NEW ISSUE
BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel, subject to certain qualifications described herein, under existing law, interest on the 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 tax imposed on individuals and corporations, although for the purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "CONCLUDING INFORMATION—Tax Matters" herein.

$2,335,000
CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)
LIMITED OBLIGATION IMPROVEMENT BONDS

Dated: Date of Delivery **Due: September 2, as shown below**

The City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds (the "Bonds") are being issued by the City of Oxnard (the "City") pursuant to a Bond Indenture, dated as of August 1, 2003 (the "Bond Indenture"), by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent") to: (i) finance a portion of the costs of certain freeway interchange and other road improvements of special benefit to property within the City's Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) (the "District"), (ii) pay costs related to the issuance of the Bonds, and (iii) make a deposit to a Reserve Fund for the Bonds.

The assessments were levied on real property in the District pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "1913 Act"). The Bonds are being issued pursuant to provisions of the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "Bond Law"), and are secured by the unpaid assessments.

Interest on the Bonds will be payable September 2 and March 2 of each year commencing March 2, 2004. The Bonds will be delivered as full book-entry bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. The Depository Trust Company will act as securities depository (the "Securities Depository") of the Bonds. Individual purchases of Bonds will be made in book-entry form only, in authorized denominations of $5,000 an any increment of $5,000 in excess thereof. Beneficial Owners (as defined herein) of Bonds will not receive physical certificates representing the Bonds purchase. Principal of and interest on the Bonds will be paid by the Fiscal Agent to the Securities Depository, which will in turn remit such principal and interest to its participants for subsequent disbursement to the Beneficial owners of the Bonds as described herein. See "THE BONDS—General" and APPENDIX E—THE BOOK ENTRY SYSTEM.

To provide funds for payment of the Bonds and the interest thereon in the event of any delinquent assessment installments, the City will establish a Reserve Fund to be held by the Fiscal Agent and will deposit therein Bond proceeds in an amount equal to the initial Reserve Requirement. See "SECURITY FOR THE BONDS—Reserve Fund." Additionally, the City has covenanted to initiate judicial foreclosure in the event of a delinquency in the payment of assessments under certain circumstances set forth in the Bond Indenture; however, the City has determined not to obligate itself to advance available funds from the City treasury to cure any deficiency or delinquency which may occur in the Redemption Fund by reason of the failure of a property owner to pay an assessment installment.

The Bonds are subject to optional and mandatory redemption, including redemption on any Interest Payment Date from prepayments of assessments, as described herein. See "THE BONDS—Redemption Provisions."

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CITY OF OXNARD, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF OXNARD, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS.

This cover page contains certain information for general reference only. Prospective investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds. See the section of this Official Statement entitled "BONDOWNERS' RISKS" for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

MATURITY SCHEDULE
$1,105,000 Serial Bonds; CUSIP Prefix: 691890

Maturity Date (September 2)	Principal Amount	Interest Rate	Price	CUSIP Suffix	Maturity Date (September 2)	Principal Amount	Interest Rate	Price	CUSIP Suffix
2004	$30,000	2.00%	100%	KP1	2014	$55,000	5.20%	100%	KZ9
2005	35,000	2.50	100	KQ9	2015	55,000	5.30	100	LA3
2006	40,000	3.05	100	KR7	2016	60,000	5.40	100	LB1
2007	40,000	3.55	100	KS5	2017	60,000	5.50	100	LC9
2008	40,000	3.90	100	KT3	2018	65,000	5.60	100	LD7
2009	45,000	4.20	100	KU0	2019	70,000	5.70	100	LE5
2010	45,000	4.50	100	KV8	2020	75,000	5.80	100	LF2
2011	45,000	4.70	100	KW6	2021	80,000	5.90	100	LG0
2012	50,000	4.90	100	KX4	2022	80,000	6.00	100	LH8
2013	50,000	5.05	100	KY2	2023	85,000	6.05	100	LJ4

$525,000 6.10% Term Bonds due September 2, 2028; Price 100%; CUSIP No. 691890 LK1

$705,000 6.15% Term Bonds due September 2, 2033; Price 100%; CUSIP No. 691890 LL9

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Best Best & Krieger LLP, San Diego, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by the City Attorney and for the Underwriter by Quint & Thimmig LLP, San Francisco, California, Underwriter's Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery in New York, New York, on or about August 14, 2003.

E. J. DE LA ROSA & CO., INC.

Dated: July 30, 2003

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

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby, 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts. The information set forth herein has been obtained sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the City. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of any party described herein subsequent to the date as of which such information is presented.

All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The Underwriter has submitted the following statement for inclusion in this Official Statement: the Underwriter has reviewed the information in this Official Statement in accordance with, and as a 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.

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

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

When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

CITY OF OXNARD

MAYOR AND MEMBERS OF THE CITY COUNCIL

Dr. Manuel M. Lopez, Mayor
Dean Maulhardt, Mayor Pro Tem
Bedford Pinkard, Councilman
John C. Zaragoza, Councilmember
Andres Herrera, Councilmember

CITY STAFF

Edmund F. Sotelo, City Manager
Karen Burnham, Assistant City Manager
Gary Gillig, City Attorney
Daniel Martinez, City Clerk
Dale Belcher, Treasurer
Stan Kleinman, Finance and Management Services Director
Michael More, Financial Services Manager
Tamara Sexton, Financial Analyst III
Bow Bowman, Public Works Director
Cynthia Daniels, Senior Project Coordinator

SPECIAL SERVICES

Bond Counsel
Best Best & Krieger LLP
San Diego, California

Assessment Engineer
Penfield & Smith
Camarillo, California

Appraiser
Bruce W. Hull & Associates, Inc.
Ventura, California

Underwriter
E. J. De La Rosa & Co., Inc.
Los Angeles, California

Underwriter's Counsel
Quint & Thimmig LLP
San Francisco, California

Fiscal Agent
Wells Fargo Bank, National Association
Los Angeles, California

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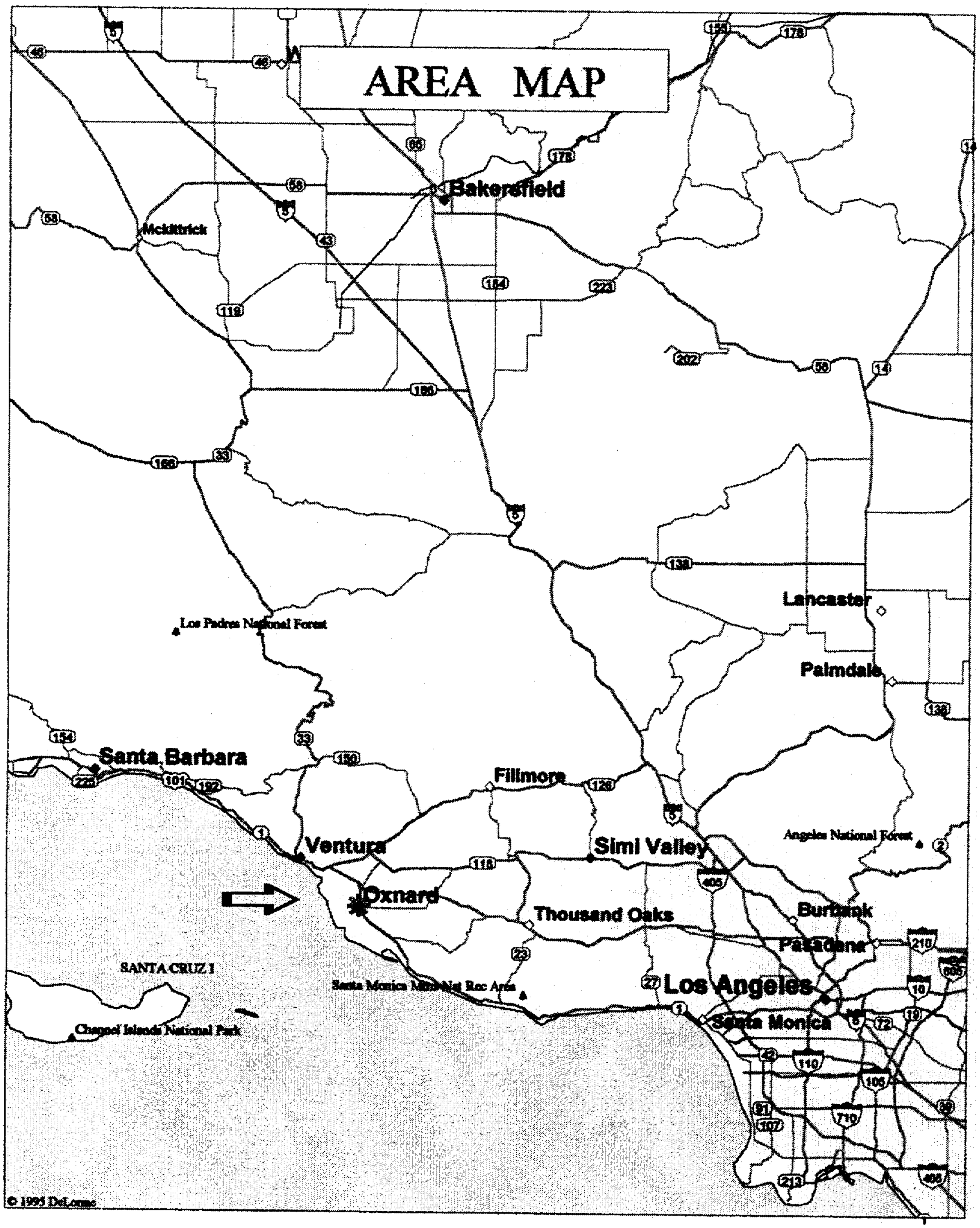

AREA MAP
Bakersfield
Mckittrick
Los Padres National Forest
Lancaster
Palmdale
Santa Barbara
Fillmore
Ventura
Simi Valley
Angeles National Forest
Oxnard
Thousand Oaks
Burbank
Pasadena
SANTA CRUZ I
Los Angeles
Santa Monica
Channel Islands National Park
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OFFICIAL STATEMENT

$2,335,000
CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)
LIMITED OBLIGATION IMPROVEMENT BONDS

The purpose of this Official Statement, which includes the cover page and appendices hereto (the "Official Statement"), is to provide certain information concerning the sale and issuance by the City of Oxnard (the "City") of its City of Oxnard Assessment District No 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds (the "Bonds").

INTRODUCTION

General

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 and such documents. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Authority and Purpose

The City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) (the "District") was formed by the City and the assessments were levied under the Municipal Improvement Act of 1913, being Division 12 of the California Streets and Highways Code (the "1913 Act"), and the Bonds are being issued pursuant to the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "Bond Law"). See "THE DISTRICT—General Description of the District" herein. The Bonds are being issued pursuant to a resolution of the City Council of the City adopted on July 24, 2001, and in accordance with the provisions of a Bond Indenture, dated as of August 1, 2003 (the "Bond Indenture"), by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"). The proceeds from the sale of the Bonds will be used to: (i) finance a portion of the costs of certain freeway interchange and other road improvements of special benefit to property within District (the "Improvements"), (ii) pay costs related to the issuance of the Bonds, and (iii) fund the Reserve Fund for the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE DISTRICT" herein.

Security for Bonds

The interest on and principal of the Bonds are payable from the annual assessment installments collected on the ad valorem real property tax bills sent to owners of property within the District having unpaid assessments levied in the District (the "Assessments"). See "SECURITY FOR THE BONDS—General." There is also a Reserve Fund established under the Bond Indenture in an amount equal to the Reserve Requirement. See "SECURITY FOR THE

BONDS—Establishment of Funds and Accounts—Reserve Fund." The Assessments represent liens on the parcels (the "parcels") within the District subject thereto; they do not, however, constitute a personal indebtedness of the respective owners of such parcels. See "BONDOWNERS' RISKS—General."

Installments of the Assessments and interest thereon (the "Assessment Installments") which, along with certain investment earnings on funds held under the Bond Indenture, are expected to be sufficient to pay the debt service on the Bonds, are to be included in the bills for ad valorem real property taxes mailed each year to the owners of parcels with unpaid Assessments by the Treasurer-Tax Collector of the County of Ventura. The Assessment Installments and all moneys and securities from time to time held by the Fiscal Agent in certain specified funds and accounts under the Bond Indenture are pledged to the payment of the principal and interest on the Bonds. See "SECURITY FOR THE BONDS—Establishment of Funds and Accounts."

Annual Assessment Installments were first levied on the parcels in the District in fiscal year 2001-02, and were again levied in fiscal year 2002-03. All Assessment Installments previously levied have been paid-in-full; however Assessment Installments in the 2002-03 levy on two of the parcels in the District were not timely paid as a consequence, the City believes, of a transfer of ownership of such parcels completed in January of 2003. See "THE DISTRICT—History of Collection of Assessments" herein.

To provide funds for payment of the Bonds and the interest thereon in the event of a delinquency in the payment of Assessment Installments, the City will establish a Reserve Fund for the Bonds and will deposit therein from the proceeds of the sale of the Bonds an amount in cash equal to the Reserve Requirement. Upon the occurrence of such a delinquency in the District, the Fiscal Agent is required to transfer the amount of the delinquency from the Reserve Fund into the Redemption Fund. See "SECURITY FOR THE BONDS—Establishment of Funds and Accounts—Reserve Fund." There is no assurance that funds will be available for this purpose; and if there are insufficient moneys in the Reserve Fund during the period of delinquency, a delay may occur in payments to the owners of the Bonds. No funds of the City other than the Reserve Fund will be available to cure any deficiency which may occur in the Redemption Fund. See "BONDOWNERS' RISKS." However, the City has covenanted that, with certain exceptions, in the event of a delinquency, it will order and cause to be commenced judicial foreclosure proceedings by the end of the fiscal year in which an Assessment Installment becomes delinquent. See "SECURITY FOR THE BONDS—Foreclosure Covenant."

Form of Bonds

The Bonds are being issued in fully registered form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, which will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in Authorized Denominations consisting (subject to certain exceptions related to redemption) of principal amounts of $5,000 or any integral multiple of $5,000 in excess thereof. See "THE BONDS—General" and APPENDIX E—THE BOOK ENTRY SYSTEM. *So long as the Bonds are in book-entry form only, all references in this Official Statement to the owners or holders of the Bonds shall mean DTC and not the Beneficial Owners of the Bonds.*

Payment of Interest

Interest on the Bonds is payable semiannually on each March 2 and September 2, commencing March 2, 2004. See "THE BONDS—General."

Redemption

The Bonds are subject to redemption prior to maturity from mandatory sinking fund payments and prepayments of Assessments, refunding bonds and other available funds. Redemption from prepayments of Assessments may occur on any Interest Payment Date. See "THE BONDS—Redemption Provisions."

The Parcels

The District consists of 25 separate Ventura County Assessor's parcels located in the northeast section of the City in an area commonly referred to as "Wagon Wheel." The area in which the District is located includes a mixture of industrial, commercial and specialty buildings (bowling alley and skating rink), a mobile home park and a shopping center. Three of the parcels within the District are owned by the City, and the assessments on these 3 parcels have been prepaid, so that the 3 parcels are not subject to the Assessments that are pledged as security for the Bonds. Of the remaining 22 parcels, 20 are currently owned by SDC-CT Properties LLC (the "Primary Landowner") representing approximately 86% of the unpaid Assessments; and the remaining 2 parcels are currently owned by Casden Oxnard Vineyard Avenue ("Casden"), representing approximately 14% of the unpaid Assessments. All of the parcels, other than the 2 owned by Casden, are improved with structures. See "THE DISTRICT."

Property Values/Appraisal

In order to determine the value of the parcels within the District that are subject to the Assessments securing the repayment of the Bonds, the City first determined the assessed value of the parcels in the District (see "THE DISTRICT—Land Values" herein for a listing of the assessed values of the parcels in the District). The City then engaged the services of Bruce W. Hull & Associates, Inc. (the "Appraiser") to obtain a current appraised valuation of each parcel in the District with an assessed value (based on the 2002/03 County of Ventura's Assessor's Roll) that was less than ten times the respective parcel's Assessment lien.

The Appraiser appraised a total of 12 of the parcels in the District, which are herein referred to as the "Appraised Parcels". The Appraiser did not separately appraise the parcel identified as assessment number 1, however, even though its assessed value was less than ten times its Assessment, because the parcel is improved with the office for a mobile home park located on a contiguous parcel (the parcel identified as assessment number 5) and the Appraiser considered it as an integral part of the mobile home park. See APPENDIX C—APPRAISAL REPORT, and "THE DISTRICT—Land Values" herein.

In an appraisal report (the "Appraisal Report") dated June 25, 2003, the Appraiser considered the income and sales comparison approaches in valuing the Appraised Parcels, and when appropriate either one or both of the approaches were considered. The Appraiser determined the values of the Appraised Parcels which in each case were in excess of seven times the Assessments levied on the respective parcels, with 6 of the parcels having values in excess of ten times the Assessments levied on such parcels. The Appraiser did note, however, that one parcel (Assessment No. 9), with a current outstanding Assessment of $2,966.35, is actually a small sliver of land that is a road and has no assessed value such that no value was attributable to that parcel. See APPENDIX C—APPRAISAL REPORT, and "THE DISTRICT—Land Values" herein.

The Appraisal Report is subject to various assumptions and limiting conditions, as more fully set forth in the Appraisal Report. The Assessments are levied separately on each County

Assessor's parcel in the District, and the values of individual parcels vary significantly from those of other parcels. Also, assessed values may not reflect the true value of the parcels because of the manner in which assessed values are determined and maintained by the County of Ventura. See "SPECIAL RISK FACTORS" herein for a discussion of various circumstances that could adversely affect the value of the parcels in the District. See also "THE DISTRICT—Land Values," and APPENDIX A—THE APPRAISAL.

Tax Matters

In the opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel, under existing laws, regulations, rulings and court decisions, the interest on the Bonds is exempt from personal income taxes of the State of California and, assuming compliance with certain covenants described in this Official Statement, is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. A copy of the form of opinion of Bond Counsel is set forth in Appendix D hereto. For a more complete discussion of Bond Counsel's opinion and certain other tax consequences incident to the ownership of the Bonds, including certain exceptions to the tax treatment of interest, see "CONCLUDING INFORMATION—Tax Matters."

Professionals Involved in the Offering

Wells Fargo Bank, National Association will act as Fiscal Agent under the Bond Indenture. All proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Best Best & Krieger LLP, San Diego, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney. Assessment engineering services in connection with the establishment of the District were provided by Penfield & Smith, Camarillo, California. The appraisal was prepared by Bruce W. Hull & Associates, Inc. of Ventura, California. Certain legal matters will be passed upon for the Underwriter by Quint & Thimmig LLP, San Francisco, California, Underwriter's Counsel. Payment of the fees and expenses of Bond Counsel and Underwriter's Counsel is contingent upon the sale and issuance of the Bonds.

Continuing Disclosure

The City and the Primary Landowner have each agreed to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (each, a "Repository") certain information and notice of certain material events. See "CONCLUDING INFORMATION—Continuing Disclosure" herein, and APPENDIX C—FORMS OF CONTINUING DISCLOSURE CERTIFICATES, for a description of the specific nature of the annual reports and notices of material events to be provided. The continuing disclosure obligation of the Primary Landowner is subject to termination upon the occurrence of certain events. See "CONCLUDING INFORMATION—Continuing Disclosure" herein.

Bond Owner's Risks

Certain events could affect the availability of funds sufficient to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "BONDOWNERS' RISKS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency.

Limited Liability

As authorized by the Bond Law, the City has determined not to obligate itself to advance available funds from the City treasury to cure any deficiency or delinquency which may occur in the Redemption Fund created and held by the City by reason of the failure of a property owner to pay an Assessment installment.

The Bonds are not an obligation of the State of California (the "State") or any of its political subdivisions, other than the City to the limited extent set forth in the Indenture, and neither the City nor the State or any of its political subdivisions has pledged its full faith and credit for the payment of the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Bond Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Bond Indenture, the Bonds and the laws of the State as well as the proceedings of the City are qualified in their entirety by reference to such documents, laws and proceedings, and with respect to the Bonds, by reference to the form thereof included in the Bond Indenture.

Unless the context clearly requires otherwise, capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Indenture.

Copies of the Bond Indenture, and the resolutions and other documents described or referred to herein may be obtained from the City. The City's address for such purpose is: City of Oxnard, 300 West Third Street, Oxnard, California 93030, Attention: Financial Services Manager. The City may charge for duplication and mailing in response to requests for documents.

THE BONDS

General

The Bonds will be dated the date of delivery thereof and will bear interest at the respective rates per annum and mature on September 2 of the respective years and in the amounts set forth on the cover page hereof. Interest on the Bonds shall be paid in lawful money of the United States of America on March 2 and September 2 of each year (each, an "interest payment date"), commencing March 2, 2004, by check of the Fiscal Agent mailed by first-class mail, postage prepaid, on each interest payment date to the registered owners thereof at the owner's addresses as they appear on the Fiscal Agent's books of registration as of the close of business on the 15th day of the month immediately preceding said interest payment date regardless of whether such day is a business day (the "Record Date") or by wire transfer to an account in the United States of America made on an interest payment date upon written instructions received by the Fiscal Agent on or before the Record Date from an owner of $1,000,000 or more in aggregate principal amount of Bonds. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Interest on any Bond shall be payable from the interest payment date next preceding the date of authentication of that Bond, unless (i) the date of authentication is an interest payment date, in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding interest payment date, in which event interest shall be payable from that interest payment date, or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest shall be payable from the date of initial delivery of the Bonds, provided, however, that if at the time of authentication of any Bond, interest is in default, interest on that Bond shall be payable from the last interest payment date to which the interest has been paid or made available for payment or from the date of initial delivery of the Bonds, if no interest has been paid or made available for payment.

The principal of, and any premium due on the redemption of the Bonds, shall be payable in lawful money of the United States of America upon surrender thereof at the Los Angeles corporate trust office of the Fiscal Agent or at such other office as the Fiscal Agent may designate, or at the corporate trust office of such other registrar, transfer agent, paying agent or fiscal agent as appointed in accordance with the Bond Indenture.

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC," together with any successor securities depository, the "Securities Depository"). DTC will act as Securities Depository for the Bonds so purchased. Individual purchases will be made only in book-entry form. Purchasers will not receive physical certificates representing their beneficial ownership interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., payment of the principal of, premium, if any, and interest on the Bonds will be payable to DTC or its nominee. DTC in turn will remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX E—THE BOOK ENTRY SYSTEM.

Redemption Provisions

Optional Redemption of Bonds. Any Bond or any portion of a Bond may be redeemed, in whole or in part in increments of $5,000, prior to maturity on March 2 or September 2 in any year commencing March 2, 2004, from any source of funds including without limitation the prepayment of assessments, at the redemption prices (expressed as a percentage of the principal amount to be redeemed) set forth below, together with accrued interest to the date of redemption:

Redemption Date	Redemption Price
March 2, 2004 through March 2, 2013	103%
September 2, 2013 and thereafter	100

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 2, 2028, are subject to mandatory sinking fund redemption, in part, by lot, on September 2 in each year commencing September 2, 2024, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown on the following redemption schedule.

Redemption Date (September 2)	Principal Amount	Redemption Date (September 2)	Principal Amount
2024	$ 95,000	2027	$110,000
2025	100,000	2028†	115,000
2026	105,000		

†Maturity

The Bonds maturing on September 2, 2033, are subject to mandatory sinking fund redemption, in part, by lot, on September 2 in each year commencing September 2, 2029, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption, without premium, in the aggregate principal amounts and in the years shown on the following redemption schedule.

Redemption Date (September 2)	Principal Amount	Redemption Date (September 2)	Principal Amount
2029	$125,000	2032	$150,000
2030	130,000	2033†	160,000
2031	140,000		

†Maturity

No interest shall accrue on a Bond beyond the March 2 or September 2 date on which such Bond is called for redemption.

Selection of Bonds for Redemption. If less than all of the outstanding Bonds are to be redeemed, the Fiscal Agent shall select the Bonds to be redeemed in authorized denominations in such a way that the ratio of outstanding Bonds to issued Bonds shall be approximately the same for each annual maturity insofar as possible. Bonds of each maturity to be redeemed in such a way that the ratio of outstanding Bonds to issued Bonds shall be approximately the same for each annual maturity insofar as possible, and the Fiscal Agent will select the Bonds of each maturity to be redeemed by lot.

Purchase of Bonds in lieu of Redemption. In lieu of payment at maturity or redemption under the Bond Indenture, monies in the Redemption Fund (other than monies representing prepaid assessments) may be used and withdrawn by the Fiscal Agent for purchase of outstanding Bonds which mature (or with respect to which a sinking fund payment is due) on the next principal payment date, upon the filing with the Fiscal Agent prior to the selection of Bonds for redemption of a written request from the City requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such request may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, the premium, if any, plus interest accrued to the date of maturity or redemption that would otherwise be payable.

