be filed or recorded and/or refiled and rerecorded, and grants Lessor the right to execute Lessee's name thereto. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose, and agrees to pay or reimburse Lessor for any filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. Lessee will at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever and, will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may reasonably request. Provided Lessee is not in default hereunder, Lessee will quietly use and enjoy the Leased Equipment subject to the terms hereof."

15) **Schedule A, Section 1.10 Net Lease; Taxes** is replaced as follows:

"**Net Lease; Taxes**. Lessee intends the rental payments hereunder to be net to Lessor, and Lessee agrees to pay any applicable sales, use, excise, personal equipment, stamp, documentary and ad valorem taxes, license and registration fees, assessment, fines, penalties and similar charges imposed on the ownership, possession or use of the Leased Equipment during the term of the lease. Lessee will pay all applicable taxes (except Lessor's federal or state net income taxes) which may be imposed on Lessor or Lessee with respect to the lease payments hereunder or the ownership of the Leased Equipment. Lessee will pay as additional rent, any applicable taxes documented as paid or advanced by Lessor on behalf of Lessee. Lessee agrees that the reimbursement of equipment tax calculation is based on an average tax rate. Unless otherwise agreed to in writing, Lessee will file personal equipment tax returns with respect to the Leased Equipment."

16) **Schedule A, Section 1.11 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

17) **Schedule A, Section 1.16 Remedies** is replaced as follows:

"**Remedies**. If an Event of Default will occur, Lessor may, at its option, at any time (i) declare immediately due and payable and recover from Lessee, as liquidated damages for the loss of a bargain and not as a penalty, an amount equal to all accrued and unpaid rental payments and late charges, taxes, and other fees, plus the Loss Amount; provided, however, that if an Event of Default will occur as described in Section 1.15(iv) through (vi) above, Lessor without any notice or action will be deemed to have made such a declaration; (ii) automatically charge the DDA for all money amounts owed; (iii) to the extent permitted by applicable Law, without demand or legal process, enter into the premises where the Leased

Equipment may be found and take possession of and remove the Leased Equipment, without liability for such retaking; (iv) Lessor may hold, sell or otherwise dispose of any such Leased Equipment at a private or public sale; or (v) exercise any other remedies available under applicable Law. If Lessor takes possession of the Leased Equipment, Lessor will give Lessee credit for any sums received by Lessor from the sale or rental of the Leased Equipment after deduction of the expenses of sale or rental and Lessee will remain liable to Lessor for any deficiency. Notwithstanding the foregoing, to the extent any software included with the Leased Equipment is nontransferable or its transfer restricted, Lessee agrees that Lessor and/or the licensor of such software will have no duty to remarket or otherwise mitigate any damages relating to such software.

Lessee will also be responsible for all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies including all expenses of repossessing, storing, shipping, repairing and selling the Leased Equipment. Lessor and Lessee acknowledge the difficulty in establishing a value for the unexpired lease term and, owing to such difficulty, agree that the provisions of this Section represent an agreed measure of damages and are not to be deemed a forfeiture or penalty. All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by Law, and may, to the extent permitted by Law, be exercised concurrently or separately. The exercise of any one remedy will not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right to remedy will operate as a waiver thereof or modify the terms of the lease."

18) **Schedule A, Section 1.19 Miscellaneous** is replaced as follows:

"**Miscellaneous**. If Lessee fails to pay any rent or other amount required herein to be paid to Lessor within five (5) days of when due, Lessee agrees to pay Lessor, in addition to the payment, a late charge of 15% of the amount past due (but at least $7.50) for each late payment. Each month the past due payment remains unpaid, an additional late fee in the amount defined will be assessed. Payments are applied to late fees and service charges first and then to the lease obligation. Amounts will be payable in addition to all amounts payable by Lessee to Lessor as a result of exercise of any of the remedies herein provided. If Lessee requests any services not provided for herein, Lessee agrees to pay an applicable fee for delivery of such services. Lessee will inform Lessor of any change in Lessee's name, address, billing address, telephone numbers, location of the Leased Equipment, or DDA. If Lessee fails to comply with any provision of the lease, Lessor will have the right, but not be obligated, to affect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all monies expended by, and all expenses of Lessor in effecting such compliance, will be deemed to be additional rental, and will be paid by Lessee at the time of the next monthly payment of rent. All notices under the lease will be sufficient if given personally or mailed postage prepaid to the party intended at the respective address set forth herein, or at such other address as said party may provide in writing from time to time. The lease inures to the benefit of and is binding upon the personal representatives, successors and assigns of the parties hereto. Time is of the essence of the lease. Lessor and Lessee intend the lease to be a valid and subsisting legal instrument, and agree that no provision of the lease that may be deemed unenforceable will in any way invalidate any other provision or provisions of the lease, all of which will remain in full force and effect. The lease will be binding when accepted in writing by Lessor and will be governed by the laws of the state where the Leased Equipment is located."

19) **Schedule A, Section 1.20 Important Information about Credit Reporting** is deleted.

20) **Schedule A, Section 2.6 Title; Quiet Enjoyment** is replaced as follows:

"**Title; Quiet Enjoyment**. Lessor will at all times retain title to the Leased Equipment. Lessor may at Lessee's expense, cause the lease or any document, statement or other instrument in respect to the lease showing Lessor's interest in the Leased Equipment, including without limitation Personal Property Security Act or Civil Code of Quebec financing statements, to be filed, registered or recorded, or refiled, reregistered and rerecorded, as applicable. Lessee waives the right, where permitted by law, to receive a copy of any financing statement, financing change statement or verification statement. Lessee agrees to execute and deliver any document, statement or instrument requested by Lessor for such purpose, and agrees to reimburse Lessor for any expense arising therefrom. Lessee will at Lessee's expense protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the Leased Equipment free from legal process or encumbrance whatsoever, and will give Lessor immediate notice thereof and will be responsible for any loss caused thereby. Lessee agrees to procure for and deliver to Lessor, such estoppel certificates, landlord's or mortgagees' waiver or other similar documents as Lessor may request. Provided Lessee is not in default hereunder, Lessee may quietly use and enjoy the Leased Equipment subject to the terms hereof."

21) **Schedule A, Section 2.9 Indemnity** is replaced as follows:

"**Responsibility of Lessor.** As between Lessor and Lessee, Lessee will be responsible for, and at its own expense, defend itself against any and all liability, damage or loss, arising out of the ownership, selection, possession, leasing, operation, control, use, condition, maintenance, delivery and return of the Leased Equipment. The obligations herein provided will continue in full force and effect notwithstanding the termination of the lease."

22) **Schedule B, Section 1.5 Personal Guaranty** is deleted.

23) **Schedule B, Section 1.6 Jurisdiction and Venue; Governing Law** is deleted.

24) **Schedule B, Section 1.7 Arbitration** is deleted.

25) **Schedule C, Section 16** is hereby added:

"16. Effective March 1, 2020, (i) either Elavon or Company may terminate the ECS services portion of the Agreement at any time upon thirty days' prior written notice to the other party, and (ii) Elavon may, at its option, transition Company to a new program offered by Elavon that provides services similar to the ECS."

SIGNATURES ON THE NEXT PAGE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 1-612-333-3323 Hays Companies 80 South 8th Street Suite 700 Minneapolis, MN 55402	CONTACT NAME: Dawn Heinemann and Melody Kronbach PHONE (A/C, No, Ext): 612-333-3323 FAX (A/C, No): 612-373-7270 E-MAIL ADDRESS: dheinemann@hayscompanies.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : OLD REPUBLIC INS CO — 24147
INSURED U.S. Bancorp and its Subsidiaries 200 South 6th Street EP-MN-L20I Minneapolis, MN 55402	INSURER B :
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