Notice of Redemption. When the Fiscal Agent shall receive notice from the City of its election to redeem Bonds at least sixty (60) days prior to the applicable redemption date, or when Bonds are otherwise to be redeemed pursuant to this Section 9, the Fiscal Agent shall give notice, in the name and at the expense of the City, of the redemption of such Bonds. Such notice of redemption shall (a) specify the numbers of the Bonds selected for redemption, except that where all the Bonds are subject to redemption or all the Bonds of a maturity date are subject to redemption, the numbers thereof need not be specified; (b) state the date fixed for redemption; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of the Bond which is to be redeemed; and (f) the CUSIP numbers of the Bonds to be redeemed. Such notice shall further state that on the date fixed for redemption there shall become due and payable on each Bond, or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Fiscal Agent shall mail by registered or certified mail, postage prepaid, or personal service, a copy of such notice, to the respective owners of the Bonds to be redeemed at their addresses appearing on the bond register. The actual receipt by the owner of any Bond of notice of such redemption shall not be a condition precedent thereto, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Fiscal Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to any bondowner to show that he or she failed to receive notice of such redemption. In addition to the notice described above, such redemption notice shall be given by the Fiscal Agent to various financial reporting services and entities as provided in the Bond Indenture.

So long as the Bonds are held in book-entry only form, notice of redemption will be mailed by the Fiscal Agent only to DTC and not to the Beneficial Owners (as defined in Appendix E) of Bonds under the DTC book-entry only system. Neither the City nor the Fiscal Agent is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See APPENDIX E—THE BOOK ENTRY SYSTEM.

Effect of Redemption. Notice of redemption having been duly given as provided in the Bond Indenture, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption: (a) the Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in the Bond Indenture, anything in the Bond Indenture or in the Bonds to the contrary notwithstanding; (b) upon presentation and surrender thereof at the principal corporate trust office of the Fiscal Agent, such Bonds shall be redeemed at the specified redemption price; (c) from and after the redemption date, the Bonds or portions thereof so designated for redemption shall be deemed to be no longer outstanding and such Bonds or portions thereof shall cease to bear further interest; and (d) from and after the date fixed for redemption, no owner of any of the Bonds or portion thereof so designated for redemption shall be entitled to any of the benefits of this Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

No Additional Bonded Indebtedness of the District

The Bonds represent the entire amount of the unpaid Assessments of the District levied against property within the District.

Bonds Subject to Refunding

The Bonds are subject to refunding pursuant to Division 11.5 of the Streets and Highways Code of the State of California. Under that Division, the City may issue refunding bonds for the purpose of redeeming the Bonds. The City may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the District, or giving notice to the owners of the Bonds, if the City Council finds that:

(a) each estimated annual installment of principal and interest on the reassessment to secure the refunding bonds is less than the corresponding annual installment of principal and interest on the portion of the original assessment being superseded and supplanted by the same percentage for all subdivisions of land within the District, and any amount added to the annual installments on the reassessment due to a delinquency in payment on the original assessment need not be considered in this calculation;

(b) the number of years to maturity of all refunding bonds is not more than the number of years to the last maturity of the Bonds; and

(c) the principal amount of the reassessment on each subdivision of land within the District is less than the unpaid principal amount of the portion of the original assessment being superseded and supplanted by the same percentage for each subdivision of land within the District, and any amount added to a reassessment because of a delinquency in payment on the original assessment need not be considered in this calculation.

Upon issuing refunding bonds, the City Council could require that the Bonds be exchanged for refunding bonds on any basis which the City Council determines is for the City's benefit, if the Bondowners consent to the exchange. As an alternative to exchanging the refunding bonds for the Bonds, the City could sell the refunding bonds and use the proceeds to pay the principal of and interest and redemption premium, if any, on the Bonds as they become due, or advance the maturity of the Bonds and pay the principal of and interest and redemption premium thereon. See "THE BONDS—Redemption Provisions—Optional Redemption of Bonds."

SECURITY FOR THE BONDS

General

The Bonds are issued upon and secured by the unpaid Assessments together with interest thereon and such unpaid Assessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon. All of the Bonds are secured by the money in the Redemption Fund created pursuant to the assessment proceedings under the Bond Indenture and by the unpaid Assessments. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund and the Reserve Fund held by the Fiscal Agent under the Bond Indenture.

Unpaid Assessments do not constitute a personal indebtedness of the owners of the parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. In the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Assessment. Thus, the value of the real property within the District is a critical factor in determining the investment quality of the Bonds. A summary of land values of the parcels within the District is set forth under the heading "THE DISTRICT—Land Values" below. The unpaid Assessments are not required to be paid upon sale of property within the District. There is no assurance the property owners will be able to pay the Assessment Installments or that they will pay the Assessment Installments even though financially able to do so. See "BONDOWNERS' RISKS."

The unpaid Assessments are collected in semi-annual installments, together with interest on the declining balances, on the tax roll on which general ad valorem taxes on real property are collected, and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general ad valorem taxes, and the properties upon which the Assessments were levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general ad valorem taxes.

The Assessments may be prepaid in whole or in part at any time by the property owners in the District. Any such prepayment will result in a redemption of the Bonds prior to maturity. See "THE BONDS—Redemption Provisions." If only Assessments on parcels with high value to lien ratios are prepaid, the credit quality of the Bonds that remain outstanding and are secured by unpaid Assessments on parcels with lower value to lien ratios could deteriorate. See "BONDOWNERS' RISKS" herein.

The Assessments securing the Bonds have been allocated among the parcels within the District in proportion to the special benefits to be received from the improvements to be financed, in part, by the District. The Assessment for each parcel was determined by the Engineer of Work for the District, Penfield & Smith, based on the permissible land use for the parcels, as set forth in the City's General Plan or any applicable Specific Plan, relative trip generation characteristics, the City's traffic model, floor area to parcel area ratios, and the gross area of the parcel. The Assessments have been based on an average floor ratio, compiled from both existing and proposed developments. The Assessments are related to the degree with which developments specially benefit from the proposed improvements based on the number of peak hour trips generated by the various developments. Reference is made to the Assessment Engineer's Report on file with the City for a full discussion of the manner in which the Assessments were determined.

Limited Obligation; No Required Advances from Available Surplus Funds

The Bonds are limited obligation improvements bonds under the Bond Law. Notwithstanding any other provision of the Bond Indenture, the City is not obligated to advance available surplus funds from the City treasury to cure any deficiency in the Redemption Fund or the Reserve Fund.

The Bonds are not an obligation of the City (except to the limited extent set forth in the Bond Indenture), the State or any of its political subdivisions, and neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Establishment of Funds and Accounts

For administering the proceeds of the sale of Bonds and payment of interest and principal on the Bonds, the following funds and accounts will be established pursuant to the Bond Indenture:

Improvement Fund. Except as otherwise provided in the Bond Indenture, proceeds of sale of the Bonds will be deposited in the Improvement Fund to be maintained by the Fiscal Agent. The monies in the Improvement Fund shall be used only for the payment of Project Costs as that term is defined in the Bond Indenture. "Project Costs" is so defined to mean the costs of acquisition or construction of the works of improvement (the "Improvements") as authorized in the assessment proceedings and all incidental costs related thereto including the costs of issuing the Bonds, all as more particularly described in the Assessment Engineer's Report for the Assessment District on file with the City, as it may be amended from time to time pursuant to the Municipal Improvement Act of 1913.

Upon receipt of a payment request in substantially the form attached to the Bond Indenture, duly executed by the Finance and Management Services Director of the City or his or her designee (the "Director"), the Fiscal Agent shall pay the Project Costs from amounts in the Improvement Fund directly to the contractor or such other person, corporation or entity entitled to payment hereunder (including reimbursements, if any, to the City) unless the City requests payment to be made to the contractor or such other party jointly, in which case said Project Costs shall be paid jointly. The Fiscal Agent may rely on an executed Payment Request Form as complete authorization for said payments.

The Fiscal Agent shall be responsible for the safekeeping and investment of the monies held in the Improvement Fund and the disposition thereof in accordance with the written instructions of the Director and the Bond Indenture. Interest earned on the investment of the monies held in the Improvement Fund shall be deemed at all times to be part of the Improvement Fund.

Upon completion of the acquisition and construction of the Improvements, the Director shall file a certificate of completion with the Fiscal Agent. Any surplus in the Improvement Fund after completion of the Improvements shall be utilized or distributed as directed in writing by the City and authorized by the Act. Amounts in the Improvement Fund are not pledged as security for the Bonds.

Redemption Fund. The Fiscal Agent is authorized and directed in the Bond Indenture to keep the Redemption Fund into which shall be placed (i) all sums received for the collection of the assessments other than assessments for administrative costs and the interest thereon, and (ii) any surplus in the Improvement Fund to the extent directed by the City for deposit to the Redemption Fund. Except for money received with respect to assessment surcharges for administrative costs, the City shall transfer or cause to be transferred to the Fiscal Agent all sums received from the collection of the Assessments and any interest thereon and all sums received for the partial or full prepayment of Assessments as required by Streets and Highways Code Section 8767. Any transfer by the City to the Fiscal Agent representing the payment of delinquent Assessment Installments or the proceeds of the redemption of or foreclosure on any property with respect to which any Assessment Installments are delinquent shall be accompanied by written instructions as to the amount, if any, of such transfer which is required to be transferred to the Reserve Fund. Any transfer by the City to the Fiscal Agent representing the prepayment of Assessments shall be accompanied by written instructions as to the disposition of such sums to redeem Bonds prior to maturity or to pay accrued interest on any Bonds to be redeemed.

Principal of and interest on the Bonds will be paid by the Fiscal Agent to the Bond owners out of the Redemption Fund to the extent funds on deposit in the Redemption Fund are available therefor. In all respects not recited in the Bond Indenture, the Bonds shall be governed by such other direction of the City to the Fiscal Agent given in accordance with the provisions of the Bond Law. Under no circumstances will the Bonds or interest thereon be paid out of any other fund except for the Redemption Fund.

Prior to the first Interest Payment Date, there shall be established by the Fiscal Agent a prepayment subaccount within the Redemption Fund to be known as the Prepayment Account ("Prepayment Account"). The City shall transfer to the Fiscal Agent for deposit in the Prepayment Account all monies received representing the principal of and redemption premium on any prepaid Assessments. Such monies shall be applied to the payment of principal of and premium on Bonds to be redeemed prior to maturity pursuant to the provisions of the Bond Indenture, or to pay debt service on the Bonds to the extent permitted under the Bond Indenture. Prepayments of Assessments will result in a redemption of Bonds prior to maturity. See "THE BONDS—Redemption Provisions" herein.

Rebate Fund. The Fiscal Agent will establish and maintain a fund under the Bond Indenture designated as the Rebate Fund. All moneys at any time deposited in the Rebate Fund will be held by the Fiscal Agent in trust, to the extent required, under the provisions of the City's Tax Certificate (as defined in the Bond Indenture), to satisfy the Rebate Requirement for payment to the federal government of the United States of America. The Bondowners do not have any right in or claim to monies in the Rebate Fund.

Reserve Fund. The Fiscal Agent will establish and maintain a fund under the Bond Indenture designated as the Reserve Fund. The Reserve Fund shall be initially funded from a portion of the Bond proceeds in an amount specified in the Bond Indenture. The Fiscal Agent will also deposit in the Reserve Fund funds transferred to the Fiscal Agent from the City which represent the proceeds of (i) payments made to redeem delinquent Assessment Installments, or (ii) the judicial foreclosure sale of parcels pursuant to the Bond Indenture.

Monies in the Reserve Fund will be applied, under the terms of the Bond Indenture, as follows:

(a) Amounts in the Reserve Fund will be transferred by the Fiscal Agent to the Redemption Fund if there are insufficient monies in the Redemption Fund to pay principal of and interest on the Bonds when due. **There is no assurance that funds will be available in the Reserve Fund for this purpose and if, during the period of delinquency, there are insufficient funds in the Reserve Fund, a delay may occur in payments to the Bondowners or there may be insufficient funds to make such payments. If there are additional delinquencies after exhaustion of funds in the Reserve Fund, the City has no direct or contingent liability to transfer into the Redemption Fund the amount of delinquency out of any other available monies of the City.** Amounts transferred from the Reserve Fund to the Redemption Fund will be repaid to the Reserve Fund from proceeds from the redemption or foreclosure of property with respect to which an Assessment is unpaid and from payments of the delinquent Assessments.

(b) Interest earned on the permitted investment of monies on deposit in the Reserve Fund will remain in the Reserve Fund to the extent required to maintain the Reserve Fund at the Reserve Requirement. Not later than July 15 of each fiscal year the amount on deposit in the Reserve Fund in excess of the "Reserve Requirement" will be transferred from the Reserve Fund to the Redemption Fund and credited to the unpaid Assessment Installments payable during such fiscal year. "Reserve Requirement" means the least of (i) maximum annual debt service on the outstanding Bonds, (ii) 125% of the average annual debt service on the outstanding Bonds, or (iii) 10% of the initial Bond proceeds.

Notwithstanding the above, interest earnings on monies on deposit in the Reserve Fund in excess of the "yield" on the Bonds, as that term is defined in the Internal Revenue Code of 1986 (the "Code"), shall be subject to transfer and rebate at the written direction of the City to the United States Treasury pursuant to the terms and provisions contained in Tax Certificate.

(c) Whenever monies in the Reserve Fund are sufficient to retire all of the Bonds outstanding, plus accrued interest thereon, such money shall be transferred to the

Redemption Fund upon the written direction of the City and collection of a corresponding amount of the remaining unpaid Assessments shall cease.

(d) In the event an Assessment is prepaid in cash, the City shall credit the prepaid Assessment with a proportionate share of the Reserve Fund and transfer an amount equal to such credit to the Redemption Fund to be utilized for the advance retirement of Bonds.

Investments

Moneys held in any of fund or account established under the Bond Indenture will be invested at the written direction of the Treasurer of the City only in Authorized Investments, as defined in the Bond Indenture. Obligations purchased as investments of monies in any of the funds in which investments are authorized are at all times part of such funds.

The Fiscal Agent shall sell at the best price reasonably obtainable or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide monies to meet any payment or transfer for such funds or from such funds under the Bond Indenture. For the purpose of determining at any given time the balance in any such funds, any such investments constituting a part of such funds shall be valued at their market value. The Fiscal Agent shall not be responsible for any loss from any investments pursuant to the Bond Indenture, except for its own negligence or willful misconduct. The Fiscal Agent may act as principal or agent in the acquisition or disposition of investments under the Bond Indenture.

Priority of Lien

The Assessments and each installment thereof and any interest an penalties thereon constitutes a lien against each parcel on which it was imposed until the same is paid. Such lien is subordinate to all fixed special assessment lien previously imposed upon the same property, but has priority over all private liens, including the lien of any mortgage or deed of trust, and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general property taxes and liens previously or subsequently imposed pursuant to the Mello-Roos Community Facilities Act of 1982. The City is not aware of any fixed assessment lien on the parcels in the District that is superior to or on a parity with the lien of the Assessments. See, however, "THE DISTRICT—Direct and Overlapping Bonded Indebtedness" and "BONDOWNERS' RISKS—Parity Taxes and Special Assessments" herein.

Foreclosure Covenant

The City has covenanted in the Bond Indenture that, in the event any Assessment Installment is not paid when due, the City will, no later than October 1 in any year, file an action in the Superior Court of the County to foreclose the lien on each delinquent assessment, subject to the following: (i) if the City determines that there is a delinquency in the payment of an assessment of $5,000 or more for a prior fiscal year or years for any single parcel of land in the District, foreclosure will be commenced against such parcel, and (ii) if the City determines that the total amount of the delinquent assessments for the prior fiscal year for the entire District, less the total delinquencies under (i) above, exceeds 5% of the total assessments due and payable in the prior fiscal year, foreclosure will be commenced against each parcel of land in the District with a delinquency of $3,000 or more for the prior fiscal year or years. See BONDOWNERS' RISKS—Collection of the Assessments," and Owner Not Obligated to Pay Bonds or Assessments," "—Foreclosure," and "—Price Realized Upon Foreclosure" for additional information regarding the City's ability to bring a foreclosure action for delinquent Assessment Installments.

Upon the redemption or sale of the real property responsible for any such delinquent Assessment Installment, the City will apply the net proceeds thereof to: (a) deposit to the Reserve Fund the amount of any delinquency advanced therefrom to the Redemption Fund for payment of interest on or principal of the Bonds, and (b) the balance, if any, will be disbursed as set forth in the judgment of foreclosure or as required by applicable law.

One of the parcels in the District that is improved with a road (Assessment No. 9) has a minimal assessed value and the Appraiser has assigned it a 0 value (see "THE DISTRICT—Land Values" herein). In the event of a failure to pay the Assessment on this parcel, the likelihood of a successful foreclosure sale is remote. See "BONDOWNERS' RISKS" herein.

Sales of Tax-Defaulted Property Generally

Property securing delinquent Assessment Installments which is not sold pursuant to the judicial foreclosure proceedings described above may be sold, subject to redemption by the property owner, in the same manner and to the same extent as real property sold for nonpayment of general County property taxes. On or before June 30 of the year in which such delinquency occurs, the property becomes tax-defaulted. This initiates a five-year period during which the property owner may redeem the property. At the end of the five-year period the property becomes subject to sale by the County Treasurer and Tax Collector. Except in certain circumstances, as provided in the Bond Law, the purchaser at any such sale takes such property subject to all unpaid Assessments, interest and penalties, costs, fees and other charges which are not satisfied by application of the sales proceeds and subject to all public improvement Assessments which may have priority. See "SECURITY FOR THE BONDS—Foreclosure Covenant" for the circumstances under which the City is required to take action to foreclose the lien of delinquent Assessments.

Delinquency Resulting in Ultimate or Temporary Default on Bonds

If a temporary deficiency occurs in the Redemption Fund with which to pay Bonds which have matured, past due interest or the principal and interest on Bonds coming due during the current tax year, but it does not appear to the Treasurer that there will be an ultimate loss to the Bondholders, the Treasurer shall, pursuant to the Bond Law, pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due as long as there are available funds in the Redemption Fund, in the following order of priority:

(a) All matured interest payments shall be made before the principal of any Bonds is paid.

(b) Interest on Bonds of earlier maturity shall be paid before interest on Bonds of later maturity.

(c) Within a single maturity, interest on lower-numbered Bonds shall be paid before interest on higher-numbered Bonds.

(d) The principal of Bonds shall be paid in the order in which the Bonds are presented for payment. Any Bond which is presented but not paid shall be assigned a serial number according to the order of presentment and shall be returned to the Bondholder.

When funds become available for the payment of any Bond which was not paid upon presentment, the Treasurer shall notify the registered owner of such Bond by registered mail to present the Bond for payment. If the Bond is not presented for payment within ten (10) days after the mailing of the notice, interest shall cease to run on the Bond.

If it appears to the Treasurer that there is a danger of an ultimate loss accruing to the Bondholders for any reason, he or she is required pursuant to the Bond Law to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the City Council so that the City Council may take proper action to equitably protect all Bondholders.

Upon the receipt of such notification from the Treasurer, the City Council is required to fix a date for a hearing upon such notice. At the hearing the City Council shall determine whether in its judgment there will ultimately be insufficient money in the Redemption Fund to pay the principal of the unpaid Bonds and interest thereon.

If the City Council determines that in its judgment there will ultimately be a shortage in the Redemption Fund to pay the principal of the unpaid Bonds and interest thereon (an "Ultimate Default"), the City Council shall direct the Treasurer to pay to the owners of all outstanding and unpaid Bonds such proportion thereof as the amount of funds on hand in the Redemption Fund bears to the total amount of the unpaid principal of the Bonds and interest which has accrued or will accrue thereon. Similar proportionate payments shall thereafter be made periodically as monies come into the Redemption Fund.

Upon the determination by the City Council that an Ultimate Default will occur, the Treasurer shall notify all Bondholders to surrender their Bonds to the Treasurer for cancellation. Upon cancellation of the Bonds, the Bondholder shall be credited with the principal amount of the Bond so canceled. The Treasurer shall then pay by warrant the proportionate amount of principal and accrued interest due on the Bonds of each Bondholder as may be available from time to time out of the money in the Redemption Fund. Interest shall cease on principal payments made from the date of such payment, but interest shall continue to accrue on the unpaid principal at the rate specified on the Bonds until payment thereof is made. No premiums shall be paid on payments of principal on Bonds made in advance of the maturity date thereon.

If Bonds are not surrendered for registration and payment, the Treasurer shall give notice to the Bondholder by registered mail, at the Bondholder's last address as shown on the registration books maintained by the Registrar, of the amount available for payment. Interest on such amount shall cease as of ten days from the date of mailing of such notice.

If the City Council determines that in its judgment there will not be an Ultimate Default, it shall direct the Treasurer to pay matured Bonds and interest as long as there is available money in the Redemption Fund.

DEBT SERVICE SCHEDULE

The table below sets forth the scheduled annual debt service payments on the Bonds, assuming no optional redemption of the Bonds.

Year Ending September 2	Principal (1)	Interest	Total
2004	$ 30,000	$ 137,571.00	$ 167,571.00
2005	35,000	130,420.00	165,420.00
2006	40,000	129,545.00	169,545.00
2007	40,000	128,325.00	168,325.00
2008	40,000	126,905.00	166,905.00
2009	45,000	125,345.00	170,345.00
2010	45,000	123,455.00	168,455.00
2011	45,000	121,430.00	166,430.00
2012	50,000	119,315.00	169,315.00
2013	50,000	116,865.00	166,865.00
2014	55,000	114,340.00	169,340.00
2015	55,000	111,480.00	166,480.00
2016	60,000	108,565.00	168,565.00
2017	60,000	105,325.00	165,325.00
2018	65,000	102,025.00	167,025.00
2019	70,000	98,385.00	168,385.00
2020	75,000	94,395.00	169,395.00
2021	80,000	90,045.00	170,045.00
2022	80,000	85,325.00	165,325.00
2023	85,000	80,525.00	165,525.00
2024	95,000	75,382.50	170,382.50
2025	100,000	69,587.50	169,587.50
2026	105,000	63,487.50	168,487.50
2027	110,000	57,082.50	167,082.50
2028	115,000	50,372.50	165,372.50
2029	125,000	43,357.50	168,357.50
2030	130,000	35,670.00	165,670.00
2031	140,000	27,675.00	167,675.00
2032	150,000	19,065.00	169,065.00
2033	160,000	9,840.00	169,840.00
Totals	$2,335,000	$2,701,106.00	$5,036,106.00

(1) Indicates a mandatory sinking payment redemption.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the Bonds are set forth below.

Estimated Sources of Funds	
Principal Amount of the Bonds	$2,335,000.00
Less: Underwriter's Discount	(58,375.00)
Total Sources of Funds	$2,276,625.00
Estimated Uses of Funds	
Deposit to Improvement Fund (1)	$2,106,242.50
Deposit to Reserve Fund (2)	170,382.50
Total Uses of Funds	$2,276,625.00

(1) To be used to pay costs of the improvements to be financed by the District, and costs of issuance of the Bonds. Costs of issuance include Bond Counsel fees and expenses, Fiscal Agent fees, printing costs and other costs of issuance.

(2) Equal to the initial Reserve Requirement. See "SECURITY FOR THE BONDS—Establishment of Funds and Accounts—Reserve Fund."

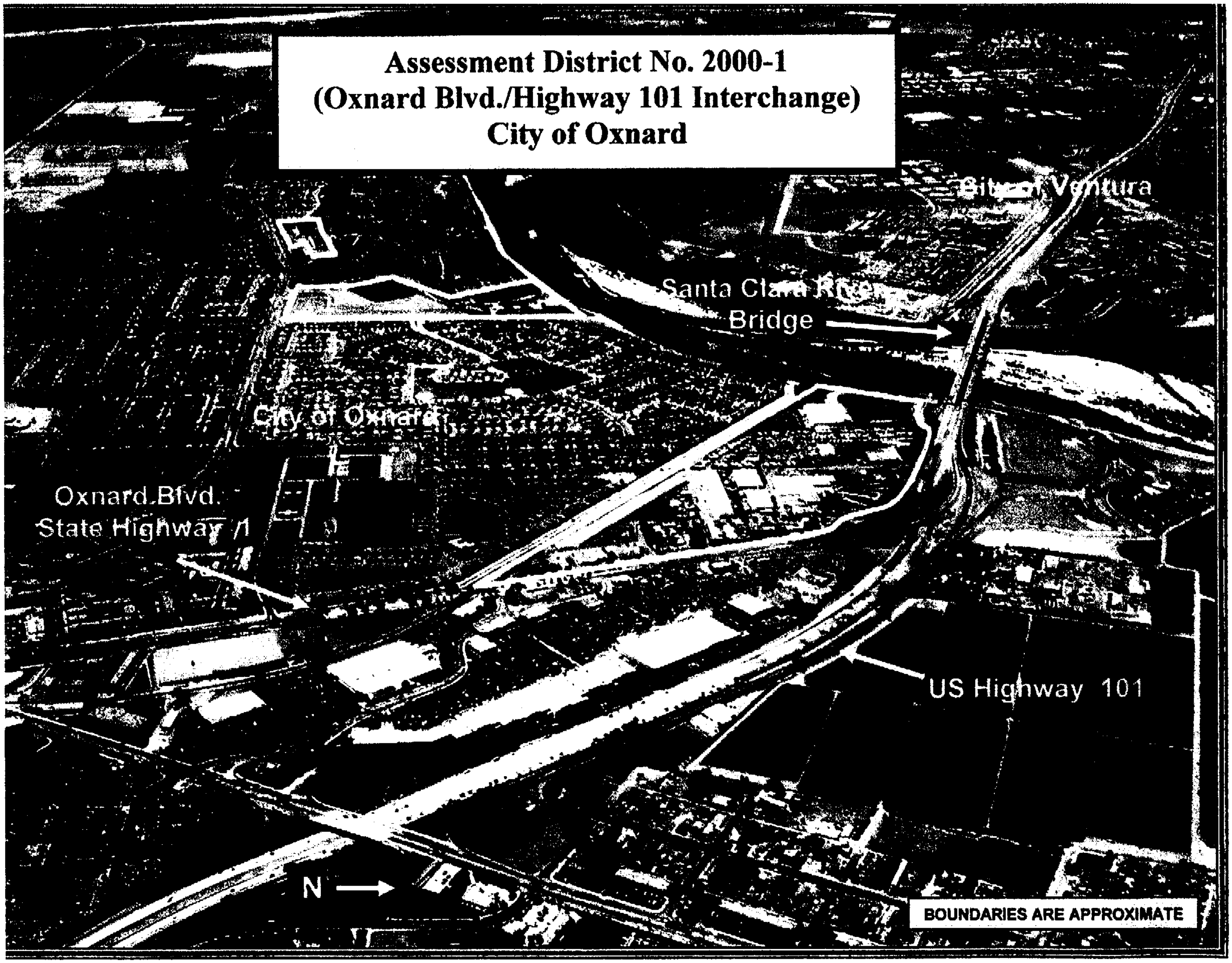
THE DISTRICT

General Description of the District

The District is a special assessment district formed by the City Council under the 1913 Act under proceedings taken pursuant to a resolution of intention adopted by the City Council on October 24, 2000 for the purpose of providing a portion of the costs of certain roadway improvements more fully described below. A public hearing and assessment ballot proceeding with respect to the establishment of the District and the levy of the Assessments was held by the City Council of the City on December 11, 2000, and 88% of the ballots cast were in favor of the District and the Assessments. On July 24, 2001, the City Council adopted a resolution authorizing the issuance of the Bonds, and on July 22, 2003, the City Council adopted a resolution approving a revised preliminary official statement for the Bonds and its distribution in connection with the sale of the Bonds.

The District includes approximately 227 acres located in the northwest section of the City which includes an area of approximately 48 acres commonly referred to as "Wagon Wheel." The area in which the District includes a mixture of industrial, commercial and specialty buildings (bowling alley and skating rink), a mobile home park and a shopping center. All but 2 of the parcels in the District are improved. Three of the parcels in the District, totaling 159.76 acres, are owned by the City, and the assessments on these 3 parcels have been prepaid by the City, so that the 3 parcels are not subject to the Assessments that are pledged as security for the Bonds.

The District boundaries include the Santa Clara River on the north; Highway 1 on the east and south; and a housing development on the west. The area is heterogeneous in nature with a mixture of uses that include industrial, motel, restaurant, quasi-retail (mobile home sales and servicing), and special purpose (bowling alley and skating rink). The area was developed in the 1950's and, with the exception of a retail center at the northern portion of the community, is comprised of older structures. The conditions of the structures range from fair to good. The area is virtually built out with no undeveloped parcels although some of the improved parcels are marginal in building coverage (i.e. a small sales office on a site that sells mobile or manufactured housing).


Assessment District No. 2000-1
(Oxnard Blvd./Highway 101 Interchange)
City of Oxnard
City of Ventura
Santa Clara River
Bridge
City of Oxnard
Oxnard Blvd.
State Highway 1
US Highway 101
N
BOUNDARIES ARE APPROXIMATE

Improvements to be Financed

The District is authorized to finance freeway interchange improvements at Oxnard Boulevard in the City. The District is part of a coordinated financing solution to provide approximately $113.5 million of infrastructure improvements known as the Vineyard Avenue-Johnson Drive Freeway Improvement Project (the "Project"). The improvements consist of the following four major components: (a) a new 12-lane bridge on Highway 101 over the Santa Clara River; (b) extra lanes to Highway 101 between Vineyard Avenue and Montalvo railroad spur crossing; (c) an elevated rail grade crossing at Johnson Drive; and (d) freeway interchange at Oxnard Boulevard.

The Project is expected to relieve traffic congestion on Highway 101 to Oxnard Boulevard in the vicinity of the District and improve access to businesses and surrounding areas. The Project will provide better access to and from major highways and improve safety by eliminating the Highway 1/101 merger. The improvements are expected to increase the property values of the parcels within the District by reason of the improved highway access to the parcels.

Work related to the Project is underway. The first of three phases of the Project, demolition of the existing interchange, has been completed, with over $3,500,000 expended to date on Project costs. Construction of the new interchange is approximately 20% complete, with final completion of the Project expected in December of 2005. The City has recently been advised that, due to the lack of an adopted budget for the State of California for its fiscal year 2003-04, the California Department of Transportation may order a stoppage of all work on the Project. If any such order is given, it is expected that it would be rescinded following the adoption of the budget for the State. No assurance can be given that the future work stoppages will not occur due to State budget issues, adverse weather conditions or acts of God, or that the Project will be completed, or that its cost will be as anticipated and within the available amounts budgeted for the Project.

History of Collection of Assessments

Annual Assessment Installments are levied in the District with one-half of the levy delinquent if not paid by December 10 in the Fiscal Year of the levy and the other one-half being delinquent if not paid by April 10 in such Fiscal Year. Assessment Installments were first levied in the District in Fiscal Year 2001-02, with the first payment from property owners delinquent if not paid by December 10, 2001. A total of $266,790.44 of Assessment Installments for such Fiscal Year were levied on the 22 parcels in the District, and all of such Assessment Installments have been paid in full. In Fiscal Year 2002-03, a total of $266,790.44 of Assessment Installments were levied on the 22 parcels in the District, with the first installment timely paid in full, but with two parcels delinquent in the payment of the installment delinquent if not paid on April 10, 2003. The delinquencies have subsequently been cured, and it is believed by the City that the delinquencies only arose because the two parcels were the subject of a sale to the current owner, Casden Oxnard Vineyard Avenue LLC, that occurred on January 22, 2003.

As previously stated, the City has prepaid the Assessments levied on 3 parcels owned by the City in the District. The aggregate amount of the prepayment by the City, approximately $396,950, together with the Assessment Installments collected to date in the District after deduction of administrative expenses, totaling approximately $508,530, will be used to pay Project costs. Such amounts are not pledged as security for the Bonds.

The levy of Assessments for the current fiscal year 2003-04, will be $266,790.44, as adjusted downward following the issuance of the Bonds to reflect the actual principal amount of, and interest rates for, the Bonds.

Land Values

Set forth below is a table which sets forth certain information regarding each parcel within the District. The value to lien ratios presented are based upon the Ventura County assessor's records regarding the current assessed value of the land and the improvements thereon (prior to any deductions for exemptions), and the parcels Assessment as shown in the Assessment Engineer's Report for the District. Value to lien ratios are not shown for 3 parcels owned by the City, as the assessments on these parcels are not pledged as security for the Bonds.

VALUE-TO-LIEN SUMMARY – ASSESSED VALUES(1)

Assessment Number(1)	County Assessor's Parcel Number	Property Owner	Lot Area (Acres)	Land Use	Total Assessed Value (2)	Assessment Amount(3)	Value to Lien Ratio (4)
1	139 0 022 015	SDC-CT Properties LLC	0.16	Res, Motel	$ 33,138	$ 6,734.42	4.92(7)
2	139 0 022 030	SDC-CT Properties LLC	0.70	Com, Single Tenant 3000 sq ft or less	190,800	29,342.83	6.50(5)
3	139 0 022 040	SDC-CT Properties LLC	2.73	Rec, Bowling Alley	501,164	114,485.15	4.38(5)
4	139 0 022 060	SDC-CT Properties LLC	0.48	Com, Other, Imrpovements	558,180	20,123.09	27.74
5	139 0 022 125	SDC-CT Properties LLC	1.00	Res, Mobile Home Park	1,294,442	41,929.79	30.87
6	139 0 022 140	SDC-CT Properties LLC	1.11	Rec, Sports Facility, No Golf/Bowling	137,688	46,499.57	2.96(5)
7	139 0 022 150	SDC-CT Properties LLC	15.85	Com, Other, Improvements	3,593,099	664,462.83	5.40 (5)
8	139 0 150 110	SDC-CT Properties LLC	11.46	Off, Mid-size Bldg, 1000-10,000 sq ft	7,465,460	480,468.84	15.54
9	139 0 150 135	SDC-CT Properties LLC	0.07	Vacant, Commercial, Less than 5 Acres	0(6)	2,966.35	–
10	139 0 161 015	SDC-CT Properties LLC	7.18	Com, Other, Improvements	1,457,117	301,044.64	4.84(5)
11	139 0 161 025	SDC-CT Properties LLC	0.46	Off, Mid-size Bldg, 1000-10,000 sq ft	167,377	19,321.37	8.66(5)
12	139 0 162 040	SDC-CT Properties LLC	0.31	Com, Vehicle Repair and Sales	49,736	12,987.81	3.83(5)
13	139 0 162 075	SDC-CT Properties LLC	0.31	Com, Single Tenant, 3000+ sq ft	250,000	12,987.81	19.25
14	139 0 162 085	SDC-CT Properties LLC	0.64	Com, Single Tenant, 3000+ sq ft	530,906	26,857.51	19.77
15	139 0 170 015	SDC-CT Properties LLC	0.17	Com, Service Stations	221,533	7,135.28	31.05
16	139 0 170 025	SDC-CT Properties LLC	1.77	Com, Single Tenant, 3000 sq ft or less	232,288	74,238.97	3.12(5)
17	139 0 170 030	SDC-CT Properties LLC	0.75	Com, Single Tenant, 3000 sq ft or less	116,120	31,427.30	3.69(5)
18	139 0 170 045	SDC-CT Properties LLC	0.19	Misc, Parking Lot and Garage	26,501	7,937.00	3.34(5)
19	139 0 170 055	SDC-CT Properties LLC	0.95	Com, Vehicle Repair and Sales	180,436	39,845.32	4.53(5)
20	139 0 170 085	SDC-CT Properties LLC	1.71	Com, Other, Improvements	431,828	71,673.48	6.02 (5)
21	179 0 040 170	Casden Oxnard Vineyard Ave.	13.75	Vacant, Commercial, 5+ Acres	3,300,000	233,780.60	14.12
22	179 0 040 180	Casden Oxnard Vineyard Ave.	5.22	Vacant, Commercial, 5+ Acres	1,250,000	88,750.04	14.08
Totals			66.97		$21,987,813	$2,335,000.00	

(1) Does not include assessment nos. 23, 24 and 25 which are on parcels owned by the City, which assessments have been prepaid and are not pledged as security for the Bonds.
(2) From Ventura County Assessor's records for Fiscal Year 2002/03, as reported by the Appraiser. Note that assessed values may not reflect the actual value of the parcels due to the manner in which assessed values are determined.
(3) Current unpaid Assessment lien on the respective parcels, taking into account collections of Assessment Installments in Fiscal Years 2001-02 and 2002-03.
(4) Ratio of Assessed Value to Assessment Amount.
(5) Value separately determined by the Appraiser and as more fully described in the Appraisal Report, and as set forth below in the table Appraised Values of Certain Parcels in the District.
(6) This parcel is a small sliver of land improved with a road. See "SECURITY FOR THE BONDS—Foreclosure Covenant."
(7) This parcel is improved with an office for the mobile home park located on the parcel identified as Assessment Number 5, and was considered by the Appraiser as an integral part of the mobile home park so that in the Appraiser's opinion the two parcels should be considered as one. See APPENDIX A—THE APPRAISAL.
Source: The City, except as otherwise noted in the footnotes to this table.

Set forth below is a table showing the appraised values of each parcel in the District with an assessed value to Assessment lien ratio of less than 10:1 (other than the parcel identified as Assessment Number 1, which the Appraiser considered as integral with the parcel identified as Assessment Number 5, all as described in footnote 7 to the preceding table and in the Appraisal

Report), as such appraised values are reported by the Appraiser in the Appraisal Report. See APPENDIX A—THE APPRAISAL.

APPRAISED VALUES OF CERTAIN PARCELS IN THE DISTRICT

Assessment Number	County Assessor's Parcel No.	Total Assessed Value(1)	Assessment Amount(2)	Appraised Value(3)	Value to Lien Ratio(4)
2	139-0-022-030	$ 190,800	$29,324.83	$ 405,000	13.81
3	139-0-022-040	501,164	114,485.15	1,155,000	10.09
6	139-0-022-140	137,688	46,499.57	450,000	9.67
7	139-0-022-150	3,593,099	664,462.83	10,265,000	15.44
10	139-0-161-015	1,457,117	301,044.64	3,600,000	11.96
11	139-0-161-025	167,377	19,321.37	260,000	13.46
12	139-0-162-040	49,736	12,987.81	102,000	7.85
16	139-0-170-025	232,288	74,238.97	580,000	7.81
17	139-0-170-030	116,120	31,427.30	340,000	10.82
18	139-0-170-045	26,501	7,937.00	62,000	7.81
19	139-0-170-055	180,436	39,845.32	330,000	8.28
20	139-0-170-085	431,828	71,673.48	700,000	9.76

(1) From Ventura County Assessor's records for Fiscal Year 2002-03.
(2) Current unpaid Assessment lien on the respective parcels, taking into account collections of Assessment Installments in Fiscal Years 2001-02 and 2002-03.
(3) From the Appraisal. See APPENDIX A—THE APPRAISAL.
(4) Ratio of Appraised Value to Assessment Amount.
Source: The Appraisal.

See "BONDOWNERS' RISKS" herein for a description of circumstances that may affect the value of the parcels in the District. Assessed values may not reflect the true value of the parcels in the District. The City makes no representation as to the accuracy or completeness of the Appraisal.

Direct and Overlapping Bonded Indebtedness

The ability of an owner of land within the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. In addition to the Bonds, other public agencies whose boundaries overlap those of the District could, without the consent of the City, and in certain cases without the consent of the owners of the land within the District, impose additional taxes or assessment liens on the property within the District in order to finance public improvements to be located inside of or outside of such area. The lien created on the property within the District through the levy of such additional taxes or assessments may be on a parity with the lien of the Assessments. See "BONDOWNERS' RISKS—Parity Taxes and Special Assessments" below.

Set forth below is a direct and overlapping debt report prepared by California Municipal Statistics, Inc. as of July 1, 2003. The debt report is included for general information purposes only. The City has not independently verified the debt report and makes no representations as to its completeness or accuracy.

DIRECT AND OVERLAPPING INDEBTEDNESS
CITY OF OXNARD ASSESSMENT DISTRICT NO. 2000-1

2002-03 Local Secured Assessed Valuation: $21,646,917

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/1/03
Metropolitan Water District	0.001%	$ 4,443
Ventura County Community College District	0.033	28,050
Oxnard Union High School District	0.107	56,817
Oxnard School District	0.076	57,795
Rio School District	0.714	134,696
City of Oxnard - Oxnard Boulevard/Highway 101 Interchange Project Assessment District	100.	2,335,000 (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,616,801

OVERLAPPING GENERAL FUND OBLIGATION DEBT:	% Applicable (2)	Debt 7/1/03
Ventura County Certificates of Participation	0.025%	$ 20,853
Ventura County Pension Obligations	0.025	22,325
Ventura County Superintendent of Schools Certificates of Participation	0.025	505
Ventura County Community College District Certificates of Participation	0.025	2,399
Oxnard Union High School District General Fund Obligations	0.080	14,776
Oxnard School District Certificates of Participation	0.081	5,468
Rio School District Certificates of Participation	0.461	25,678
City of Oxnard General Fund Obligations	0.185	55,619
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT		$147,623
COMBINED TOTAL DEBT		$2,764,424 (3)

(1) 1915 Act bonds to be sold.
(2) Based on redevelopment adjusted all property assessed valuation of $15,278,357.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2002-03 Assessed Valuation:
Direct Debt ($2,335,000) 10.79%
Total Direct and Overlapping Tax and Assessment Debt........ 12.09%
Combined Total Debt 12.77%

The Primary Landowner

Information under this subheading is included because it may be considered relevant by some investors to an informed evaluation and analysis of the parcels within the District subject to the Assessments and any existing or future improvements thereon as security for the Bonds. The information contained below does not guarantee that property ownership will not change or that the current or any subsequent property owners will pay the Assessment Installments when due. The Assessments will constitute liens on the respective parcels within the District and not a personal indebtedness of the owners of property within the District. The information below has been provided by the Primary Landowner, and neither the City nor the Underwriter can ensure, and do not ensure, its completeness or accuracy.

Land Owned in the District. Twenty of the parcels in the District, representing approximately 86% of the total unpaid Assessments, are owned by the Primary landowner, SDC-CT Properties LLC. The Primary Landowner purchased the parcels from the former owners, a trust and a related entity, on February 28, 2003. See APPENDIX A—THE APPRAISAL for additional information regarding the sales transaction.

Identity of the Primary Landowner. The Primary Landowner is a California limited liability company of which SDC-CT, LLC, a California limited liability company ("SDC-CT"), is the managing member. CT Oxnard LLC, a California limited liability company ("CT Oxnard") is the managing member of SDC-CT. The managing member of CT Oxnard is CT Realty Corporation, a California corporation ("CT Realty"). CT Realty was formed in 1994 with 13 shareholders including its founders, Robert M. Campbell and U.T. Thompson III. Eventually, CT Realty's investor base was increased to 43 shareholders.

CT Realty. CT Realty's investment strategy over the past nine years has been to create a portfolio through investment and development of high quality properties with income and value growth potential that will be sold within three to five years. Product types include office, industrial, multi-family, mixed use and some retail. CT Realty also develops self storage properties to be held long-term. All of the company's projects have been focused in the high-growth markets of Southern California and Sacramento with values primarily in the $4 million to $30 million range.

CT Realty's investment strategy in the early years involved the use of syndications funded by more than 100 shareholders and outside investors. This strategy was later replaced by investment funds composed of CT Realty shareholders and other investors, with each being managed by a separate board of directors. Typically, these funds invested ten to twenty percent of the equity in conjunction with outside investors who were either high net worth individuals or institutions such as Lehman Brothers.

Regardless of the investment structure, CT Realty's management has maintained operational control as the general partner, managing member or managing agent in all investments. Since 1994, CT Realty has sold 89 properties out of 109 in the company's portfolio which have produced an average investment rate of return of 27.3 percent over an average period of 28 months. These 89 properties included 3,986 apartments and 4,429,578 square feet of industrial and office product. Total transactions are valued at more than $1.5 billion.

Over the past few years, CT Realty has sponsored three California Funds totaling approximately $50 million in equity. CT California Fund—formed in the spring of 1998—invested in a portfolio of 24 commercial office, multi-family, medical office, industrial and R&D properties with a combined actual sales price for properties sold and projected exit value for properties still held in excess of $313 million. CT California Fund II was formed in the spring of 2000 and to date has invested in a portfolio of 16 commercial, office, multi-family, medical office, industrial, retail and R&D properties. CT California Fund III was formed in the spring of 2002 and so far has invested in a portfolio of 24 commercial, office, multi-family, industrial, retail and R&D properties.

In addition, CT Realty has sponsored three Self Storage Funds totaling approximately $23.3 million in equity. CT Self Storage Fund was formed Fall 1999 and has developed a portfolio of four properties. Three of the properties utilized large shipping containers converted into self storage units, while the fourth was developed using traditional ground-up construction. CT Self Storage Fund II was formed Fall 2001 and has developed a portfolio of six properties thus far. Two of the properties are containerized, three properties are ground up or conversion of existing buildings and a final property is a mix of ground up and containers. CT Self Storage III was formed in the summer of 2003 and to date shares ownership of two self storage sites with CT Self Storage II.

Plans for Development of Land in the District. The Primary Landowner has advised the City that it has commenced a long-range planning study with regard to the possible future redevelopment of the parcels in the District owned by the Primary Landowner. To date, the Primary Landowner has completed a market study and is developing possible site plans for the parcels which may lead to new development. Any future redevelopment or development of the parcels will, in any event, be subject to market conditions. No assurance can be given as to the timing of any future development activity on the parcels, or that any such activity will occur at all.

BONDOWNERS' RISKS

The following information should be considered by prospective investors in evaluating the investment quality of the Bonds. The information below, however, does not purport to be an exhaustive listing of risks and other considerations that may be relevant to a decision to invest in the Bonds. Furthermore, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

General

Under the provisions of Bond Law, Assessment Installments, from which funds for the payment of annual installments of principal of and interest on the Bonds are derived, will be billed to properties against which there are unpaid Assessments on the regular ad valorem property tax bills sent to owners of such properties. Such Assessment Installments are due and payable at the same times, and bear the same penalties and interest for non-payment as do regular property tax installments. A property owner cannot pay the County tax collector less than the full amount due on the tax bill, however it is possible to pay Assessment Installments directly to the City in satisfaction of the obligation to pay that Assessment without paying property taxes also then due. It should also be noted that the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Assessment Installment payments in the future.

Unpaid Assessments do not constitute a personal indebtedness of the owners of the lots and parcels within the District and the owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. Accordingly, in the event of delinquency, proceedings may be conducted only against the real property securing the delinquent Assessment. Thus, the value of the real property within the District is a critical factor in determining the investment quality of the Bonds. There is no assurance any owner will be able to pay the Assessment Installments or that they will pay such installments even though financially able to do so.

In order to pay debt service on the Bonds, it is necessary that unpaid installments of Assessments on land within the District are paid in a timely manner. Should the Assessment Installments not be paid on time, the City has established a Reserve Fund to cover delinquencies. The Assessments are secured by a lien on the parcels within the District and the City has covenanted to institute foreclosure proceedings to sell parcels with delinquent Assessment Installments for amounts sufficient to cover such delinquent installments in order to obtain funds to pay debt service on the Bonds.

Failure by any owner of a parcel in the District to pay Assessments Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent Assessment Installments levied against such parcels may result in the inability of the City to make full or punctual payment of debt service on the Bonds and Bondowners would therefore be adversely affected.

Collection of the Assessments

The Assessment Installments are to be collected in the same manner as ordinary ad valorem real property taxes are collected and, except as provided in the special covenant for foreclosure in the Bond Indenture, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem real property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property may be deeded to the State and then is subject to sale by the County.

According to the Ventura County Assessor, at this time there are no outstanding delinquencies in the payment of property taxes levied on parcels within the District. It should not be assumed, however, that this payment information forecasts the Assessment paying ability of the landowners in the District now or in the future.

The County of Ventura has not adopted the Teeter Plan. The Teeter Plan provides for payments of taxes and assessments to local agencies in the full levied amounts without regard to delinquencies. Consequently, the receipt of Assessments by the District will be subject to any delinquencies in the collection of the Assessments.

Pursuant to the Bond Law, in the event any delinquency in the payment of an Assessment Installment occurs, the City may commence an action in superior court to foreclose the lien therefor within the specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. Amendments to the Bond Law enacted in 1988 and effective January 1, 1989 provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the Bond Law is the amount equal to the delinquent installments of principal or interest of the assessment or reassessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the Bond Law. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than Minimum Price will not result in an ultimate loss to the Bondowners or, under certain circumstances, if owners of 75% or more of the outstanding Bonds consent to such sale. See "SECURITY FOR THE BONDS—Sales of Tax Defaulted Property," and "—Delinquency Resulting in Ultimate Loss or Temporary Default on Bonds."

There can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid a delay in payments of debt service on the Bonds. The City has covenanted for the benefit of the owners of the Bonds that the City will commence foreclosure upon the occurrence of a delinquency as provided in the Bond Indenture, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of the delinquent installments of the Assessment against parcels of land in the District for which such installment has been billed but has not been paid, and will diligently prosecute and pursue such foreclosure proceedings to judgment and sale, all as provided in the Bond Indenture. See "SECURITY FOR THE BONDS—Foreclosure Covenant." In the event that sales or foreclosure of property are necessary, there could be a delay in payments to holders of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the other sources of payment for the Bonds, as set forth in the Bond Indenture, are depleted. See "BONDOWNERS' RISKS—Foreclosure."

Risks Associates with Real Estate Secured Investments

Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property in and in the vicinity of the

District, the supply of or demand for competitive properties in such area, and the market value of property or buildings and/or sites in the event of sale or foreclosure; (b) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (c) natural disasters (including, without limitation, earthquakes and floods), which may result in uninsured losses.