COVERAGES **CERTIFICATE NUMBER:** 60629716 **REVISION NUMBER:**

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.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		MWZY31397920	08/01/20	08/01/21	EACH OCCURRENCE	$ 5,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ EXCLUDED
							PERSONAL & ADV INJURY	$ 5,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 6,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 6,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY	X		MWTB31397720	08/01/20	08/01/21	COMBINED SINGLE LIMIT (Ea accident)	$ 250,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB — OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB — CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	MWC31397620	08/01/20	08/01/21	X PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$ 2,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 2,000,000
							E.L. DISEASE - POLICY LIMIT	$ 2,000,000
A	Excess Automobile Liab.			MWZX31398120	08/01/20	08/01/21	LIMIT	4,750,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Oxnard, its City Council, officers, employees & volunteers are additional insured for On-going & Completed Ops & on a primary and non-contributory basis as respects general liability & additional insured as respects automobile liability policies where required by written contract subject to the policy(s) terms and conditions. Waiver of subrogation applies in favor of the additional insured as respects workers compensation policy where required by written contract subject to the policy terms and conditions.

CERTIFICATE HOLDER

City of Oxnard

Insurance Compliance
PO Box 100085-OX

Duluth, GA 30096
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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IN WITNESS WHEREOF, these signatures supplant the signature blocks on page 6 of *New Application-Government/Institutional* form of A-8270. Further, the parties hereto have executed the *Addendum to the Terms of Service for Government/Institutional Companies* beginning at page 7 of A-8270.

CITY OF OXNARD

_____ _____

John C. Zaragoza, Mayor Date

ELAVON, INC.

_____ 11/17/2020

[name], [title][1] Date

Timothy I. Miller
Senior Vice President
Global Credit and Risk

_____ 11/17/2020

[name], [title] Date

ATTEST:

_____ _____

Rose Chaparro, City Clerk Date

(only if Mayor signs)

APPROVED AS TO FORM:

_____ 12/28/20

Stephen M. Fischer, City Date

Attorney (always required)

[1] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

AGREEMENTS WITH ELAVON FOR CREDIT CARD MERCHANT SERVICES

Presentation to City Council

Eden Alomeri, Assistant City Treasurer/Director of Revenue & Licensing
January 19, 2021

CITY OF OXNARD CALIFORNIA

- Current services provided by:

  Transaction Manager - gateway

  Bank of America –processor or merchant

Original Sunset: December 31, 2020

Implementation Period: up to 60 days

New Sunset: December 31, 2021

CREDIT CARD PAYMENTS ANNUALLY

- Online utility payments - $24,000,000
- Over the counter utility payments - $6,000,000
- Over the counter non-utility payments - $5,000,000
- Other methods- $8,000,000

CANDIDATES

- PAYA – recommended by Central Square
- Paymentus/Elavon

COST COMPARISON

	CURRENT	CANDIDATE 1	CANDIDATE 2
Sample month: July 2020	Transaction Manager/ Bank of America	PAYA	PAYMENTUS/ELAVON
Cost of online payments	23,739.00	23,779.00	22,947.00
Cost of over the counter payments	711.73	1,500.00	520.00
Total per month	24,450.73	25,279.00	23,467.00
Monthly savings		(828.27)	983.73
Other considerations:			
Integration with Click2gov		✓	✓
Integration with Central Square		✓	✓
Integration with Tyler Munis		?	Prefered
Integration with Auto Pay		?	✓
Integrations with IVR		?	✓
Integration cost of $3,500			Waived
Implemantation cost of 20 hours			Not needed
Review from City of Leesburg			Positive

Staff recommends Paymentus/Elavon for an annual savings of ~ $12K

RECOMMENDATION

That the City Council award and authorize the Mayor to execute the three-year agreements A-8268 (for over the counter non-utility payments), A-8269 (for over the counter utility payments) and A-8270 (for online utility payments) between Elavon, Inc. and the City of Oxnard for credit card merchant services in the amount of $954,000.

(The Purchasing Manager signed the agreement that will cost $57,098 annually with Paymentus)

CITY OF
OXNARD
CALIFORNIA

QUESTIONS