Availability of Funds to Pay Delinquent Assessment Installments

Upon receipt of the proceeds from the sale of the Bonds, the City will initially establish the Reserve Fund in an amount of the "Reserve Requirement." The monies in the Reserve Fund constitute a trust fund for the benefit of the Owners of the Bonds, will be held by the Fiscal Agent and administered by the Fiscal Agent in accordance with and pursuant to the provisions of the Bond Indenture. If a deficiency occurs in the Redemption Fund for payment of interest on or principal of the Bonds, the Fiscal Agent will transfer into such funds an amount out of the Reserve Fund needed to pay debt service on the Bonds. There is no assurance that the balance in the Reserve Fund will always be adequate to pay the debt service on the Bond in the event of delinquent Assessment installments.

If, during the period of delinquency, there are insufficient funds in the Reserve Fund to pay the principal of and interest on the Bonds as it becomes due, a delay may occur in payments of principal and/or interest to the owners of the Bonds.

Owner Not Obligated to Pay Bonds or Assessments

Unpaid Assessments do not constitute a personal indebtedness of the owner of parcels within the District and the property owners have made no commitment to pay the principal of or interest on the Bonds or to support payment of the Bonds in any manner. There is no assurance that the property owners have the ability to pay the Assessment Installments or that, even if they have the ability, they will choose to pay such installments. An owner may elect to not pay the Assessments when due and cannot be legally compelled to do so. If an owner decides it is not economically feasible to develop or to continue owning its property encumbered by the lien of the Assessment, or decides that for any other reason it does not want to retain title to the property, such owner may choose not to pay Assessments and to allow the property to be foreclosed. Such a choice may be made due to a decrease in the market value of the property. A foreclosure of the property will result in such owner's interest in the property being transferred to another party. Neither the City nor any Bondholder will have the ability at any time to seek payment directly from any owner of property within the District of any Assessment or any principal or interest due on the Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Land Values

The value of property in the District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Assessments, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Assessments. Land values could be adversely affected by economic factors beyond the City's control, such as relocation of employers out of the area, stricter land use regulations, the absence of water, or destruction of property caused by, among other eventualities, earthquake, flood or other natural disaster, or by environmental pollution or contamination.

Parity Taxes and Special Assessments

The ability or willingness of a property owner in the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. The Assessments and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes and other special assessments regardless of when they are imposed upon the same property. The Assessments have priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

The City, however, has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the District. In addition, the City is not prohibited itself from establishing assessment districts, community facilities districts or other districts which might impose assessments or taxes against property in the District. The imposition of additional liens on a parity with the Assessments could reduce the ability or willingness of the owners of parcels in the District to pay the Assessments and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Assessments or the principal of and interest on the Bonds when due. See "THE DISTRICT-Direct and Overlapping Bonded Indebtedness."

Foreclosure

The payment of the Assessments and the ability of the City to foreclose the lien of a delinquent unpaid Assessment, as discussed in "SECURITY FOR THE BONDS—Foreclosure Covenant," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Regardless of the priority of the assessment securing the Bonds over non-governmental liens the exercise by the City of the foreclosure and sale remedy or by the county of the tax sale remedy may be forestalled or delayed by bankruptcy, reorganization, insolvency or other similar proceedings affecting the owner of a parcel. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale or tax sale proceedings thereby delaying such proceedings perhaps for an extended period. Delay in exercise of remedies, especially if the owner owns a parcel the Assessments on which are significant or if bankruptcy proceedings are instituted with respect to a number of owners owning parcels the Assessments on which are significant, may result in periodic assessment installment collections which, even in conjunction with the Reserve Fund, may be insufficient to pay the debt service on the Bonds as it comes due. Further, should remedies be exercised under the bankruptcy law against the parcels, payment of installments of the Assessments may be subordinated to bankruptcy law priorities. Therefore, certain claims may have priority over the Assessment lien, even though they would not were the bankruptcy law not applicable.

On July 30, 1992 the United States Court of Appeals for the Ninth Circuit issued an opinion in a bankruptcy case entitled *In re Glasply Marine Industries* holding that ad valorem property taxes levied by a county in the State of Washington after the date that the property owner filed a petition for bankruptcy would not be entitled to priority over the claims of a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed subsequent to the filing of the bankruptcy petition were declared to be "administrative expenses" of the bankruptcy estate, payable after the claims of all secured creditors. As a result, the secured creditor was able to foreclose on the subject property and retain all the proceeds from the sale thereof except the amount of the pre-petition taxes. Pursuant to this holding, post-petition taxes would be paid only as administrative expenses and only if a bankruptcy estate has sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise) it would be subject only to current ad valorem taxes (i.e., not those accruing during the bankruptcy proceeding).

Glasply was controlling precedent on bankruptcy courts in the State of California for several years subsequent to the date of the Ninth Circuit's holding. Pursuant to state law, the lien date for general ad valorem property taxes levied in the State of California is the January 1 preceding the fiscal year for which the taxes are levied. Under the Glasply holding, a bankruptcy petition filing would have prevented the lien for general ad valorem property taxes levied in fiscal years subsequent to the filing of a bankruptcy petition from attaching and becoming a lien so long as the property was a part of the estate in bankruptcy. However, the Glasply holding was for the most part subsequently rendered inoperative with respect to the composition of a lien for and the collection of ad valorem taxes by amendments to the federal Bankruptcy Code (Title 11 U.S.C.) which were part of the Bankruptcy Reform Act of 1994 (the "Bankruptcy Reform Act") passed by Congress during the later part of 1994. The Bankruptcy Reform Act added a provision to the automatic stay section of the Bankruptcy Code which, pursuant to Section 362(b)(18) thereof, excepts from the Bankruptcy Code's automatic stay provisions, "the creation of a statutory lien for an ad valorem property tax imposed by . . . a political subdivision of a state, if such tax comes due after the filing of the petition" by a debtor in bankruptcy court. The effect of this provision is to continue the secured interest of ad valorem taxes on real property (i.e., post-petition taxes) in effect during the period following the filing of a bankruptcy petition, including during the period bankruptcy proceedings are pending. Assessments are considered to be levied on the date the assessment was confirmed. However, because assessments are not ad valorem taxes, it is unclear how a bankruptcy court would treat assessments in light of *Glasply* and 11 U.S.C. §362(b)(18).

Without further clarification by the courts or Congress, the original rationale of the Glasply holding could, however, still result in the treatment of post-petition assessments as "administrative expenses," rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings. First, assessments have a different lien date than the lien date for general ad valorem taxes in the State of California noted above. Thus, in deciding whether the original Glasply ruling is applicable to a bankruptcy proceeding involving assessments rather than general ad valorem property taxes, a court might consider the differences in the statutory provisions for creation of the applicable lien in determining whether there is a basis for post-petition assessments to be entitled to a lien on the property during pending bankruptcy proceedings. If a court were to apply Glasply to eliminate the priority of the assessment lien as a secured claim against property with respect to post petition levies of the Assessments made against property owners within the District who file for bankruptcy, collections of the Assessments from such property owners could be reduced as the result of being treated as "administrative expenses" of the bankruptcy estate. Second, and most importantly, is the fact that the original holding in Glasply and the mitigation of that holding by the Bankruptcy Reform Act of 1994 both appear to be applicable only to general ad valorem taxes, and, therefore, the exemption from the automatic stay in Section 362(b)(18) discussed above may not be applicable to assessments since they were not expressly mentioned or provided for in this section, nor defined to be included within the term "ad valorem taxes."

Any prohibition of the enforcement of the Assessment lien, or any such non-payment or delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds. Because a substantial portion of the taxable property in the District is owned by a single property owner, the payment of Assessments and the ability of the District to foreclose the lien of a delinquent unpaid Assessment could be substantially curtailed by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

Subordinate Debt; Payments by FDIC and other Federal Agencies

Portions of the property with the District may now or in the future secure loans. Any such loan is subordinate to the lien of the Assessments. However, (a) in the event that any of the financial institutions making any loan that is secured by real property within the District is taken over by the Federal Deposit Insurance Corporation ("FDIC"), (b) the FDIC or another federal entity acquires a parcel or parcels of land in the District, or (c) if a lien is imposed on the property by the Drug Enforcement Agency, the Internal Revenue Service or other similar federal governmental agency, and, prior thereto or thereafter, the loan or loans go into default, the ability of the City to collect interest and penalties specified by state law and to foreclosure the lien of a delinquent unpaid Assessment may be limited.

Specifically, with respect to the FDIC, on June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Real Property Taxes. The 1991 Policy Statement was revised and superseded by a new Policy Statement effective January 9, 1997 (the "Policy Statement"). The Policy Statement provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its proper tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

Under the Policy Statement, it is unclear whether the FDIC considers the Assessments, such as those levied by the City, to be "real property taxes" which they intend to pay. The Policy Statement provides: "The [FDIC] is only liable for state and local taxes which are based on the value of the property during the period for which the tax is imposed, notwithstanding the failure of any person, including prior record owners, to challenge an assessment under the procedures available under state law. In the exercise of its business judgment, the [FDIC] may challenge assessments which do not conform with the statutory provisions, and during the challenge may pay tax claims based on the assessment level deemed appropriate, provided such payment will not prejudice the challenge. The [FDIC] will generally limit challenges to the current and immediately preceding taxable year and to the pursuit of previously filed tax protests. However, the [FDIC] may, in the exercise of its business judgment, challenge any prior taxes and assessments provided that (1) the [FDIC]'s records (including appraisals, offers or bids received for the purchase of the property, etc.) indicate that the assessed value is clearly excessive, (2) a successful challenge will result in a substantial savings to the [FDIC], (3) the challenge will not unduly delay the sale of the property, and (4) there is a reasonable likelihood of a successful challenge".

However, the Resolution Trust Corporation (which dissolved at the end of 1995 and transferred all of its assets to the FDIC), which adopted a similar policy, stated in a letter dated July 2, 1993 to the Honorable Lucille Roybel-Allard, member of the United States House of Representatives from the State of California, that it ". . . will pay Mello-Roos special taxes and other special assessment and related interest where those taxes and assessments were imposed prior to receivership. However, Mello-Roos special taxes and other special assessments that are imposed on property when the institution owning the property is in receivership will not be paid."

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to an Assessment on a parcel in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed on at a judicial foreclosure sale would likely reduce the number of or eliminate the persons willing to purchase such a parcel at a foreclosure sale. Owners of the Bonds should assume that the City will be unable to foreclose on any parcel owned by the FDIC. Such an outcome would cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment of the Bonds. The City has not undertaken to determine whether the FDIC currently has, or is likely to acquire, any interest in any of the parcels in the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

Concentration of Ownership

The Primary Landowner currently owns parcels with the responsibility for payment of 86% of the unpaid Assessments. Because of the existing concentration of ownership of land in the District, the timely payment of the Bond depends upon the willingness and ability of the Primary Landowner to pay the Assessments on its property when due. The only assets of the property owners in the District with unpaid Assessments which constitute security for the Bonds are the real property holdings of the property owners located within the District that are encumbered by the Assessment liens. See also "BONDOWNERS' RISKS—Foreclosure" and "SECURITY FOR THE BONDS—Foreclosure Covenant."

Limited City Obligation Upon Delinquency

Pursuant to the Bond Law, the City has elected not to be obligated to advance funds from the treasury of the City for the payment of delinquent Assessment installments. The only obligation of the City with respect to such delinquencies is to transfer amounts available in the Reserve Fund to the Redemption Fund. Thus, the City's obligation to advance money to pay Bond debt service on the Bonds in the event of delinquent Assessment installments is limited to the balance in the Reserve Fund. The City has no obligation to replenish the Reserve Fund except to the extent that delinquent Assessments are paid or proceeds from foreclosure sales are realized. There is no assurance that the balance in the Reserve Fund will always be adequate to pay all delinquency installments and, if during the period of delinquency there are insufficient funds in the Reserve Fund, a delay may occur in payments to the owners of the Bonds. Notwithstanding the above, the City may, at its sole option and in its sole discretion, elect to advance available surplus funds of the City to pay for any delinquent property. However, Bondowners should not rely upon the City to advance monies to the Redemption Fund if the Reserve Fund is ever depleted.

Price Realized Upon Foreclosure

The Bond Law provides that, under certain circumstances, property subject to delinquent Assessment Installments may be sold upon foreclosure at less than the Minimum Price or without a Minimum Price upon petition by the City. "Minimum Price" is the amount equal to the delinquent installments of principal and interest on the assessment or reassessment, together with all interest, penalties, costs, fees, charges and other amounts more fully detailed in the Bond Law. The court may authorize a sale at less than the Minimum Price if the court determines, based on the evidence introduced at the required hearing, any of the following:

(a) Sale at the lesser Minimum Price or without a Minimum Price will not result in an ultimate loss to the owners of the Bonds.

(b) Owners of 75% or more of the outstanding Bonds, by principal amount, have consented to such petition by the City and the sale will not result in an ultimate loss to the non-consenting Bondowners.

(c) Owners of 75% or more of the outstanding Bonds, by principal amount, have consented to the petition and all of the following apply: (i) by reason of determination pursuant to the Bond Law, the City is not obligated to advance funds to cure a deficiency; (ii) no bids equal to or greater than the Minimum Price have been received at the foreclosure sale; (iii) no funds remain in the Reserve Fund; (iv) the City has reasonably determined that a reassessment and refunding proceeding is not practicable, or has in good faith endeavored to accomplish a reassessment and refunding and has not been successful, or has completed a reassessment and refunding arrangement which will, to the maximum extent feasible, minimize the ultimate loss to the Bondowners; and (v) no other remedy acceptable to owners of 75% or more of the outstanding Bonds, by principal amount, is reasonably available.

The Assessment lien upon property sold pursuant to this procedure at a lesser price than the Minimum Price will be reduced by the difference between the Minimum Price and the sale price. In addition, the court shall permit participation by the Bondowners in its consideration of the petition as necessary to its determinations.

Implementation of the above-described Minimum Price provision by the court upon foreclosure could result in nonpayment of the full principal and interest due on the Bonds. Reference should be made to the Bond Law for the complete provisions of this portion of the Bond Law.

Investors should also note that, if the Reserve Fund is depleted, there could be a default or a delay in payments to the owners of the Bonds pending prosecution of foreclosure proceedings and receipt by the District of foreclosure sale proceeds.

Refunding Bonds

Pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds (Division 11.5 of the California Streets and Highways Code), the City may issue refunding bonds for the purpose of redeeming the Bonds. After the making of certain required findings by the City Council, the City may issue and sell refunding bonds without giving notice to and conducting a hearing for the owners of property in the assessment district, or giving notice to the owners of the Bonds. See "THE BONDS—Refunding Bonds" herein. Upon issuing refunding bonds, the City Council could require that the Bonds be exchanged for refunding bonds on any basis which the City Council determines is for the City's benefit, if the Bondowners consent to the exchange. As an alternative to exchanging the refunding bonds for the Bonds, the City could sell the refunding bonds and use the proceeds to pay the principal of and interest and redemption premium, if any, on the Bonds as they become due, or advance the maturity of the Bonds and pay the principal of and interest and redemption premium thereon. See "THE BONDS—Redemption Provisions—Optional Redemption of Bonds."

Hazardous Materials

While government taxes, assessments and charges are a common claim against the value of an assessed parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to pay the Assessment on a parcel is a claim with regard to a hazardous substance. In general, the owners and operators of an assessed parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1989, sometimes referred to as "CERCLA" or "Superfund Act," is a well known one of these laws, but California laws with regard to hazardous substances are also stringent and somewhat similar. Under many of these laws, the owner (or operator) is obligated to remediate hazardous substances on, under or about the property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance; however, an owner (or operator) who is not at fault may seek recovery of its damages from the actual wrongdoer. The effect, therefore, should any of the assessed parcels be affected by a hazardous substance, may be to reduce the marketability and value of the parcel, because the purchaser, upon becoming an owner, may become obligated to remedy the condition just as is the seller.

The appraised value of some of the parcels in the District referred to in this Official Statement does not take into account the possible reduction in marketability and value of any of the assessed parcels by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel.

The Primary Landowner has provided the City with copies of a Phase I Environmental Site Assessment, dated September 17, 2002 and a Phase II Environmental Site Assessment, dated December 9, 2002 (the "Environmental Reports"), each as conducted by Secor International Incorporated ("Secor") for CT Realty and Fremont Investment and Loan. The Environmental Reports pertain to approximately 60 acres of the land within the District that include the land owned by the Primary Landowner. The Environmental Reports initially identified several facilities with significant environmental concerns. In the Phase II Environmental Assessment, all possible environmental conditions examined by Secor resulted in Secor advising that no further investigation was recommended at this time. Notwithstanding the foregoing, no assurance can be given that the parcels in the District are free of hazardous substances or other adverse environmental conditions.

Geologic, Topographic and Climatic Conditions

The value of the property in the District in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property 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, landslides and floods and climatic conditions such as droughts. Because of its proximity to the

San Andreas Fault system, the Ventura County area is considered to be one of the most seismically active regions in the United States. The occurrence of seismic activity in the District could result in substantial damage to properties in the District which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay the assessments on their property.

Loss of Tax Exemption

As discussed in the section herein entitled "LEGAL MATTERS—Tax Matters," interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date of issuance of the Bonds, as a result of acts or omissions of the City subsequent to issuance in violation of the City's covenants applicable to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and may remain outstanding.

Limitations on Remedies

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Bond Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the unpaid principal of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Bond Indenture.

CONCLUDING INFORMATION

Legal Matters

The validity of the Bonds and certain other legal matters related to the District are subject to the approving legal opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel. A copy of the proposed form of Bond Counsel opinion is contained in Appendix D hereto, and the final opinion will be made available to the owners of the Bonds at the time of delivery. Certain legal matters will be passed upon for the City by the City Attorney, and certain legal matters will be passed upon for the Underwriter by Quint & Thimmig LLP, San

Francisco, California, Underwriter's Counsel. Payment of the fees of Bond Counsel and Underwriter's Counsel are contingent upon the issuance of the Bonds.

Tax Matters

In the opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel, under existing statutes, regulations, rules and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxation imposed by the State of California.

Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions of the Internal Revenue Code of 1986, as amended (the "Code"). However. with respect to the Bonds owned by corporations (as defined for federal income tax purposes), interest on the Bonds may be included In adjusted current earnings, a portion of which may increase the alternative minimum taxable income of such corporations In addition. although interest on the Bonds is excluded from gross income for federal income tax purposes. the accrual or receipt of interest on the Bonds and the ownership of the Bonds may otherwise affect the federal income tax liability of certain persons or entities. Bond Counsel expresses no opinion regarding any such consequences.

The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest paid with respect thereto to be and remain exempt from federal income taxation. Noncompliance with such requirements might cause the interest paid on the Bonds to be subject to federal income taxation retroactive to the date of issue and the Bonds. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Bonds and other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. Under the Indenture, the City has covenanted to comply with all such requirements.

In rendering such opinions, Bond Counsel is assuming that the City will comply with its covenants In the Bond Indenture to comply with the requirements of the Code. Noncompliance with the Code might cause the interest on the Bonds to be subject to federal income taxation retroactive to the date of issuance and delivery of the Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Bondowners should be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequence arising with respect to the Bonds other than as expressly described above.

Absence of Litigation

At the time of delivery of and payment for the Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or regulatory agency, public board or body pending or threatened against the City affecting its existence, or the titles of its officers, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Indenture, or the collection or levy of the Assessments to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the

Bond Indenture, an agreement entered into between the City and the Underwriter (the "Bond Purchase Contract"), or any other applicable agreements or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents.

No Rating

The City has not made and does not contemplate making an application to any rating agency for the assignment of a rating to the Bonds. There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such 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.

Underwriting

The Underwriter, E. J. De La Rosa & Co., Inc., has purchased all of the Bonds at a price equal to the principal amount of the Bonds, less an Underwriter's discount of $58,375.00. The obligation of the Underwriter to effect the purchase of the Bonds is subject to certain terms and conditions set forth in a bond purchase contract entered into between the Underwriter and the City.

Continuing Disclosure

The City has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the Bonds by not later than eight months following the end of the City's fiscal year, commencing with the report for the 2003-2004 Fiscal Year (the "City Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The City Annual Report will be filed with each Nationally Recognized Municipal Securities Information Repository. The notices of material events will be filed with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is contained within Appendix C—Forms of Continuing Disclosure Certificates.

The Primary Landowner has covenanted for the benefit of the Bondowners to provide certain information relating to the parcels owned by it in the District by not later than 90 days following the end of the owner's fiscal year, and to provide notices of the occurrence of certain enumerated events, if material. The property owner Annual Report will be filed by the property owner with each Nationally Recognized Municipal Securities Information Repository. The notices of material events will be filed by the property owner with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is contained within Appendix C—Forms of Continuing Disclosure Certificates. The obligation of the Primary Landowner under the Continuing Disclosure Certificate—Landowner is subject to termination upon the occurrence of certain events specified therein, which include termination following the date on which the Primary Landowner and all Affiliates (as defined therein) own, in the aggregate, land in the District that is subject to less than twenty percent (20%) of the then unpaid Assessments.

The covenants of the City and the Primary Landowner in their respective Continuing Disclosure Certificates have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). A failure by the City or the Primary Landowner to comply with its respective continuing disclosure obligations will not subject them to monetary liability and will not constitute a default under the Bond Indenture. The City has never failed to comply with any undertaking by the City under the Rule, and the Primary Landowner has advised the City that it has never had any prior undertaking under the Rule.

The Primary Landowner has agreed to use commercially reasonable efforts to obtain an assumption of its continuing disclosure obligations by any single entity which acquires land in the District that is subject to over twenty percent (20%) of the unpaid Assessments. No assurance can be given that such entity will assume the obligations of the Primary Landowner under the applicable Continuing Disclosure Certificate or that it will comply with any obligations so assumed.

Miscellaneous

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District since the date hereof.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of such documents and reports are available for inspection at the office of the Fiscal Agent.

The execution and delivery of the Official Statement by the City have been duly authorized by the City Council of the City of Oxnard.

CITY OF OXNARD

By /s/ Stan Kleinman
Finance and Management
Services Director

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APPENDIX A

THE APPRAISAL

SUMMARY APPRAISAL REPORT – COMPLETE APPRAISAL

ASSESSMENT DISTRICT NO. 2000-1
OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE
CITY OF OXNARD, CALIFORNIA
(Appraiser's File No. 2002-33)

Prepared For

City of Oxnard
300 West Third Street
Oxnard, California 93030

Prepared By

Bruce W. Hull & Associates, Inc.
1056 E. Meta Street, Suite 202
Ventura, California 93001
(805) 641-3275
(805) 641-3278 [Fax]

June 25, 2003

City of Oxnard
300 West Third Street
Oxnard, California 93030

Attn: Mike More
Financial Services Manager

Reference: Assessment District No. 2000-1
(Oxnard Boulevard/Highway 101 Interchange)
City of Oxnard, State of California.

Dear Mr. More:

At the request and authorization of the City of Oxnard I have performed an appraisal of certain parcels located in the above referenced Assessment District ("AD").

I have prepared the appraisal in two sections. Section I values those certain parcels that did not have a value to lien ratio of 10:1 or more (defined on Page 42 of this report) based on the most recent assessed values (2002/2003 County of Ventura Assessor's Roll). Twelve of those parcels will be appraised. Section II reports the assessed values for the balance of the parcels with a value to lien ratio of 10:1 or more.

The purpose of this letter is to summarize the logical process used to arrive at my opinion of market value.

The first step in the appraisal process was to collect demographic information relating to the region and immediate area of the subject AD. This included a review of *Economic Outlook 2003* prepared by the University California Santa Barbara as well as data from additional sources.

I next inspected the subject properties. The majority of these are improved properties in an area referred to as Wagon Wheel. This area is 100% built out with a mixture of industrial, commercial, specialty buildings (bowling alley and skating rink), mobile home park and shopping center.

Section I involved the value of all parcels that did not meet a 10:1 lien to value ratio. There were 12 parcels in this category. In the valuation of these parcels, the Income and Sales Comparison Approaches were considered, and when appropriate either one or both of the approaches were considered.

As a result of this investigation, study and based upon my knowledge and experience, the following market values for the Section I parcels are stated as of the 15th day of June 2003.

Assessor's Parcel No.	Assessed Value	Assessment	Assessed Value to Lien Ratio	Appraised Value	Appraised Value to Lien Ratio
139-0-022-030	$ 190,800	$ 29,324.83	6.50	$ 405,000	13.81
139-0-022-040	$ 501,164	$114,485.15	4.38	$ 1,155,000	10.09
139-0-022-140	$ 137,688	$ 46,499.57	2.96	$ 450,000	9.67
139-0-022-150	$3,593,099	$664,462.83	5.40	$10,265,000	15.44
139-0-161-015	$1,457,117	$301,044.64	4.84	$ 3,600,000	11.96
139-0-161-025	$ 167,377	$ 19,321.37	8.66	$ 260,000	13.46
139-0-162-040	$ 49,736	$ 12,987.81	3.83	$ 102,000	7.85
139-0-170-025	$ 232,288	$ 74,238.97	3.12	$ 580,000	7.81
139-0-170-030	$ 116,120	$ 31,427.30	3.69	$ 340,000	10.82
139-0-170-045	$ 26,501	$ 7,937.00	3.34	$ 62,000	7.81
139-0-170-055	$ 180,436	$ 39,845.32	4.53	$ 330,000	8.28
139-0-170-085	$ 431,828	$ 71,673.48	6.02	$ 700,000	9.76
Totals	**$7,084,154**			**$18,249,000**	

Section II is a reporting of the Assessed Values for those parcels that were not appraised in Section I. The total assessed value for these parcels is **$14,903,659**.

The following report is subject to the attached Assumptions and Limiting Conditions and Appraiser's Certification.

This report is a Summary Appraisal Report that is intended to comply with the reporting requirements set fort under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

This letter of transmittal is part of the attached report that sets forth the data and analyses upon which my opinion of value is, in part, predicated.

Respectfully submitted,

BRUCE W. HULL & ASSOCIATES, INC.

Bruce W. Hull, MAI
California State Certified
General R.E. Appraiser (No. AG004964)

BWH:dh
Attachment

TABLE OF CONTENTS

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report that is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless other wise stated in this report.

3. The properties are appraised subject to the lien of Assessment District No. 2000-01 (Oxnard Boulevard/Highway 101 Interchange), City of Oxnard.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated I this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements (if any) are within the boundaries or property lines of the property described and that there is not encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials, which may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

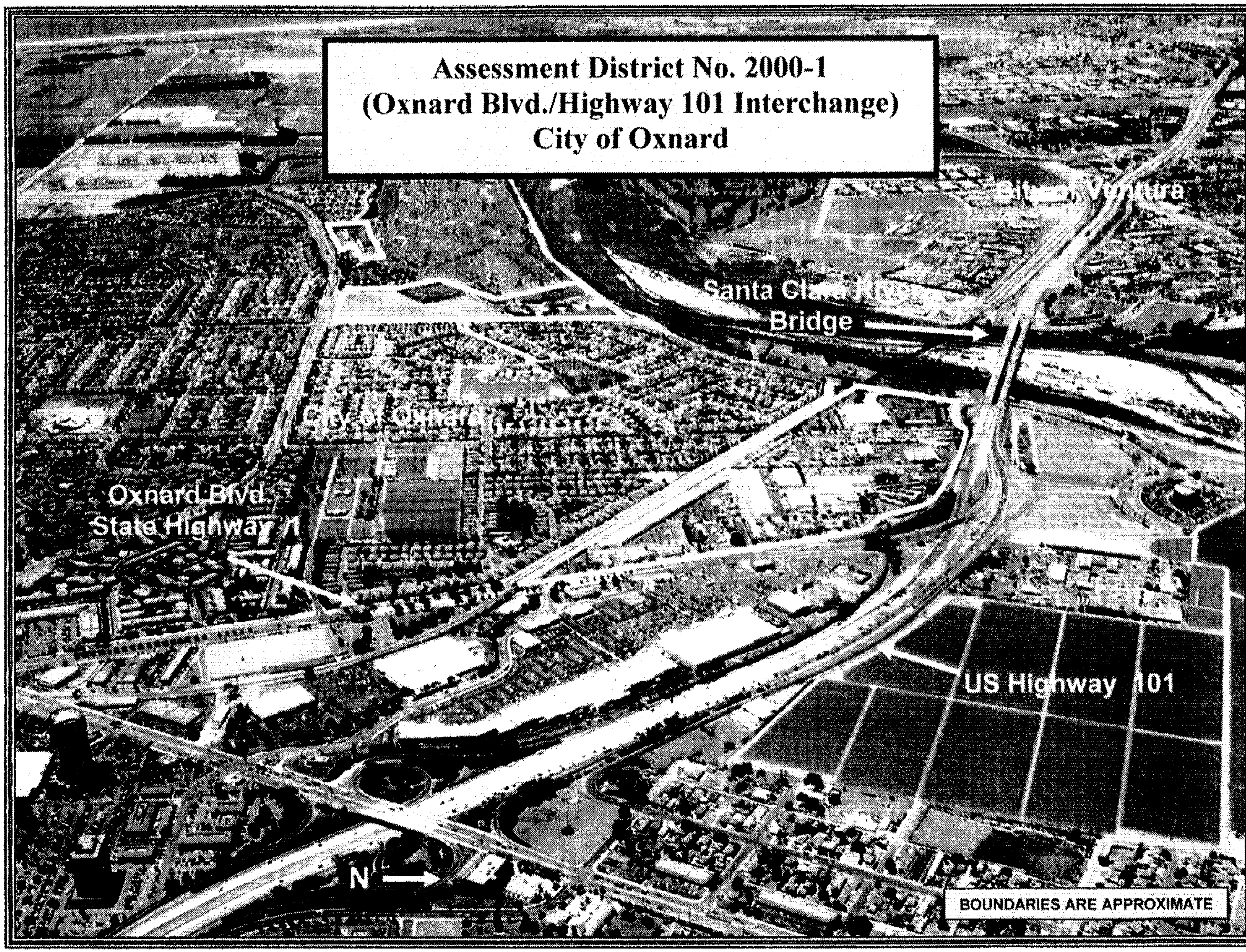
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other the party to whom it is addressed without the written consent of the appraiser and, in any event, only with properly written qualification and only in its entirety.

17. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other the appraiser's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or MAI. Further, the appraiser or firm assume no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such part aware of all the assumptions and limiting conditions of the assignment.

18. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. The appraiser is not a qualified expert as to the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative affect upon the value of the property. Since the appraiser has not direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

19. That Assessment No. 9 has been assessed for $3,614.25; however, the parcel is actually a small sliver of land that is road and has no assessed value. There has been no value attributed to this parcel.



Bruce W. Hull & Associates, Inc.

Aerial Photo – Air Views – 7/23/02

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to provide the appraiser's best estimate of fair market value of the fee simple estate for the subject properties, subject to the lien imposed by AD No. 2000-01, City of Oxnard. Twelve Assessor Parcel Numbers are considered to be the subject property. These represent properties that do not meet a 10:1 value to lien criteria.

INTENDED USE OF THE REPORT

It is the appraiser's understanding that this report is intended to assist the client, City of Oxnard, in determining the feasibility of issuing bonds for AD No. 2000-1 (the "District"), City of Oxnard.

THE SUBJECT PROPERTY

The District consists of 25 Assessor Parcel Numbers of which three are owned by the City of Oxnard. The City will prepay their assessments leaving 22 Assessor Parcel Numbers with assessments.

DEFINITIONS

Fair Market Value

The term "fair market value" is defined as

> *"The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would be sold by a knowledgeable owner willing but not obligated to sell to a knowledgeable purchaser who desired but is not obligated to buy. In ascertaining that figure, consideration should be given to all matters that might be brought forward and reasonably be given substantial weight in bargaining by persons of ordinary prudence, but no consideration whatever should be given to matters not*

equivalent to cash, requirement is important and numerous courts have noted this factor." [1]

OWNER OF RECORD

SDC-CT Properties, LLC holds ownership for 20 of the 22 parcels. Casden Oxnard Vineyard Avenue owns 2 of the parcels.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate, which is defined as

> *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."* [2]

In addition the lien of Assessment District 2000-01 was considered in the valuation of the parcels addressed in Section I.

EFFECTIVE DATE OF VALUE

Opinions and matters expressed herein are stated as of June 15, 2003.

DATE OF REPORT

The date of this report is June 25, 2003.

[1] Uniform Appraisal Standards For Federal Land Acquisitions, 1992
[2] The Dictionary of Real Estate Appraisal, Third Edition, Page 140

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The purpose of this appraisal is to report the appraiser's best estimate of market value and market rent, when applicable, for the subject properties.

In appraising the subject properties, the value estimate will be based on the highest and best use conclusion for each and utilize the Income and the Sales Comparison Approaches to value.

The appraisal report will be presented in the following format.

- Description of General and Immediate Areas
- Description of Surrounding Neighborhood
- Description of the Subject Properties
- Highest and Best Use Analysis
- Valuation Analysis and Conclusions
- Summary of the Report

As stated above, in valuing the subject properties I will utilize two approaches to value.

The due diligence of this appraisal assignment included the following.

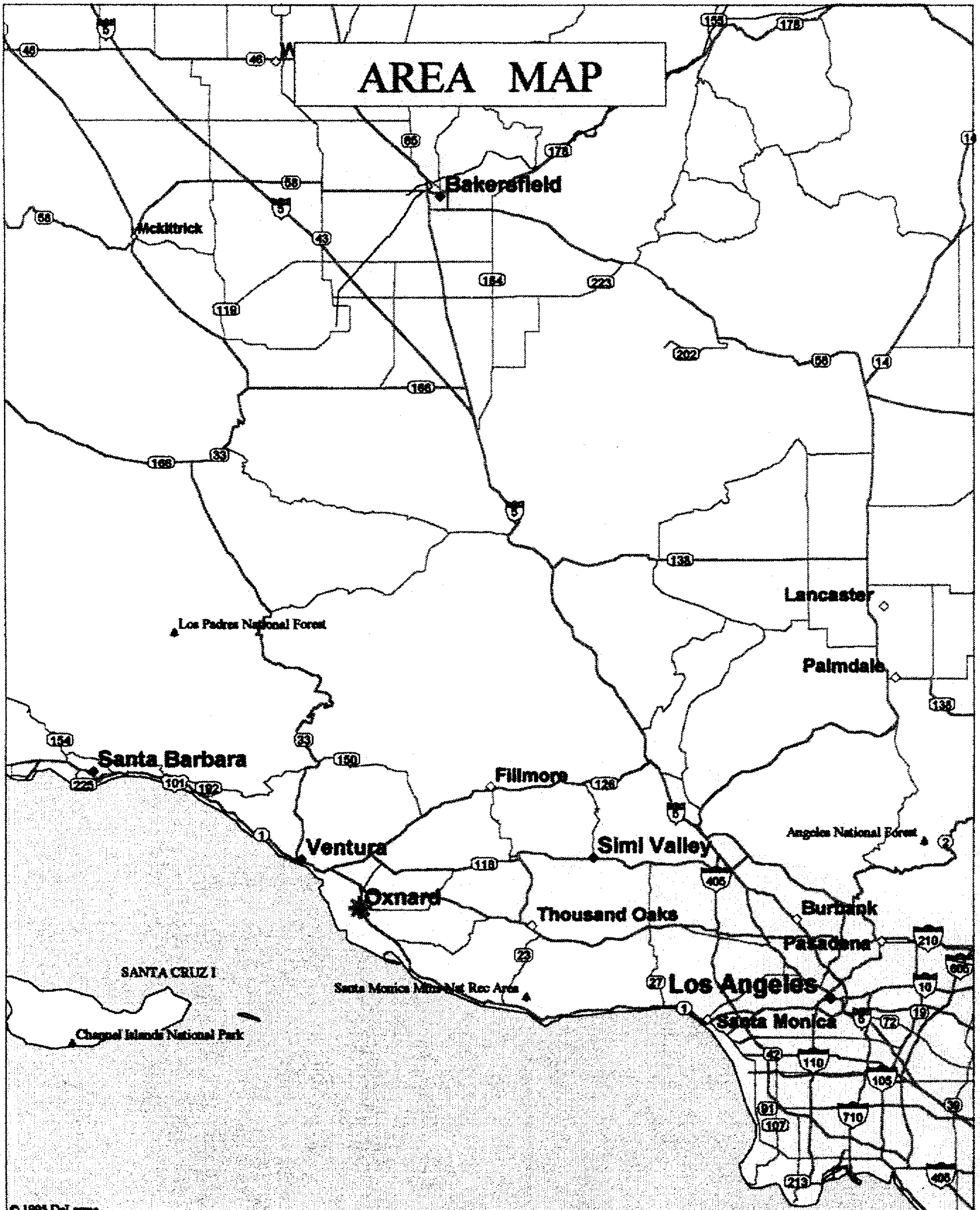
1. Compilation of certain demographic information and relating such data to the subject properties in order to determine a feasibility/demand analysis.

2. A review of the 2002/03 assessed values and a calculation of a value to lien ratio.

3. Interviews with property owners to obtain available information on the subject properties.

4. Collection of data that was pertinent to the fee simple value and the fair market rent of the subject parcels.

5. Preparation of an appraisal report.


AREA MAP
Bakersfield
Mckittrick
Santa Barbara
Fillmore
Ventura
Oxnard
Simi Valley
Thousand Oaks
Los Angeles
Santa Monica
Burbank
Pasadena
Lancaster
Palmdale
Los Padres National Forest
Angeles National Forest
Santa Monica Mtns Nat Rec Area
SANTA CRUZ I
Channel Islands National Park
© 1995 DeLorme

GENERAL AREA DESCRIPTION – VENTURA COUNTY

General Location

The subject property is located in the southwest portion of Ventura County, within the city boundaries of Oxnard. Approximate driving distances to key surrounding cities or points of interest from the subject are noted as follows.

Destination	Distance
Los Angeles Civic Center	60 Miles
LA International Airport	60 Miles
City of Santa Barbara	30 Miles
City of Ventura	11 Miles
City of Burbank	40 Miles
Pacific Ocean	City Boundaries

Ventura County is part of the greater Los Angeles metropolitan area consisting of Los Angeles, Orange, San Bernardino, Riverside and Ventura Counties. The County encompasses approximately 1,842 square miles and is bordered on the north by Kern County, on the east by Los Angeles County, on the south by 42 miles of frontage along the Pacific Ocean, on the west by Santa Barbara County, and on the northwest by San Luis Obispo County. The geography is quite diverse including attractive coastal areas with well established recreational and commercial harbors; the Oxnard Plain, having some of the most fertile farmland in the world; and the scenic mountainous regions of the Los Padres National Forest. More than half of the County is part of the Los Padres National Forest with the southern section consisting of valleys and broad alluvial basins.

Population and Housing Growth

Ventura County currently ranks 12th in population among California's 58 counties and includes approximately 2.2% of the State's total population. According to the UCSB Economic Outlook 2003, the County has an estimated population of 790,500 persons, an 18.2% increase from 1990.

This represents an average annual increase from 1990 (annual growth rate) of 1.32%. This is a decrease from the 2.10% average annual growth experienced in the decade from 1980 to 1990. This slowdown in growth can be attributed to slow growth policies of the county as well as cities within the County (the exception being City of Oxnard).

Year	Population	Units	Household Size
1960	199,138	n/a	n/a
1980	529,174	183,384	2.89
1985	590,740	200,833	2.94
1986	604,348	206,235	2.93
1987	618,845	212,077	2.92
1988	635,935	218,222	2.91
1989	653,509	222,608	2.94
1990	666,753	227,523	2.93
1991	676,271	231,715	2.92
1992	686,868	233,676	2.94
1993	700,100	238,500	2.94
1995	734,800	250,000	2.94
2000	756,501	252,942	2.94
2002	771,922	253,920	3.04

Source: UCSB Economic Outlook 2003

The majority of the population is concentrated within the coastal plain surrounding the Cities of Oxnard and Ventura and along the three primary traffic arterials that bisect the county: State Highway 1 (Pacific Coast Highway), U.S. Highway 101 (Ventura Freeway), and State Highway 23 (Moorpark Expressway).

The average household size has remained fairly stable since 1980, fluctuating between 2.89 and 3.04 persons. Developers of new housing have been fairly responsive to the economic needs of the population base, constructing a variety of housing product ranging from affordable options to luxury estates.

Ventura County's growth has been attributed to in-migration from Los Angeles County metropolitan areas to the east with many of the new residents maintaining employment within the greater Los Angeles metropolitan area.

Economic Base

Ventura County's economic personality was formed by a number of historic influences, the most important of which is its relation geographically to greater Southern California. The County's economy can be divided into three distinct and separate parts. In the east half is an abundance of residential and manufacturing activity, stimulated in part by its proximity to the greater Los Angeles market; along its coastal shores, the economy becomes more conditioned by military and tourism related activities; with the balance primarily involved with agricultural production, ranking the County 10th among the State's top farm producing counties. The County has benefited tremendously by spillover growth from adjoining Los Angeles County; however, Ventura County has established itself as an economic force in its own right. The following matrix summarizes the distribution of the work force between 1980 and 2000.

DISTRIBUTION OF WORK FORCE – 1980 TO 2000

Employment Classification	2002	2000	1997	1996	1990	1985	1980
Government	6.0%	15.9%	28.3%	15.9%	17.3%	19.4%	29.5%
Wholesale/Retail Trade	15.0%	22.4%	21.2%	23.5%	22.9%	23.6%	21.5%
Service Industries	22.3%	28.9%	15.6%	23.5%	22.3%	19.5%	18.3%
Manufacturing	24.1%	12.6%	13.4%	12.7%	12.9%	14.8%	14.3%
Construction	3.5%	5.1%	1.6%	7.6%	7.0%	4.7%	4.6%
Transportation	1.6%	3.8%	3.4%	5.1%	4.8%	3.9%	3.9%
Finance, Insurance & Real Estate	22.3%	5.2%	3.1%	4.6%	4.9%	5.1%	4.5%
Agriculture and Mining	5.2%	6.4%	10.8%	6.2%	6.9%	7.2%	9.1%
Totals	100.0%	100.0%	100.0%	100%	100.0%	100.0%	100.0%

Source: California Employment Development Department – UCSB Forecast 2003

Non-agricultural employment has increased from 153,000 jobs in 1980 to 260,975 jobs in 2000, an average annual gain of 5,683 jobs or growth rate of 2.85%. The largest employers are summarized on the following page.

LARGEST EMPLOYERS IN VENTURA COUNTY		
Name of Company	**Employment**	**Produce/Service Type**
United States Naval Base	17,133	Naval Operations/Administration
County of Ventura	7,986	County Administration
Amgen	5,800	Biotechnology
Countrywide Mortgage	5,638	Real Estate Finance
Wellpoint	3,596	Healthcare
Ventura Unified School District	2,484	Education
Ventura County Community College District	2,183	Education
Conejo Unified School District	2,158	Education
Simi Valley Unified School District	2,087	Education

It is interesting to note that the top employers with the largest percentage increase in 2002 were predominately non-government. They are:

EMPLOYER	NET CHANGE	PERCENT CHANGE 2001-2002
Countrywide Mortgage	970	20.8%
Baxter Pharmaceutical	505	92.7%
Amgen	400	7.4%
Technicolor Video	143	9.8%
B-J Farms Co.	100	40.0%

Adding to the region's potential labor supply is a large commuter population currently working outside of the County. About 32% of the employed residents commute to jobs in adjoining Los Angeles County. Comparable shares of out-of-county commuters are 25% for the Inland Empire region (Riverside/San Bernardino County), 20% of Orange County, 4% for Los Angeles County, and 2% for San Diego County.

Throughout California, the current economic status is a slowdown from the previous strong 2000 economy exhibited in the late 1990s through 2001. A summary of UCSB forecast for 2003 Ventura County is listed on the following page.

- Slow overall growth for Ventura County.
- Ventura growth will equal or exceed California or the United States.
- Ventura growth will exceed historical average for United States.
- Personal income in Ventura will continue to grow steadily.
- Median Income of Ventura County will continue to grow.
- Income disparity will increase.
- Home prices will continue to increase.
- Housing affordability will remain unchanged or increase slightly.

In summary, the economy of Ventura County will continue to grow at a steady rate that is above the state and national averages.

Education, Recreation and Cultural Resources

Ventura County schools are generally recognized for their high quality and innovative education programs. In addition, numerous opportunities for higher education can be found at local community colleges and private universities.

Unlike adjoining counties that feature established tourist attractions such as theme parks and zoos, leisure opportunities in Ventura County have been primarily developed around the actual physical attractions of the area. These include 42 miles of public beaches (including pleasure marinas and fishing piers); navigable lakes/reservoirs (Lake Casitas and Lake Piru); wilderness areas offering hiking, picnicking, fishing and camping, as well as private and public golf courses. An inventory of regional, community and local parks augment these resources.

Transportation Infrastructure

Like other surrounding areas of Southern California, transportation systems in the County are automobile oriented. A network of local and interstate freeways provides primary vehicular access to the region. Interstate 5 is a major backbone of the freeway system in California, connecting the north and south sections of the State. As this interstate passes through Southern California, a couplet is created with Interstate 405 with this latter route passing through Long beach, Santa Monica, and San Fernando Valley before re-merging with Interstate 5 to continue over the Tejon Pass into the Central Valley region.

The Ventura Freeway (US Highway 101) emerges from the Los Angeles Civic Center area and extends in a westerly direction through the San Fernando Valley, intersecting Interstate 405 enroute to Ventura County and continuing northward up the coast to the Oregon border. This arterial serves as the primary transportation link in the County. State Highway 1 (Pacific Coast Highway) assists circulation in the coastal areas, extending north from Santa Monica along the coast to Oxnard where it merges with the Ventura Freeway. State Highways 118 and 126 providing east/west access between the San Fernando Valley region and Oxnard, passing through the Cities of Simi Valley, Moorpark, Fillmore, and Santa Paula, serve the central portion of the County. State Highway 23 provides northerly access from the Thousand Oaks region to Simi Valley. Transportation links in the northern portions of the County are limited to State Highway 33. This is a rural highway that extends north from Ojai area through the Los Padres National Forest into adjoining Santa Barbara and San Luis Obispo Counties.

Amtrak offers passenger service with stops in the City of Oxnard. This line is shared by the Southern Pacific transportation Company; therefore, freight handling can be accommodated from Oxnard. Six major haulers provide overnight trucking. Greyhound West, Commuter Bus Lines, and Great American Stageline provide intercity passenger service.

Commuter airline transportation is provided by United Express, which operates out of Ventura County Airport in Oxnard. The Santa Paula Airport and the Camarillo Airport are smaller facilities designed for private aircraft operations. The closest major airport is Burbank Airport (45 miles east) with Los Angeles International Airport approximately 60 miles southeast.

The closest deep-water port is Port Hueneme Harbor, the only deep-water harbor between Los Angeles and San Francisco. Established in 1937, the port incorporated 320 acres of land operated by Oxnard Harbor District and is the homeport for over 60 major vessels.

The existing transportation infrastructure is considered adequate to serve the needs of local residents and businesses.

Government Services and Political Environment

A common supplier provides certain items of infrastructure within the County and others are provided by individual cities of private suppliers. For example, the Southern California Gas Company and Southern California Edison Company provide service to the entire County; however, other services such as water and sanitary sewer are provided by numerous local agencies. All water districts import supplies from the Metropolitan Water District ("MWD"), the primary supplier for Southern California. During early 1991, MWD mandated a 20% reduction in water sales to urban areas. Voluntary compliance with this conservation mandate in addition to unexpected late season storms resulted in the avoidance of significant shortages; however, the long-range threat to the water supply has intensified the need for implementation of conservation measures and development of new supplies in an effort to avoid future shortages. The State is currently experiencing an electricity crisis, which could curtail growth in the near future. While there is current progress towards long-term commitment for electrical service by the State of California, their goals had not yet been achieved as of this date of value.

Police and fire protection for the larger cities is generally provided by the municipal entities; however, contract agreements fur such services in smaller cities and unincorporated areas are provided by the county Sheriff Department and various fire protection districts. Service and response times are generally adequate; however, continued development will require the construction of additional facilities.

During the past decade, several municipal governments have enacted temporary development moratoriums, which have effectively limited the development process. These moratoriums reflected the perceived need to re-evaluate general plan goals, consider public initiatives or provide for necessary infrastructure development. Most of the incorporated cities have some form of administrative or citizen initiated growth controls or caps on building permit issuance. Constituents within areas that have seen extensive new development are continuing to voice concerns regarding the capacity of the infrastructure and community services and this pressure is likely to lead to an increase in voter referendums seeking to control the space of development. Much of this political pressure seems to stem from a concern over maintaining a more rural character to the County as compared with its more urban and suburban counties in the Southern California region.

Of additional concern is the emergence of environmental legislation relative to endangered species and habitats. The Endangered Species Act of 1973 prohibits any activity that constitutes a taking of a federally listed endangered or threatened species except by permit. In March 1993, the California Gnatcatcher was federally listed as a "threatened" species. This listing has the potential of affecting several hundred thousand acres of undeveloped land in Southern California; however, since only limited areas of coastal sage scrub (primary habitat) were observed within the County of Ventura, such a listing is not expected to have an adverse impact upon the subject region's development potential.

Development Patterns

Real estate development in the County is quite diverse, ranging from small rural developments in the north and west sectors to more urbanized uses in the Conejo Valley, Simi Valley, and Oxnard Plain.

Residential development in the County has historically been affected by growth control initiatives, with 9 of the 11 incorporated cities having ordinances that restrict the number of annual building permits. The most active development areas are identified as Oxnard (no growth control initiative), Camarillo, Thousand Oaks, and Simi Valley. In addition, population growth will also have some constraints on new building. Regardless, UCSB forecasts new housing units to increase each year.

Retail development in the County includes older central business districts and shopping centers ranging from small strip retail businesses to regional power centers. The County has three such malls/centers: The Oaks Mall in Thousand Oaks, the recently renovated Pacific View Mall in Ventura, and the recently completed Esplanade shopping center, which is a new power center of ±500,000 retail square feet anchored by Home Depot (138,000 sf).

The existing office and industrial markets have substantially increased new square footage in 2000. There were 1,665,109 square feet of industrial space and 555,255 square feet of commercial space completed in 2000.

Summary

Ventura County is a desirable area that offers quality of lifestyle. This is reflected by the growth limitation on residential development in a number of the cities. Even so, growth has continued, albeit at a controlled rate. Industrial development has seen a strong rebound from the recession years of 1991-94. Overall, economic growth is currently weak. Nevertheless, the long-term prospects for the County are considered good due to its climate, proximity to urban centers, the deep-water Port of Hueneme, and military installations of Port Hueneme and Point Mugu.

CITY OF OXNARD

The City of Oxnard (the "City") is located in Southern Ventura County approximately 65 miles northwest of Los Angeles and 35 miles southeast of Santa Barbara. The City is situated south of Highway 101 between the Cities of Ventura and Camarillo. State Highway 1 (or Oxnard Boulevard) is a major north/south artery through the area providing access to the Communities of Malibu and Santa Monica. Other major north/south arteries include Ventura Road and Victoria Avenue both of which connect Highway 101 and the City of Ventura with the west and west central areas of Oxnard and Port Hueneme.

The City population is estimated at 181,800 as of January 2003 making it the largest of the County's ten incorporated cities. In the 1960s and 1970s growth proliferated with population increases averaging about 8% per year between 1960 and 1980. Because of the early 1980s recession and more stringent development requirements, growth from 1980-1990 slowed to 3.3% annually. The growth rate for 1990-1997 was reduced further to less than 2% annually because of the soft market in the 1990-1996 period. The actual growth rate for 1998 was 2.2%. The percent change for 1990 was 1.75%.

The City developed initially as a support community for the Oxnard Plains, one of the prime agricultural regions in the State. The area's economic base is still tied largely to agriculture with many related industries such as processing, packing, fertilizer and chemical manufacturing, administration, etc. Many of these facilities are located in the Oxnard Industrial Park adjacent to the downtown core between Oxnard Boulevard and East Fifth Street. Light manufacturing and warehousing became prominent in the 1980s with the development of several business/industrial parks including the 1600-acre Pacific Commerce Center at Rose Avenue, 5th Street and Highway 101. Seven tracts have been developed in the Pacific Commerce Center with lot sales and new construction very active from 1988 continuing into 1990. However, 1991-1994 activity came to a virtual standstill with land prices dropping significantly from their peak in1990 of $6.00 to $7.00 PSF to a low of $2.00 to $2.50 PSF. One of the major factors affecting this market was the large inventory of lots that existed. The 1995-96 period was one of stabilization as the economy showed signs of improvement and some market activity occurred. Prices began to increase as lots were absorbed and new construction took place. Over the last several years, many new projects have been built both owner-user and on-spec. Oxnard permit value for non-residential property declined to $47.2 million in 2002 from $100.6 million in 2001. At the present time there are over 45 projects totaling more than 2,750,000 SF that are proposed, under construction or recently completed. These projects include small owner-user buildings, large spec, multi and single tenant buildings, and large owner-user projects.

Heavier manufacturing is located in the long established Oxnard Industrial Park on East 5th Street and the Ormond Beach Area in South Oxnard. Users include steel fabricators and chemical manufacturers.

The U.S. Department of Navy is a major contributor to the economic base of the City through the Missile Testing Center at Point Mugu in Southeast Oxnard and the Construction Battalion Center in Port Hueneme. These two facilities employ civilians and non-civilians. Total employment is estimated at about 17,000, which has been slowly declining over the last few years. Base officials estimate the two facilities generate approximately $1 billion annually in expenditures contributing over $500,000,000 to the local economy. Given this impact on the local economy, the significance of the recent decision by the federal government to keep Point Mugu open is obvious. Any cutbacks or base closures would seriously affect demand for goods, services and housing.

One of the support facilities and a major contributor to the economic base of the City is the Port Hueneme Harbor. Operated by the Harbor District, this port is the only deep draft harbor between Los Angeles and San Francisco. This harbor is one of the focal points in California for facilitating international trade. A large variety of commodities are shipped through this port with the most notable being agricultural products and automobiles. Recent expansion has added to port capacity. Since 1992, the port has been an official U.S. Customs Port of Entry receiving federal approval of Foreign Trade Zone #205 in 1994. Major trading partners include Brazil, Costa Rica, Ecuador, Germany, Japan, and the United Kingdom. In 2002, there were 951 deep-draft vessel calls down 162 from the previous fiscal year. Approximately 1,068,200 tons were handled at the Port in 2002 including 225,000 vehicles. The Port's overall growth rate has been reported at about 4% annually on the average, although 2002 saw a slight decline due to a labor lockout and a decline in fishing, however, auto imports have been increasing.

The Port has been an important contributor to the local economy through commercial and Navy related activities. In 2000, Port related maritime employment in Ventura County was over 2,500 jobs generating an annual payroll of about $60,000,000 and accounting for primary economic impacts exceeding $300,000,000. Port capacity was expanded in 1996 and 1997. The recent relocation of the Naval Civil Engineering Lab provided the opportunity for the 33-acre ocean front site to be transferred to the Oxnard Harbor District. Twenty-one acres were given to the Port for expansion with the remaining 12 acres to be used for marine research and public access by the City of Port Hueneme.

Retail trade plays a significant role in the employment and economic base of the community as it accounts for 19% of the labor base. Retail sales increased approximately 4% over the last fiscal year. The Esplanade shopping center in North Oxnard at the confluence of Highways 101 and 1 was recently (2000) demolished and a new power center anchored by Home Depot has been recently completed. The center contains over 500,000 SF of retail space. Tenants include Nordstroms Rack, Borders, Old Navy, and other retailers, and restaurants. Community shopping centers in Oxnard include the Center Point Mall at Saviers Road and Channel Islands Boulevard, the Channel Islands Center at Hemlock Street and Victoria Avenue, Fremont Square at Ventura and Doris Roads, and Carriage Square Center at Oxnard Boulevard and Gonzales Road.

Perhaps the most significant development that will be occurring in the City (and County) is the proposed RiverPark Specific Plan. This proposed development consists of 701 acres, 2,805 residential units, 2.485 million SF of commercial retail including a hotel and town square district, parks, schools, and open space.

More recent commercial activity has occurred in the northeast area of Oxnard within the Highway 101 corridor. A large mixed-use commercial center situated on 163 acres is located on the north side of Highway 101 between Rose and Rice Avenues. Major uses in the center include Costco and an auto center with several major dealerships. Other outlets such as

Marshalls, T.J. Maxx, and Sport Chalet comprise a significant amount of retail floor space. The "Shopping at the Rose" retail center anchored by Wal-Mart, Sam's Club, and Vons is located on a 50+ acre site on the south side of Highway 101 at Rose Avenue. This center, which includes House of Fabrics and Sports Mart, was opened in 1993. A second phase of the "Rose" opened in 1998 across Rose Avenue on a 20-acre site. A Best Buy, Office Max, Hometown Buffet Restaurant, and service station have been built. The first phase of a factory outlet center situated on 13 acres on the south side of Highway 101 east of Rose Avenue opened in 1994. Additional phases for the total 50-acre site have been put on hold. Large projects recently completed in Oxnard include the Ford/Nissan dealership totaling 116,000 SF on a 13-acre site in the Oxnard Auto Center and a 135,000 SF mixed commercial project on 12.8 acres in the west end of Oxnard near the airport at Victoria Avenue and W. 5th Street.

The full spectrum of residential housing can be found in the Oxnard/Port Hueneme area ranging from marina and beachfront dwellings valued from $500,000 to over $1,000,000 to the modest single family bungalows and condominiums priced at under $150,000. A wide variety of tract developments provide housing for all income levels. Tracts that are 40+ years old with 1,100 to 1,400 SF units are priced at $180,000 to $250,000. The new, better quality tracts such as Pierpointe, California Cove, and River Ridge are in the $400,000+ range. The median home value in the Oxnard market is currently reported for 2002 at $269,500 in Oxnard, reflecting a 12.4% increase (adjusted for inflation) over the previous year. The average rent for rental units is $1,130 per month in 2002.

Oxnard is the only city in Ventura County that does not have a growth control ordinance. Because of this and the City's desire to improve its housing stock, Oxnard leads Southern Ventura County in new construction. According to the USCB Forecast, there were 702 units permitted in Oxnard for the year 2002. This amounted to 28% of the total permits issued in Ventura County. There are 2,033 units under construction. The Northeast Community Specific Plan area containing over 800 acres represents potential for another 2,500 units. The Specific Plan has been approved with 400 units complete or under construction and three additional projects having received approvals. Future tracts within the Specific Plan areas will have to go through the approval and mapping process. The apartment market in the City has a low vacancy rate (4.51%) with the average project being 30 years old. Units range from 10 to 456 with studios rents at $750 to $865, while 3-bedroom units range from $1,200 to $1,707 (average being $1,130).

Transient lodging in the Oxnard market captured 20% of the total county hotel sales, second only to the City of Ventura. Population from the greater Los Angeles is attracted to destinations such as Ventura and Santa Barbara Counties for weekend and 3 to 4-day trips. The beaches and harbors at Oxnard, Port Hueneme, and Ventura provide a natural draw for the tourist segment of the motel market. Converted efforts by local chambers of commerce and harbor managers have helped to stimulate demand and increase local trade. At the same time, the military and corporate segments of motel demand were maintaining reasonable occupancies. There are 20 hotels and motels in the Oxnard/Port Hueneme area with a total of 1,841 rooms. No new motels have been built in Oxnard for several years and none are planned. Room sales in the subject market decreased in 2002 to 23,029 from 25,384 in 2001. Overall, the County room sales decreased 5.3% in 2002. This is attributed to the September 11th tragedy, which affected travel through the first half of 2002.

Major employers in the Oxnard/Port Hueneme community include the Navy (17,000), Oxnard School District (1,350), St. John's Regional Medical Center (2,000), City of Oxnard (1,470), Verizon (1,995), Haas Automation (735), and Proctor and Gamble 540). There are many smaller agricultural companies that combined employ nearly 10,000 workers or 20% of the total wage and salary employment. Overall unemployment is at around 4 to 5% has been increasing 12.5% in 2002, 4.2% growth in 2001, and 7.2% 2000).

In summary, the Oxnard/Port Hueneme community experienced rapid growth and property value appreciation during the 1970s and 1980s. All four basic forces that influence property values fueled growth. Physical forces such as good climate, availability of land, good transportation systems, availability of public services, and proximity to one of the largest metropolitan areas in the nation combined to attract both residents and business. Social forces were present in an increasing population with household formation and age distributions that translated into an increased demand for goods and services. Government and economic forces encouraged growth with liberal permit processing and increasing wage levels, tax base, and business expansion.

A recessionary economy in the 1990s plus increasing costs of doing business in the area severely curtailed growth and caused property values in general to fall significantly. New commercial, industrial and residential projects were postponed because of high vacancy rates, decreasing rental rates, decreasing prices and longer absorption periods. The depressed market resulted in a substantial number of foreclosures and REO properties. These properties set the tone for the market in some property types. During this period there were few sales of non-troubled properties because owners were not willing to compete at the lower prices set by the foreclosure and REO markets. Minimal new construction occurred during this period.

As the economy began to improve and consumer confidence strengthened in 1996-97, the business cycle turned upward. All segments of the real estate market began to show improvement as real demand increased. As vacancy rates decreased in the face of a fixed supply, prices and rents began trending upward. Continued absorption of excess office and industrial space has resulted in considerable new construction especially noticeable in Pacific Commerce Center area and the Channel Islands Business Park in South Oxnard. Other commercial construction in the form of retail stores and power centers is consistent with demand as these centers experienced strong absorption rates and most times are leased prior to completion. The residential segment has been at the top of the real estate market in performance during the up cycle of the last 3 years. Little new residential construction occurred during the early to mid 1990s. Therefore, when demand improved the inventory of new homes was non-existent. Also minimal processing of subdivision maps occurred during the soft market so that a shortage of land existed that could be built out. These factors caused housing prices, rents, and land costs to increase. With continued strong demand and inventories at historically low rates, prices have increased in many markets to at or near the peak levels of 1989.

The overall economy, business atmosphere and real estate markets are tentative with weak economic growth. However, coastal influence and available amenities contribute to the demand for commercial, industrial, and residential properties. As indicated earlier in this report (General

Area Description section), the area is anticipated to continue growth, although at slower rates than in the past.

IMMEDIATE SURROUNDINGS

The subject District is referred to as the "Wagon Wheel" area in the City of Oxnard. This is located in the northeast section of Oxnard. Its boundaries include the Santa Clara River on the north; Highway 1 on the east and south; and a housing development on the west. The area is heterogeneous in nature with a mixture of uses that include industrial, motel, restaurant, quasi-retail (mobile home sales and servicing), and special purpose (bowling alley and skating rink). The area was developed in the 1950s and, with the exception of a retail center at the northern portion of the community, is comprised of older structures. The conditions of the structures range from fair to good. The area is virtually built out with no undeveloped parcels although some of the improved parcels are marginal in building coverage (i.e. a small sales office on a site that sells mobile or manufactured housing).

East of the subject is a power center that is anchored by Home Depot. This was formerly the site of the Esplanade Mall, a regional shopping center. The mall was acquired by M& H Realty and was demolished. A 12-acre site was subsequently sold to Home Depot. Home Depot consists of 136,000 SF with a 28,000-square foot garden center and an additional 200,000 SF of commercial. Additional tenants include Bally's Fitness Center, Nordstrom's Rack, Old Navy, Borders, Bed Bath, and Beyond, Bath and Body Shop, Payless Shoes, BJ's Restaurant, In 'n Out Burger, and Starbucks Coffee.

Further east, and across from the power center, is another project going through a "new life". This area, referred to as River Park, consists of 700 acres and is located on the north side of Highway 101, between Vineyard Avenue and the Santa Clara River. The site combines the original "Oxnard Town Center" in the southern portion of the project and Southern Pacific Milling Properties in the northern portion of the project. Located within the southern portion of this project is a County of Ventura Maintenance facility and two office buildings. The Oxnard Town Center was a Specific Plan that was adopted by the City of Oxnard in 1986. This Plan was to allow for 4.4 million SF of commercial and industrial space. The 1986 Oxnard Town Center Specific Plan was planned for multiple use business and commercial developments. At one time it was envisioned as a regional center site; however due to the recently renovated Pacific View

Mall in Ventura and the demise of the Esplanade Shopping Center across the street (now a power center), the economic reality of developing the site into a regional mall became a moot point. The "RiverPark" project is a mixed-use project consisting of residential and mixed-use commercial/retail.

The Santa Clara River is the northern boundary line for the Wagon Wheel area. While this area is usually dry the majority of the year, this is a major water tributary during heavy rains. An Environmental Impact Report ("EIR") has been prepared as a result of the planned expansion of the Santa River Bridge.

ASSESSMENT DISTRICT NO. 2000-01
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)

An Assessment Engineer's Report for Assessment District No. 2000-1 was prepared by Penfield & Smith in December 2000. This report was prepared in seven sections and preliminary approval by the City Council of Oxnard occurred on October 24, 2000.

The first section of the Engineer's Report was a project description (Oxnard Boulevard/Highway 101 Interchange). This section dealt with the history, the existing facility and justification for funding the interchange.

As a means of background the project was a result of a report prepared by Caltrans on November 17, 1995 and an agreed upon Alternative 7 selection. This selection is described as follows:

> "The project proposes to widen Route 101 from six lanes to eight lanes between Vineyard Avenue in the City of Oxnard at Ven101 PM22.0 and Johnson Drive in the City of San Buenaventura at Ven 101PM23.7; to modify the Route 101 interchanges at Oxnard Blvd and Johnson Drive; to provide a grade separation between Johnson Drive and the Southern Pacific Railroad tracks; to reconstruct the Ventura Road undercrossing; to reconstruct and to widen the Santa Clara River Bridges from seven to twelve lanes."

Subsequently on June 13, 1998 the City of Oxnard proposed Alternative 8 design. This design would have eliminated the connector from Oxnard Blvd to the northbound 101 and allow for the Oxnard Blvd Interchange to be constructed. In addition, these improvements would have reduced the length of the bridge over the freeway.

A tentative agreement was reached between the City of Oxnard and Caltrans District No. 7 on July 20, 1998. This agreement provided for Caltrans to construct all of the ultimate Route 101 mainline improvements as part of their project if the City was prepared to fund and construct the interchange improvements. On November 29, 1999 Caltrans Design and Local Programs granted approval to combine the interchange project within the scope of the Caltrans project.

The second section described the project improvements that would be funded by the Assessment District. The appraiser as part of this assignment has assumed these improvements are installed as a result of the bond issue. These improvements are described as follows:

> "The project known as the Oxnard Boulevard Interchange Improvements, include a new 8-lane overcrossing, northbound and southbound on and off-ramps connecting to U.S. Highway101, widening of U.S. 101 under the overcrossing, traffic signals at each ramp, landscaping, irrigations, decorative lighting and railing, public art, sidewalks, curbs, gutters, and pedestrian and bicycle paths. The overcrossing will connect with Town Center Drive on the north, and Oxnard Boulevard/Highway 1 on the south."

The third section for the Assessment District is for the plans and specifications to be incorporated as part of the Assessment Engineer's report.

The fourth section is the Assessment Engineer's estimate of costs and expenses, which is detailed on the following page.

DESCRIPTION	PRELIMINARY	CONFIRMED
CONSTRUCTION COSTS		
1. Roadway Items		
A. Earthwork	$ 3,874,000.00	$ 3,874,000.00
B. Pavement Structural Section	$ 2,911,000.00	$ 2,911,000.00
C. Drainage Improvements	$ 1,000,000.00	$ 1,000,000.00
D. Specialty Items (Walls, Rails, Planting)	$ 1,390,000.00	$ 1,390,000.00
E. Traffic Items (Lighting, Signing, Signals)	$ 1,300,000.00	$ 1,300,000.00
F. Minor Items	$ 733,000.00	$ 733,000.00
G. Mobilization	$ 336,000.00	$ 336,000.00
H. Roadway Additions	$ 2,802,000.00	$ 2,802,000.00
Subtotal Roadway	**$14,346,000.00**	**$14,346,000.00**
2. Structures Items	**$ 4,200,000.00**	**$ 4,200,000.00**
TOTAL CONSTRUCTION	**$18,546,000.00**	**$18,546,000.00**
INCIDENTAL COSTS		
A. Design Engineering	$ 1,900,000.00	$ 1,900,000.00
B. Formation Costs	$ 100,000.00	$ 100,000.00
C. Right-of-Way Engineering	$ 10,000.00	$ 10,000.00
D. Appraisals	$ 10,000.00	$ 10,000.00
E. Acquisition of Land/Utility Relocation	$ 600,000.00	$ 600,000.00
F. Agency & Construction Administration	$ 2,284,000.00	$ 2,284,000.00
G. Incidental Contingency	$ 50,000.00	$ 50,000.00
TOTAL INCIDENTALS	**$ 4,954,000.00**	**$ 4,954,000.00**
TOTAL CONSTRUCTION AND INCIDENTIALS	**$23,500,000.00**	**$23,500,000.00**

The fifth section is a map of the Assessment District. This is located in the Addenda of this appraisal report.

The sixth section of the Engineer's Report is the Assessment Roll. This is located in the Addenda of this appraisal report.

The seventh section dealt with annual assessment for administrative costs. Please refer to the Addenda of this appraisal report.

THREE-YEAR SALES HISTORY

There was a major transaction that occurred February 28, 2003. CT Realty Corporation and Messenger/Sandpiper Companies ("SDC-CT Properties, LLC"), in a joint venture acquired a diverse portfolio of properties from the Martin Smith Trust. Mr. Smith was a real estate entrepreneur in Ventura County who built a real estate empire over a 50-year period in Ventura County. He sold a majority of his real estate holdings several years ago. His remaining real estate included Wagon Wheel properties (the subject property), a shopping center in Oxnard referred to as Carriage Square, the Airport Marina mixed use property in Oxnard, 327 acres of agriculture land in Oxnard, 147 acres of agriculture land in Santa Maria, 2 restaurant sites in Ventura, and 40 undeveloped lots in Oxnard. Upon Mr. Smith's death the Trust opted to sell his remaining holdings. The Trust then determined it would sell all of the real estate in one transaction. The subject property (Wagon Wheel) was part of the larger transaction that totaled $57 million. Of the $57 million, $16,075,000 was considered to be the amount allocated to the Wagon Wheel properties.

In addition two parcels that are not part of this transaction also transferred. Plaza International sold APN 179-0-040-170 and 180 to Casden Oxnard Vineyard Avenue via a grant deed (Document No. 19903) for $14,389,500.

SITE DESCRIPTIONS

This report considers 12 parcels located within the subject Assessment District that do not meet the criteria of a 10:1 value to assessment lien ratio (the number 10 represents the current assessor's estimate per the County Assessor Roll of 2002/2003; the number 1 represents the assessment lien as confirmed by Assessment District No. 2000-01). Each of these parcels is described below.

Assessor Parcel No. 139-0-022-030

Ownership:	SDC-CT Properties, LLC
Address:	2831 Wagon Wheel Road, Oxnard
Location:	South side of Wagon Wheel Road, approximately 170 feet west of Buckaroo Avenue, Oxnard.
Size and Shape:	Irregular shaped parcel consisting of 0.70 acres.
Zoning:	C2PD
Topography and Drainage:	Level with storm drainage system in Wagon Wheel Road.
Flood Zone:	Zone B - an area that is between the limits of 100 and 500 year floods or certain areas subject to 100 year flooding with average depths of less than one foot.
Easements:	None observed, but there has been no review of a title report.
Utilities:	Connected to the site
Street Improvements:	Curb, asphalt
Improvements:	The building consists of 6,000 square feet and appears to have been constructed in the 1960s. It is in fair condition.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls:	Metal w/ 12' storefront
Wall Height:	14 Ft.
Roof:	Gable, rolled roofing
Misc.:	The building is currently used for retail furniture sales and storage

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	3' chain link fence
Paving:	3" asphalt
Lighting:	Fluorescent pole fixtures

<u>Assessor Parcel No. 139-0-022-040</u>

Ownership: SDC-CT Properties, LLC

Address: 2801 Wagon Wheel Road, Oxnard

Location: Southwest corner of Wagon Wheel Road and Buckaroo Avenue, Oxnard.

Size and Shape: Irregular shaped parcel consisting of 2.73 acres.

Zoning: C2PD

Topography and Drainage: Level with storm drainage system in Wagon Wheel Road.

Flood Zone: Zone C - an area of minimal flooding; and Zone B - an area that is between the limits of 100 and 500 year floods or certain areas subject to 100 year flooding with average depths of less than one foot.

Easements: None observed, but there has been no review of a title report.

Utilities: Connected to the site

Street Improvements: Curb, asphalt

Improvements: The building consists of a 31,690 square foot bowling alley. It appears to have been constructed in the 1960s.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls:	Block
Wall Height:	16 Ft.
Roof:	Mansard/domed, rolled composition/shingle roofing
Misc.:	The building is currently used as a bowling alley w/ a coffee shop

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	None
Paving:	3" asphalt
Lighting:	Building-mounted halogen lights

Assessor Parcel No. 139-0-022-140

Ownership: SDC-CT Properties, Inc.

Address: 2731 Buckboard Avenue, Oxnard

Location: West side of Buckaroo Avenue, 300 feet south of frontage road, Oxnard.

Size and Shape: Rectangular shaped parcel (144 x 338) consisting of 1.11 acres.

Zoning: C2PD

Topography and Drainage: Level with storm drainage system in Buckaroo Road.

Flood Zone: Zone B - an area that is between the limits of 100 and 500 year floods or certain areas subject to 100 year flooding with average depths of less than one foot.

Easements: None observed, but there has been no review of a title report.

Utilities: Connected to the site

Street Improvements: Curb, asphalt

Improvements: There is one building on site and is utilized as a skating rink. The building consists of 15,488 SF and was constructed in 1956.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls:	Concrete block, painted.
Wall Height:	16 Ft.
Roof:	Gable, rolled roofing
Misc.:	The building is currently used as skate rink.

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	None
Paving:	3" asphalt
Lighting:	20' stands

Assessor Parcel No. 139-0-022-150

Ownership: SDC-CT Properties, LLC

Address: 2644 to 2739 Buckaroo Avenue, 306 to 350 Cactus Drive, 2751 to 2765 Wagon Wheel Road, and 301 to 373 Winchester Drive, Oxnard

Location: South of Wagon Wheel Road, north of Winchester Drive, east of Buckaroo Avenue, and west of Saddle Avenue, Oxnard.

Size and Shape: An irregular shaped parcel with approx. 1,000 feet of frontage along Wagon Wheel Road. A 15.85-acre site which includes the private roads of Buckaroo Avenue, Cactus Drive, and part of Saddle Avenue.

Zoning: C2PD

Topography and Drainage: Level with storm drainage system in Wagon Wheel Road as well as some of the private roads

Flood Zone: Majority is Zone C - an area of minimal flooding. Remainder is Zone B - an area that is between the limits of 100 and 500-year floods or certain areas subject to 100 year flooding with average depths of less than one foot.

Easements: None observed, but there has been no review of a title report.

Utilities: Connected to the site.

Street Improvements: Curbed, asphalt

Improvements:	This parcel consists of several properties that appear to have been built in the 1950s, 1960s, and 1970s. The buildings square footage ranges from 1,056 to 34,000 square feet. Total square footage of the buildings is 225,839.

Details of the construction of the buildings are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls	Varies, typically concrete block, tilt-up, or wood frame
Wall Height:	Varies
Roof:	Varies, typically flat or gable with rolled composition or shingle
Misc.:	Uses consist of a motel/restaurant, free-standing restaurant, office building, commercial building, several industrial buildings, and an industrial building used as a church and an adult care center.
Area:	Motel/Restaurant – 34,000 SF Free-standing restaurant – 3,631 SF Office & commercial building – 2,817 SF Industrial buildings – 146,271 SF Church/care center – 39,120 SF

Site Improvements:	Varies, typically these consist of asphalt paving; some properties have fencing and lighting.

Assessor Parcel No. 139-0-161-015

Ownership:	SDC-CT Properties, LLC
Address:	2637 through 2639 Saddle Avenue, Oxnard
Location:	Southern portions of land that are located southern terminus of Saddle Avenue and western terminus of Spur Drive and west side of Underpass Street, Oxnard.
Size and Shape:	An irregular shaped parcel with 370 feet of frontage along Saddle Avenue and 193 feet of frontage along Spur Drive. An approximate 7.18-acre site.
Zoning:	CM
Topography and Drainage:	Level with storm drainage system in Saddle Avenue.
Flood Zone:	Zone C - an area of minimal flooding.

Easements:	None observed, but there has been no review of a title report.
Utilities:	Connected to the site.
Street Improvements:	Curbed, asphalt

Improvements: There are six buildings on site that have been constructed from a time span of 1954 to 1964. The buildings square foot ranges from 761 to 92,520 square feet. Total square footage of the buildings is 99,881.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls	Concrete block
Wall Height:	Varies
Roof:	Flat
Misc.:	The buildings are currently used for light industrial, warehousing and supplies.

Site Improvements: These consist of asphalt paving and lighting.

Assessor Parcel No. 139-0-161-025

Ownership:	SDC-CT Properties, LLC
Address:	2755 and 2775 Wagon Wheel Road, Oxnard
Location:	Southwest corner of Cross Avenue and Wagon Wheel Road, Oxnard
Size and Shape:	A triangular shaped 0.46 acre parcel with 198 feet of frontage along Wagon Wheel Road and 177 feet of frontage along Cross Avenue.
Zoning:	C2PD
Topography and Drainage:	Level with storm drainage system in Wagon Wheel Road.
Flood Zone:	Zone C - an area of minimal flooding.
Easements:	None observed, but there has been no review of a title report.
Utilities:	Connected to the site.
Street Improvements:	Curbed, asphalt

Improvements:	Two buildings that consist of 4,254 square feet and appear to have been constructed in the 1960s or 1970s.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls	Concrete block and wood frame
Roof:	Gable, composition shingle
Misc.:	The buildings are currently used as offices with two tenants.

Site Improvements: These consist of asphalt paving and chain link/iron fencing.

Assessor Parcel No. 139-0-162-040

Ownership:	SDC-CT Properties, LLC
Address:	2605 Wagon Wheel Road, Oxnard
Location:	West side of Wagon Wheel Road, 81 feet north of Cross Avenue, Oxnard
Size and Shape:	Rectangular shaped parcel with 100 feet of frontage along Wagon Wheel Road with a 137-foot depth for a total square footage of 13,700.
Zoning:	C2PD
Topography and Drainage:	Level topography with runoff.
Flood Zone:	Zone C - an area of minimal flooding (Map 060417 0010 C).
Easements:	None observed, but there has been no review of a title report.
Utilities:	Available
Street Improvements:	Asphalt, curb, and gutters.
Improvements:	There is one building on site. The site is paved. The building consists of 580 square feet and was constructed on a .31-acre site.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4"concrete slab
Ext. Walls	Wood frame
Wall Height:	16 Ft.

Roof:	Flat, slight pitch to the rear
Yard Area:	Storage of 3 mobile homes
Misc.:	The building is currently used as an office

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	Concrete block and cyclone fencing 6 feet
Gates:	Cyclone
Paving:	Asphalt
Lighting:	Minimal

Assessor Parcel No. 139-0-170-025

Ownership: SDC-CT Properties, LLC

Address: 2665 Wagon Wheel Road, Oxnard

Location: West side of Wagon Wheel Road, approximately 492 feet north of Spur Drive, Oxnard

Size and Shape: An irregular shaped parcel with 369 feet of frontage along Wagon Wheel Road. The size of the parcel is 1.77 acres.

Zoning: C2PD

Topography and Drainage: Level with storm drain in the northerly end of the street.

Flood Zone: Zone C - an area of minimal flooding.

Easements: None observed, but there has been no review of a title report.

Utilities: Connected to site

Street Improvements: Curbs, gutters, asphalt.

Improvements: There is one building on site. The site is paved. The building consists of 634 square feet and was constructed in 1971.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls:	Wood siding
Wall Height:	12 Ft.

Roof:	Flat with slight slope
Misc.:	The building is currently used as mobile home sales.

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	Cyclone, 4 to 5 feet in height
Gates:	Cyclone
Paving:	Asphalt
Lighting:	Minimal.

Assessor Parcel No. 139-0-170-030

Ownership: SDC-CT Properties, LLC

Address: 2645 Wagon Wheel Road, Oxnard

Location: West side of Wagon Wheel Road, 331 feet north of Spur Drive, Oxnard.

Size and Shape: An irregular shaped parcel with 167 feet of frontage and depth that varies. An approximate 0.75-acre site.

Zoning: C2PD

Topography and Drainage: Level with storm drainage system in Wagon Wheel Road.

Flood Zone: Zone C- an area of minimal flooding

Easements: None observed but there has been no review of a title report.

Utilities: Available

Street Improvements: Curbed, asphalt.

Improvements: The building consists of 6720 SF and was constructed in 1956.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4"concrete slab
Ext. Walls:	Stucco
Wall Height:	12 Ft.
Roof:	Flat
Misc.:	The building is currently used as Oxnard Roofing Company.

Site Improvements:	These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	Wood and cyclone
Gates:	Cyclone
Paving:	Asphalt
Lighting:	Minimal outdoor

<u>Assessor Parcel No. 139-0-170-045</u>

Ownership:	SDC-CT Properties, LLC
Address:	2635 Wagon Wheel Road, Oxnard
Location:	West side of Wagon Wheel Road, 235 feet north of Spur Drive, Oxnard.
Size and Shape:	A mostly rectangular shaped parcel with 50 feet of frontage and depth that varies. Approximately 8,276 square feet in size.
Zoning:	C2PD
Topography and Drainage:	Level with storm drainage system in Wagon Wheel Road.
Flood Zone:	Zone C - an area of minimal flooding.
Easements:	None observed, but there has been no review of a title report.
Utilities:	Available
Street Improvements:	Curbed, asphalt.
Miscellaneous:	The site is currently used as a parking lot for the adjoining American Legion.

<u>Assessor Parcel No. 139-0-170-055</u>

Ownership:	SDC-CT Properties, LLC
Address:	2631 Wagon Wheel Road, Oxnard
Location:	Southwest corner of Spur Drive and Wagon Wheel Road, Oxnard.

Size and Shape:	A rectangular shaped parcel with 235 feet of frontage along Wagon Wheel Road and 140 feet of frontage along Spur Drive An approximate .95 acre site.
Zoning:	C2PD
Topography and Drainage:	Level with storm drainage system in Wagon Wheel Avenue.
Flood Zone:	Zone C - an area of minimal flooding.
Easements:	None observed, but there has been no review of a title report.
Utilities:	Connected
Street Improvements:	Curbed, asphalt
Improvements:	The one building consists of 1000 square feet and was constructed in 1983.

Details of the construction of the building are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls	Concrete block
Wall Height:	16 Ft.
Roof:	Flat
Misc.:	The building is currently used as RV sales office.

Site Improvements: These consist of asphalt paving and lighting.

<u>Assessor Parcel No. 139-0-170-085</u>

Ownership:	SDC-CT Properties, LLC
Address:	2635 & 2639 Wagon Wheel Road, 2630 & 2640 Saddle Ave., Oxnard
Location:	Northeast corner of Spur Drive and Saddle Avenue, Oxnard
Size and Shape:	An irregular, boot-shaped parcel with approx. 220 feet of frontage along Spur Drive, 370 feet along Saddle Avenue, and 46 feet along Wagon Wheel Road. The size of the parcel is 1.71 acres.
Zoning:	C2PD

Topography and Drainage:	Level with storm drainage system in Saddle Avenue and Wagon Wheel Road.
Flood Zone:	Zone C- an area of minimal flooding
Easements:	None observed, but there has been no review of a title report.
Utilities:	Connected to the site
Street Improvements:	Curbed, asphalt
Improvements:	There are four buildings on site – three office buildings and a meeting hall. The buildings consist of 12,333 SF and appear to have been constructed in the 1960s.

Details of the construction of the buildings are:

Foundation:	Reinforced concrete with 4" concrete slab
Ext. Walls:	Concrete block or wood frame
Wall Height:	12-14 Ft.
Roof:	Rolled composition or shingle

Site Improvements: These consist of paving, fencing, and lighting, which are described in more detail below.

Fencing:	None
Paving:	3" asphalt
Lighting:	Varies

HIGHEST AND BEST USE ANALYSIS

The highest and best use is a basic concept in real estate valuation due to the fact it represents the underlying premise (i.e. land use) upon which the estimate of value is based. In this report the highest and best use is defined as

> *"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*[3]

Proper application of this analysis requires the subject property to first be considered as if vacant in order to identify the "ideal" improvements in terms of use, size and timing of development. Secondly, the existing improvements (if any) are compared to the "ideal" improvements to determine if the use should be continued, altered or demolished preparatory to redevelopment of the site with a more productive or ideal use.

In the following analysis I have considered the sites' probable use, or those uses which are physically possible; the legality of use, or those uses which are allowed by zoning or deed restrictions; the financially feasible use, or those uses which generate a positive return on investment; and the maximally productive use, or those probable permissible uses which combine to give the owner of the land the highest net return on value in the foreseeable future.

Physically Physical Use

The sites range from .19 acres to 15.85 acres in size and the shape of the parcels range from rectangular to irregular.

All parcels have utilities available or connected to the site. Please refer to each individual site description for more details.

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[3] Appraisal of Real Estate, 10^{th} Edition

The subject properties are all level. No soils reports were reviewed for this report but a physical inspection of the area indicates many of these buildings have been constructed 30 to 40 years or more ago, and while some cases may have deferred maintenance, there is no outward or apparent evidence that these buildings suffer from any structural issues.

The balance of the subject parcels is level and could be developed to a variety of uses.

Legally Permissible Uses

The lands are located within the jurisdiction of the City of Oxnard. The zoning for the subject properties ranges from CM to C2PD. According to the City of Oxnard Planning Department, CM is described as commercial and light manufacturing per Sections 34-86.1 through 34-86.11 of the CM Ordinance. C2PD is described as general commercial planned development per Sections 37-79 through 34-86 of the C2 Ordinance.

Financially Feasible

The parcels are zoned C2PD, a commercial zone, and CM, a commercial/manufacturing zone. In those instances where the improvements are minimal, the financial feasibility is to improve the site to a more intense commercial use.

Highest and Best Use Conclusion

The maximum productivity for which the sites can be utilized, taken into consideration the physical, legal, and financially feasible uses, is considered to vary according to each parcel. In the case of the subject parcels the highest and best use is considered to be uses consistent with the zoning. This is summarized on the following page.

Assessor Parcel No.	Existing Use	Highest and Best Use Conclusion
139-022-030	6,000 sf building on .70 acre site	Existing use
139-022-040	31,690 sf bowling alley on 2.73 acres	Existing use
139-022-140	15,488 sf building used as a skating rink on 1.11 acres	Renovate to Industrial
139-022-150	Motel/restaurant, office building, restaurant, several industrial buildings	Continue existing uses, possibly divide motel/restaurant into separate parcel
139-161-015	Multi-tenant industrial buildings on 7.18 acres	Existing use
139-161-025	3,797 sf office building on .46 acre site	Existing use
139-162-040	580 sf office building on .31 acre site	Retail or service commercial
139-170-025	634 sf building on 1.77 acre site	Vacant land for commercial development
139-170-030	6,720 sf building on .75 acre site	Existing use
139-170-045	Parking lot for adjoining American Legion	Existing use
139-170-055	1,000 sf building on .95 acre site	Vacant land for commercial development
139-170-085	Multiple office buildings and a meeting hall totaling 12,333 sf on 1.71 acres	Existing use

SCOPE OF APPRAISAL ASSIGNMENT

The scope of appraisal involved the following due diligence.

- Reviewed Scope of Services proposal from contract with City of Oxnard.
- Interviewed in person and via telephone John Kim of DeLaRosa & Company, bond underwriters for the proposed bond issue.
- Inspected the properties that are the subject of this appraisal.
- Photographed the subject properties.
- Reviewed general economic conditions for the County of Ventura and the City of Oxnard including a review of Economic Outlook 2003 presented by the University of California at Santa Barbara.
- Reviewed Assessment Engineer's Report prepared by Penfield and Smith, dated December 2000.
- Interviewed Gary Laughlin, P.E., and Scott Siino, a general contractor, as it relates to certain costs.
- Collected and verified comparable land sales.
- Collected and verified comparable rentals of industrial buildings.
- Collected and verified comparable building sales.
- Prepared an appraisal and wrote a narrative report.

SECTION I

This section involves the valuation of certain parcels that do not meet a value to lien ratio of 10 to 1, based on the most current assessed value. Value to lien ratio is a term that is used in the municipal bond industry. This has been a measure of the "collateral" in supporting the willingness of property owners to pay their special taxes and assessments. The value to lien ratio is mathematically a fraction, the numerator of which is the value of the property and the denominator of which is the "lien" of the assessments or special taxes. In the case of the subject district a value to lien ratio (value based on the County Assessor's Roll for 2002/2003) determined certain parcels did not meet a 10 to 1 value to lien ratio. An independent appraisal was completed of these parcels. These parcels are listed below with the value to lien ratio calculated based on the assessed value.

Assessor's Parcel No.	Assessed Value	Assessment	Value to Lien Ratio
139-0-022-030	$ 190,800	$ 29,324.83	6.50
139-0-022-040	$ 501,164	$114,485.15	4.38
139-0-022-140	$ 137,688	$ 46,499.57	2.96
139-0-022-150	$3,593,099	$664,462.83	5.40
139-0-161-015	$1,457,117	$301,044.64	4.84
139-0-161-025	$ 167,377	$ 19,321.37	8.66
139-0-162-040	$ 49,736	$ 12,987.81	3.83
139-0-170-025	$ 232,288	$ 74,238.97	3.12
139-0-170-030	$ 116,120	$ 31,427.30	3.69
139-0-170-045	$ 26,501	$ 7,937.00	3.34
139-0-170-055	$ 180,436	$ 39,845.32	4.53
139-0-170-085	$ 431,828	$ 71,673.48	6.02

The appraisal of these properties, depending on the use, may include the Income and/or the Sales Comparison Approach(es) to value. These are defined as follows:

Income Approach

> *"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income patter, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."*[4]

Sales Comparison Approach

> *"A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale pries of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data rate available."*[5]

The Cost Approach was not considered due to the age of the buildings and that there was an adequate number of sales and income data.

The valuation for each of the parcels is presented on the following pages.

ASSESSOR PARCEL NO. 139-0-022-030

This parcel consists of a commercial/industrial building that appears to have been constructed in 1960s. The building is constructed of metal frame and metal walls and is of average quality. It is currently used for retail furniture sales and storage.

[4] The Dictionary of Real Estate Appraisal, Third Edition, Page 178
[5] The Dictionary of Real Estate Appraisal, Third Edition, Page 318

I have considered two approaches to value in my estimate of value for this parcel.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed below for comparison to the subject. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
5	$0.70	Gross	Commercial
6	$0.78	Gross	Service Garage
7	$0.40	Gross	Industrial
8	$0.52	Gross	Industrial
9	$0.38	Gross	Industrial
10	$0.40	Gross	Industrial
11	$0.38	Gross	Industrial
12	$0.40	Gross	Industrial
13	$0.27	Gross	Warehouse
14	$0.55	Gross	Industrial
15	$0.55	Gross	Industrial

The rents for the industrial are predominately in the $0.40 to $0.50 per square foot range. The commercial-oriented rents are $0.70 and $0.78 PSF. The subject is zoned C2PD, but it is essentially an industrial building with a commercial storefront and is currently used for furniture sales and storage. It has fairly good exposure to the freeway. A reasonable rental rate would be $0.70 per square foot.

Potential Gross Income

6,000 SF x $.70 PSF x 12 months = $50,400

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0%. The subject is an older building but it has a good location. A reasonable capitalization rate should be near the middle of the range.

Stabilized Income Approach

Potential Gross Income	$ 50,400
Vacancy & Collection Loss	($ 2,520)
Effective Gross Income	$ 47,880
Less Expenses (25%)	($ 11,970)
Net Operating Income before Debt Service	$ 35,910
Capitalization Rate ($35,910 -:- 8.0%)	$448,875
Indicated Value via Income Approach	$450,000

Sales Comparison Approach

The relevant industrial data is summarized below for comparison to the subject parcel. Please refer to the Industrial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
2	$46.00	Slightly Inferior
3	$57.79	Slightly Inferior
4	$65.74	Slightly Inferior
5	$54.15	Slightly Inferior
7	$38.56	Inferior
9	$39.36	Inferior
10	$57.25	Slightly Inferior
11	$51.88	Slightly Inferior

In addition, because of the subject's commercial appeal, I will list the office/commercial sales as well. Please refer to the Office/Commercial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$66.18	Similar
2	$74.03	Slightly Superior
3	$74.21	Slightly Superior
4	$80.58	Slightly Superior
5	$64.99	Similar

The subject is generally superior to all of the industrial comparables. Its strength lies in its commercial zoning and freeway exposure. I have estimated a $70.00 per square foot value for the subject property. This calculates as follows:

6,000 SF x $70.00 PSF = $420,000

Summary

Two approaches to value were used in the valuation of this parcel. The Income Approach indicated a value of $450,000 while the Sales Comparison Approach indicated a value of $420,000. The assessment for AD 2002-2 is $29,347.83. Based on the two approaches and taking into account the assessment, I have concluded at a final value of **$405,000** for this parcel, subject to the assessment lien of AD No. 2000-1.

ASSESSOR PARCEL NO. 139-0-022-040

This parcel consists of a bowling alley that appears to have been constructed in the 1960s. The building is constructed of concrete block and is of average quality.

I have considered the Sales Comparison Approach to value in my estimate of value for this parcel.

Sales Comparison Approach

The relevant data is listed below for comparison to the subject.

BOWLING ALLEY SALES SUMMARY CHART					
Data	**Location**	**Building Size**	**Sales Date**	**Sales Price**	**Price/SF**
1	1788 Mesa Verde Avenue, Ventura	14,500 sf	07/25/00	$550,000	$37.93
2	20410 Highway 18, Apple Valley	15,682 sf	12/02/02	$1,000,000	$63.77
3	750-790 E. Main Street, Barstow	35,625 sf	09/26/02	$860,000	$24.14
4	7100 Arlington Avenue, Riverside	35,000 sf	05/15/02	$1,500,000	$42.86

The comparables range from $24.14 to $63.77 per square foot range. I have estimated that a reasonable price per square foot value for the subject property is $40.00. The assessment for this parcel per AD 2000-1 is $114,485.52. This calculates as follows:

31,690 SF x $40.00 PSF = $1,267,600 (say)	$1,270,000
Less AD Lien	(114,485)
	$1,155,514
(Say)	$1,155,000

ASSESSOR PARCEL NO. 139-0-022-140

This parcel consists of an industrial building that was constructed in 1956. The building is constructed of concrete block and is of average quality. It is currently used as an ice skating rink. Some renovation is required for its use as an industrial building. An estimate of $250,000 for this obsolescence is considered in the valuation.

I have considered two approaches to value in my estimate of value for this parcel.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed below for comparison to the subject. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
5	$0.70	Gross	Commercial
6	$0.78	Gross	Service Garage
7	$0.40	Gross	Industrial
8	$0.52	Gross	Industrial
9	$0.38	Gross	Industrial
10	$0.40	Gross	Industrial
11	$0.38	Gross	Industrial
12	$0.40	Gross	Industrial
13	$0.27	Gross	Warehouse
14	$0.55	Gross	Industrial
15	$0.55	Gross	Industrial

The rents for the industrial are predominately in the $0.40 to $0.50 per square foot range. The commercial-oriented rents are $0.70 and $0.78 PSF. The subject is zoned C2PD but it is essentially an industrial building and is currently improved and used as a roller skating rink. A reasonable rental rate would be $0.45 per square foot.

Potential Gross Income

15,488 SF x $.45 PSF x 12 months = $83,635

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0%. I have concluded toward the upper end of the range due to the higher risk associated with the subject when compared to the investment sales that are cited.

Stabilized Income Approach

Potential Gross Income	$ 83,635
Vacancy & Collection Loss	($ 4,182)
Effective Gross Income	$ 79,453
Less Expenses (25%)	($ 19,863)
Net Operating Income before Debt Service	$ 59,590
Capitalization Rate ($59,590 -:- 8.5%)	$701,059
Indicated Value via Income Approach	$700,000

Sales Comparison Approach

The relevant data is summarized below for comparison to the subject parcel. Please refer to the Industrial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
2	$46.00	Similar
3	$57.79	Similar
4	$65.74	Similar
5	$54.15	Similar
7	$38.56	Slightly Inferior
9	$39.36	Slightly Inferior
10	$57.25	Similar
11	$51.88	Similar

The similar comparables generally range from $45.00 to $60.00 per square foot range. I have estimated a $50.00 per square foot value for the subject property. This calculates as follows:

15,488 SF x $50.00 PSF = $774,400 (say) $775,000

Summary

Two approaches to value were used in the valuation of this parcel. The Income Approach indicated a value of $700,000 while the Sales Comparison Approach indicated a value of $775,000. I have deducted $250,000 to renovate the building to an industrial use. The assessment for this parcel per Ad 2000-1 is 446,499.57. Based on the two approaches, I have concluded at a final value of **$450,000** for this parcel, subject to the assessment lien of AD No. 2000-1.

ASSESSOR PARCEL NO. 139-0-022-150

This parcel consists of several property types including a motel/restaurant, a free-standing restaurant, a small office building, a small commercial building, and several industrial buildings. Because of the varied nature of the properties on this parcel, separate valuation analyses will be done for each property type.

Motel

The buildings are constructed of either block or wood frame and are of average quality. The size of the motel is approximately 29,000 square feet.

The valuation procedure is to first value the motel as a separate marketing unit and then apply a discount as it is part of a larger parcel.

The gross income multiplier (G.I.M.) and the price per unit indicator are the preferred units of comparison. Therefore, there are two approaches to value for this property.

The relevant data is summarized below for comparison to the subject. Please refer to the Comparable Motel Sales Summary Chart located in the Addenda of this report.

Data No.	Price/Unit	GIM
1	$36,275	3.89
2	$41,447	3.75
3	$57,167	3.81
4	$63,800	4.16
5	$65,306	3.98
6	$75,806	3.90

The subject is somewhat of a basic motel and the price per room indicator should be at the lower end of the range.

Price Per Room	$45,000
Gross Income Multiplier	3.9

Stabilized Gross Annual Income for the subject is based on the following projections:

Stabilized Average Daily Rate	$50.00
Stabilized Occupancy Rate	60%

$50 x .60 x 365 days x 83 rooms = $910,000 (R)

Value Conclusion - Motel

83 rooms @ $45,000 = $3,735,000

$910,000 X 3.9 = $3,550,000

Value Conclusion $3,625,000

The subject is not a legal, separate, transferable parcel as it is part of a larger parcel. Anyone buying the parent parcel would have to file a parcel map creating a separate parcel. A 25% discount will be used to reflect the discounted value of the motel.

Discounted Value - $3,625,000 x .75 = **$2,720,000 (R)**

Restaurants

The buildings are constructed of either block or wood frame and are of average quality. The size of the motel's restaurant is approximately 5,000 square feet and the size of the free-standing restaurant is 3,631 square feet.

A Comparable Restaurant Sales Summary Chart can be found in the Addenda of this report. The following chart summarizes the comparable market data.

Data No.	Price/SF	Rating
1	$81.56	Similar
2	$106.79	Similar
3	$113.64	Similar
4	$115.94	Similar
5	$124.33	Slightly Superior
6	$139.02	Slightly Superior
7	$95.05	Similar
8	$107.39	Similar

Value Conclusion – Restaurants

Based on an analysis of the comparable market data, the following values are concluded:

Restaurant #1 - 3,361 SF @ $110.00 = $370,000 (R)
Restaurant #2 - 5,000 SF @ $ 95.00 = $475,000

Total Value of Restaurants - **$845,000**

Office/Commercial Buildings

The buildings are wood frame with wood or stucco exterior and are of average quality. The total square footage is 2,817 square feet.

I have considered two approaches to value in my estimate of value for these properties.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed on the following page for comparison to the subject. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
1	$0.50	Gross	Commercial
2	$0.90	Gross	Service Garage
3	$1.07	Gross	Office
4	$1.04	Gross	Office
5	$0.70	Gross	Office
6	$0.78	Gross	Office

The rents range from $0.50 per square foot to $1.07 per square foot. The subject buildings are dated and have limited appeal. A reasonable rental rate should be at the lower end of the range, say $0.60 per square foot.

Potential Gross Income

2,817 SF x $.60 PSF x 12 months = $20,282

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0% and the office sales range from 8.2 to 10.3%. The subject is a mixture of basic office and commercial. A reasonable capitalization rate should be around 9.0%.

Stabilized Income Approach

Potential Gross Income	$ 20,282
Vacancy & Collection Loss	($ 1,014)
Effective Gross Income	$ 19,268
Less Expenses (25%)	($ 4,817)
Net Operating Income before Debt Service	$ 14,451
Capitalization Rate ($14,451 -:- 9.0%)	$160,567
Indicated Value via Income Approach	$160,000

Sales Comparison Approach

The relevant data is summarized below for comparison to the subject parcel. Please refer to the Office/Commercial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$66.18	Similar
2	$74.03	Superior
3	$74.21	Superior
4	$80.58	Superior
5	$64.99	Slightly Superior

The subject is generally inferior to the comparables. A reasonable value per square foot for the subject should be around $60 per square foot. This calculates as follows:

2,817 SF x $60.00 PSF = $169,020 (say) $170,000

Summary

Two approaches to value were used in the valuation of these properties. The Income Approach indicated a value of $160,000 while the Sales Comparison Approach indicated a value of $170,000. Based on the two approaches, I have concluded at a final value of **$165,000.**

Industrial Buildings

These buildings are generally concrete block or concrete tilt-up and are typically of average quality. The total square footage is 185,391 square feet.

I have considered two approaches to value in my estimate of value for these properties.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed below for comparison to the subject. Please refer to the Rent Comparable Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
7	$0.40	Gross	Industrial
8	$0.52	Gross	Industrial
9	$0.38	Gross	Industrial
10	$0.40	Gross	Industrial
11	$0.38	Gross	Industrial
12	$0.40	Gross	Industrial
13	$0.27	Gross	Warehouse
14	$0.55	Gross	Industrial
15	$0.55	Gross	Industrial

The rents range from $0.27 per square foot to $0.55 per square foot. A reasonable rental rate for the subject buildings should be between $0.35 and $0.40 per square foot, say $0.38 per square foot.

Potential Gross Income

185,391 SF x $.38 PSF x 12 months = $845,383

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0%. I have concluded toward the upper end of the range due to the higher risk associated with the subject when compared to the investment sales that are cited.

Stabilized Income Approach

Potential Gross Income	$ 845,383
Vacancy & Collection Loss	($ 42,269)
Effective Gross Income	$ 803,114
Less Expenses (25%)	($ 200,779)
Net Operating Income before Debt Service	$ 602,335
Capitalization Rate ($602,335 -:- 8.5%)	$7,086,294
Indicated Value via Income Approach	$7,085,000

Sales Comparison Approach

The relevant data is summarized on the following page for comparison to the subject parcel. Please refer to the Industrial Buildings Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$48.04	Similar
2	$46.00	Similar
3	$57.79	Similar
4	$65.74	Similar
5	$54.15	Similar
6	$37.78	Similar
7	$38.56	Slightly Inferior
8	$44.34	Similar
9	$39.36	Slightly Inferior
10	$57.25	Similar
11	$51.88	Similar

Because the subject contains such a large amount of square footage, the best comparables are the sales that also contain a lot of square footage – Data Nos. 1, 6, and 8. A reasonable value per square foot for the subject should be around $40 per square foot. This calculates as follows:

185,391 SF x $40.00 PSF = $7,415,640 (say) $7,415,000

Summary

Two approaches to value were used in the valuation of these properties. The Income Approach indicated a value of $7,085,000 while the Sales Comparison Approach indicated a value of $7,415,000. Based on the two approaches, I have concluded at a final value of **$7,200,000.**

Total Value

Motel -		$ 2,720,000
Restaurants -		845,000
Office/Commercial -		165,000
Industrial -		7,200,000
		$10,930,000
Less AD 2000-1 Lien		(664,462)
Total Value		$10,265,538
	(Say)	**$10,265,000**

ASSESSOR PARCEL NO. 139-0-161-015

This parcel consists of 6 buildings ranging in size from 761 to 92,520 SF, totaling 99,881 SF on a 7.18-acre parcel. The buildings are used as warehouse/light industrial and miscellaneous uses including a sales office for manufactured housing.

I have considered one approach to value in my estimate of value for this parcel.

Income Approach

The first step is to estimate the economic rent. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Economic Rent

The rental data is further summarized below.

Data No.	Rent/SF	Rent Basis	Use
7	$0.40	Gross	Industrial
8	$0.52	Gross	Industrial
9	$0.38	Gross	Industrial
10	$0.40	Gross	Industrial
11	$0.38	Gross	Industrial
12	$0.40	Gross	Industrial
13	$0.27	Gross	Warehouse
14	$0.55	Gross	Industrial
15	$0.55	Gross	Industrial

The rents range from $0.27 per square foot to $0.55 per square foot. A reasonable rental rate for the subject buildings should be between $0.35 and $0.40 per square foot, say $0.38 per square foot.

Potential Gross Income

99,881 SF x $0.38 PSF x 12 months = $455,457

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0%. I have concluded toward the upper end of the range due to the higher risk associated with the subject when compared to the investment sales that are cited.

Stabilized Income Approach

Potential Gross Income	$ 455,457
Vacancy & Collection Loss	($ 22,773)
Effective Gross Income	$ 432,684
Less Expenses (25%)	($ 108,171)
Net Operating Income before Debt Service	$ 324,513
Capitalization Rate ($324,513 -:- 8.5%)	$3,817,800
Indicated Value via Income Approach	$3,820,000 (R)

Sales Comparison Approach

The data is listed on the following page for comparison to the subject parcel. Please refer to the Industrial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$48.04	Similar
2	$46.00	Similar
3	$57.79	Similar
4	$65.74	Similar
5	$54.15	Similar
6	$37.78	Similar
7	$38.56	Slightly Inferior
8	$44.34	Similar
9	$39.36	Slightly Inferior
10	$57.25	Similar
11	$51.88	Similar

Because the subject contains such a large amount of square footage, the best comparables are the sales that also contain a lot of square footage – Data Nos. 1, 6, and 8. A reasonable value per square foot for the subject should be around $40 per square foot. This calculates as follows:

99,881 SF x $40.00 PSF = $3,995,240 (say) $3,995,000

Summary

Three approaches to value were used in the valuation of this parcel. The Income Approach indicated a value of $3,820,000 and the Sales Comparison Approach indicated a value of $3,995,000. The assessment for this parcel per Ad 2000-1 is $301,044.64. Based on these approaches I have concluded at a final value of **$3,600,000** for this parcel, subject to the assessment lien of AD No. 2000-01.

ASSESSOR PARCEL NO. 139-0-161-025

This parcel consists of two small office buildings that appear to have been constructed in 1960's or 1970's. The buildings are wood frame and/or concrete block and are of average quality. The total square footage is 4,254 square feet.

I have considered two approaches to value in my estimate of value for these properties.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed below for comparison to the subject. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
1	$0.50	Gross	Commercial
2	$0.90	Gross	Service Garage
3	$1.07	Gross	Office
4	$1.04	Gross	Office
5	$0.70	Gross	Office
6	$0.78	Gross	Office

The rents range from $0.50 per square foot to $1.07 per square foot. The subject buildings have average appeal. A reasonable rental rate should be near the middle of the range, say $0.70 per square foot.

Potential Gross Income

4,254 SF x $.70 PSF x 12 months = $35,734

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0% and the office sales range from 8.2 to 10.3%. The subject is office with typical appeal. A reasonable capitalization rate should be around 9.0%.

Stabilized Income Approach

Potential Gross Income	$ 35,734
Vacancy & Collection Loss	($ 1,787)
Effective Gross Income	$ 33,947
Less Expenses (25%)	($ 8,487)
Net Operating Income before Debt Service	$ 25,460
Capitalization Rate ($25,460 -:- 9.0%)	$282,888
Indicated Value via Income Approach	$285,000

Sales Comparison Approach

The relevant data is summarized below for comparison to the subject parcel. Please refer to the Office/Commercial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$66.18	Similar
2	$74.03	Slightly Superior
3	$74.21	Slightly Superior
4	$80.58	Slightly Superior
5	$64.99	Similar

The subject is similar to Data Nos. 1 and 5. A reasonable value per square foot for the subject should be around $65 per square foot. This calculates as follows:

4,254 SF x $65.00 PSF = $276,510 (say) $275,000

Summary

Two approaches to value were used in the valuation of these properties. The Income Approach indicated a value of $285,000 while the Sales Comparison Approach indicated a value of $275,000. The assessment for this parcel per AD 2000-1 is $19,321.37. Based on the two approaches, I have concluded at a final value of **$260,000.**

ASSESSOR PARCEL NO. 139-0-162-040

This is a small parcel (13,700 SF) improved with a small office. The highest and best use is land only with a zoning of C2PD. The Sales Comparison Approach is the most appropriate method of valuation.

Sales Comparison Approach

The seven commercial lands sales are listed below for comparison to the subject parcel. Please refer to the Commercial Land Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Comparability
1	$ 7.43	Similar
2	$10.20	Slightly Superior
3	$14.41	Superior
4	$13.91	Superior
5	$11.35	Slightly Superior
6	$ 9.64	Similar
7	$ 9.12	Similar

The most comparable sales range between $7.43 and $9.64 per square foot. The assessment for this parcel is $12,987.81. I have concluded at $8.50 per square foot for the subject property, subject to the assessment lien of AD No. 2000-01. This calculates to a land value as follows:

13,700 SF x $8.50 PSF = $116,450 (say)	$115,000
Less AD Lien	(12,987)
	$102,013
	(Say) $102,000

ASSESSOR PARCEL NO. 139-0-170-025

This is a 1.77-acre parcel that has a small office consisting of 634 square feet. The site is zoned C2PD and has freeway identity. The subject improvements are not considered in the valuation due to the highest and best use being development to a more commercial use. Therefore, only the Sales Comparison Approach will be utilized.

Sales Comparison Approach

The seven commercial lands sales are listed on the following page for comparison to the subject parcel. Please refer to the Commercial Land Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Comparability
1	$ 7.43	Similar
2	$10.20	Slightly Superior
3	$14.41	Superior
4	$13.91	Superior
5	$11.35	Slightly Superior
6	$ 9.64	Similar
7	$ 9.12	Similar

The most comparable sales range between $7.43 and $9.64 per square foot. The assessment lien for this parcel is $74,238.97. I have concluded at $8.50 per square foot for the subject property, subject to the assessment lien of AD No. 2000-01. This calculates to a land value as follows:

77,101 SF (1.77 Acres) x $8.50 PSF = $655,359 (say)	$655,000
Less AD Lien	(580,762)
	$580,762
	(Say) $580,000

ASSESSOR PARCEL NO. 139-0-170-030

This parcel consists of 3 buildings totaling 6,720 square feet on a .75-acre parcel. The buildings are used as a showroom and warehouse for Oxnard Roofing Company. The Income and Sales Comparison Approaches to value will be used in the valuation of this parcel.

Income Approach

The first step is to estimate the economic rent. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Economic Rent

The rental data is listed below for comparison to the subject.

Data No.	Rent/SF	Rent Basis	Use
5	$0.70	Gross	Commercial
6	$0.78	Gross	Service Garage
7	$0.40	Gross	Industrial
8	$0.52	Gross	Industrial
9	$0.38	Gross	Industrial
10	$0.40	Gross	Industrial
11	$0.38	Gross	Industrial
12	$0.40	Gross	Industrial
13	$0.27	Gross	Warehouse
14	$0.55	Gross	Industrial
15	$0.55	Gross	Industrial

The rents for the industrial are predominately in the $0.40 to $0.50 per square foot range. The commercial-oriented rents are $0.70 and $0.78 PSF. The subject is zoned C2PD and is currently used as a showroom and warehouse. A reasonable rental rate would be $0.55 per square foot.

Potential Gross Income

6,720 SF x $0.55 PSF x 12 months = $44,352

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0%. I have concluded toward the upper end of the range due to the higher risk associated with the subject when compared to the investment sales that are cited.

Stabilized Income Approach

Potential Gross Income	$ 44,352
Vacancy & Collection Loss	($ 2,218)
Effective Gross Income	$ 42,134
Less Expenses (25%)	($ 10,534)
Net Operating Income before Debt Service	$ 31,601
Capitalization Rate ($31,601 -:- 8.5%)	$371,776
Indicated Value via Income Approach	$370,000 (R)

Sales Comparison Approach

The data is listed below for comparison to the subject parcel. Please refer to the Industrial Building Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$48.04	Similar
2	$46.00	Similar
3	$57.79	Similar
4	$65.74	Similar
5	$54.15	Similar
6	$37.78	Similar
7	$38.56	Slightly Inferior
8	$44.34	Similar
9	$39.36	Slightly Inferior
10	$57.25	Similar
11	$51.88	Similar

The similar comparables range from $37.78 to $65.74 per square foot. The subject has a strong location and should be toward the top of the range, say $55.00 per square foot. This calculates as follows:

6,720 SF x $55.00 PSF = $369,600 (say) $370,000

Summary

Three approaches to value were used in the valuation of this parcel. The Income Approach indicated a value of $370,000 and the Sales Comparison Approach also indicated a value of $370,000. The assessment lien for this parcel is $31,427.30 per AD 2000-1. Based on these approaches I have concluded at a final value of **$340,000** for this parcel, subject to the assessment lien of AD No. 2000-1.

ASSESSOR PARCEL NO. 139-0-170-045

This is a parking lot for the adjoining American Legion Hall. The property is zoned C2PD and consists of .19 acres. The Sales Comparison Approach will be used in the valuation of this parcel due to its being unimproved land.

Sales Comparison Approach

The seven commercial lands sales are listed below for comparison to the subject parcel. Please refer to the Commercial Land Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Comparability
1	$ 7.43	Similar
2	$10.20	Slightly Superior
3	$14.41	Superior
4	$13.91	Superior
5	$11.35	Slightly Superior
6	$ 9.64	Similar
7	$ 9.12	Similar

The most comparable sales range between $7.43 and $9.64 per square foot. The assessment lien for this parcel is $7,937 per AD 2000-1. I have concluded at $8.50 per square foot for the subject property, subject to the assessment lien of AD No. 2000-01. This calculates to a land value as follows:

8,276 SF (.19 Acre) x $8.50 PSF	=	$70,346 (say) $70,000
Less AD Lien		(7,937)
		$62,063
		(Say) $62,000

ASSESSOR PARCEL NO. 139-0-170-055

This is a parcel (43,561 SF) improved with a small office (1,000 SF). The highest and best use is for land only with a zoning of C2PD. The Sales Comparison Approach is the most appropriate method of valuation.

Sales Comparison Approach

The seven commercial lands sales are listed below for comparison to the subject parcel. Please refer to the Addenda for the summary chart.

Data No.	Price/SF	Comparability
1	$ 7.43	Similar
2	$10.20	Slightly Superior
3	$14.41	Superior
4	$13.91	Superior
5	$11.35	Slightly Superior
6	$ 9.64	Similar
7	$ 9.12	Similar

The most comparable sales range between $7.43 and $9.64 per square foot. The assessment lien for this parcel is $39,845.32 per AD 2000-1. I have concluded at $8.50 per square foot for the subject property, subject to the assessment lien of AD No. 2000-01. This calculates to a land value as follows:

43,561 SF x $8.50 PSF =	$370,269 (say)	$370,000
Less AD Lien		(39,845)
		$330,155
		(Say) $330,000

ASSESSOR PARCEL NO. 139-0-170-085

This parcel consists of four buildings – three offices and a meeting hall - that appear to have been constructed in 1960s. The buildings are wood frame and/or concrete block and are of average quality. The total square footage is 12,333 square feet.

I have considered two approaches to value in my estimate of value for these properties.

Income Approach

The first step is to estimate the economic rent.

Economic Rent

The rental data is listed on the following page for comparison to the subject. Please refer to the Rent Comparables Summary Chart located in the Addenda of this report.

Data No.	Rent/SF	Rent Basis	Use
1	$0.50	Gross	Commercial
2	$0.90	Gross	Service Garage
3	$1.07	Gross	Office
4	$1.04	Gross	Office
5	$0.70	Gross	Office
6	$0.78	Gross	Office

The rents range from $0.50 per square foot to $1.07 per square foot. A reasonable rental rate for the subject buildings should be around $0.60 per square foot.

Potential Gross Income

12,333 SF x $.60 PSF x 12 months = $88,798

Vacancy and Collection Loss

Based on a stabilized basis, this estimate is 5%.

Expenses

I have estimated 25% of effective gross income for expenses. This would be for taxes, insurance, maintenance, and other expenses associated with the building.

Overall Capitalization Rate

I have reviewed purchases of buildings by investors in order to obtain an overall capitalization rate for the subject building. The results of the search are summarized on the facing page. The industrial sales range from 7.0 to 9.0% and the office sales range from 8.2 to 10.3%. The subject is essentially office with typical appeal. A reasonable capitalization rate should be around 9.0%.

Stabilized Income Approach

Potential Gross Income	$ 88,798
Vacancy & Collection Loss	($ 4,440)
Effective Gross Income	$ 84,358
Less Expenses (25%)	($ 21,090)
Net Operating Income before Debt Service	$ 63,269
Capitalization Rate ($63,269 -:- 9.0%)	$702,989
Indicated Value via Income Approach	$705,000

Sales Comparison Approach

The relevant data is summarized below for comparison to the subject parcel. Please refer to the Commercial Land Sales Summary Chart located in the Addenda of this report.

Data No.	Price/SF	Rating
1	$66.18	Similar
2	$74.03	Slightly Superior
3	$74.21	Slightly Superior
4	$80.58	Slightly Superior
5	$64.99	Similar

The subject is most similar to Data Nos. 1 and 5. A reasonable value per square foot for the subject should be around $65 per square foot. This calculates as follows:

12,333 SF x $65.00 PSF = $801,645 (say) $800,000

Summary

Two approaches to value were used in the valuation of these properties. The Income Approach indicated a value of $705,000 while the Sales Comparison Approach indicated a value of

$800,000. The assessment lien for this parcel is $71,673 per AD 2000-1. Based on the two approaches, I have concluded at a final value of **$700,000.**

City of Oxnard
Oxnard Boulevard/Highway 101 Interchange Project
Assessment District No. 2000-1

BUILDING USE	OWNER	ASSESSMENT NUMBER	APN	Remaining Assessments	Assessed Value	Value to Lien
RETAIL COMMERCIAL OVER 25,000 SQ. FT.						
COM,MAJOR SHOPPING CENTER AND MALLS	SDC-Ct Properties LLC	8	139 0 150 110	480,468.84	7,465,460	15.54 to 1
RETAIL COMMERCIAL LESS THEN 25,000 SQ. FT.						
COM,SINGLE TENANT,3000+ SQ FT	SDC-Ct Properties LLC	13	139 0 162 075	12,987.81	250,000	19.25 to 1
AUTO RELATED						
AUTO RELATED	SDC-Ct Properties LLC	15	139 0 170 015	7,135.28	221,533	31.05 to 1
SPECIALTY						
COM,SINGLE TENANT,3000+ SQ FT	SDC-Ct Properties LLC	14	139 0 162 085	26,857.51	530,906	19.77 to 1
	SDC-Ct Properties LLC	1**	139 0 022 015	6,734.42	33,138	4.92 to 2
RES,MOBILE HOME PARK	SDC-Ct Properties LLC	5**	139 0 022 125	41,929.79	1,294,442	30.87 to 1
INDUSTRIAL WAREHOUSE OVER 10,000 SQ. FT.						
INDUSTRIAL	SDC-Ct Properties LLC	4	139 0 022 060	20,123.09	558,180	27.74 to 1
	BUILDING USE TOTALS	**5**			**10,353,659**	

LAND USE	OWNER	ASSESSMENT NUMBER	APN	Remaining Assessment	Assessed Value	Value to Lien
COMMERCIAL OVER 5 - 20 ACRES						
VACANT, COMMERCIAL, 5+ACRES	Casden Oxnard Vineyard LLC	21	179 0 040 170	233,780.60	3,300,000	14.12 to 1
VACANT, COMMERCIAL, 5+ACRES	Casden Oxnard Vineyard LLC	22	179 0 040 180	88,750.04	1,250,000	14.08 to 1
RESIDENTIAL						
GOV, PROPERTY, CITY						
GOV, PROPERTY, CITY	OXNARD, CITY OF	23	179 0 040 240	170,195.45	NF	* to 1
GOV, PROPERTY, CITY	OXNARD, CITY OF	24	179 0 050 125	192,456.95	NF	* to 1
GOV, PROPERTY, CITY	OXNARD, CITY OF	25	179 0 070 130	25,201.70	NF	to 1
	LAND USE TOTALS	**5**			**4,550,000**	
				BUILDING & LAND USE TOTALS	**14,903,659**	

* These assessments will be prepaid by the City.

** This parcel is the office for the mobile home park which is located on the contiguous parcel (139-022-125). As such it is considered an integral part of the mobile home park and is the appraiser's opinion that both these parcelss should be considered as one.

SECTION II

This section represents the reporting of Assessed Value for those parcels within the District that exceed a 10:1 value to lien. This is detailed on the facing page.

The total Assessed Value for these parcels is **$14,903,659**.

MARKETING AND EXPOSURE TIME

It is my estimation that the marketing and exposure time for the subject properties, if placed on the open market today at the concluded values, is less than 12 months.

APPRAISAL REPORT SUMMARY

The appraisal assignment was the appraisal of certain parcels that did not meet a 10:1 value to lien ratio. The results of Section I of this report are as follows:

Assessor's Parcel No.	Assessed Value	Assessment	Assessed Value to Lien Ratio	Appraised Value	Appraised Value to Lien Ratio
139-0-022-030	$ 190,800	$ 29,324.83	6.50	$ 405,000	13.81
139-0-022-040	$ 501,164	$114,485.15	4.38	$ 1,155,000	10.09
139-0-022-140	$ 137,688	$ 46,499.57	2.96	$ 450,000	9.67
139-0-022-150	$3,593,099	$664,462.83	5.40	$10,265,000	15.44
139-0-161-015	$1,457,117	$301,044.64	4.84	$ 3,600,000	11.96
139-0-161-025	$ 167,377	$ 19,321.37	8.66	$ 260,000	13.46
139-0-162-040	$ 49,736	$ 12,987.81	3.83	$ 102,000	7.85
139-0-170-025	$ 232,288	$ 74,238.97	3.12	$ 580,000	7.81
139-0-170-030	$ 116,120	$ 31,427.30	3.69	$ 340,000	10.82
139-0-170-045	$ 26,501	$ 7,937.00	3.34	$ 62,000	7.81
139-0-170-055	$ 180,436	$ 39,845.32	4.53	$ 330,000	8.28
139-0-170-085	$ 431,828	$ 71,673.48	6.02	$ 700,000	9.76
Totals	**$7,084,154**			**$18,249,000**	

Section II was the reporting of Assessed Values for the parcels with a value to lien that exceeded 10:1. The total Assessed Value for these parcels is **$14,903,659.**

All values are stated subject to the Assumptions and Limiting Conditions and Appraiser's Certification as of said date of value.

APPRAISER'S CERTIFICATION

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.

4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the case of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of any specified amount.

6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal practice.

7. I have made a personal inspection of the properties that are the subject of this report.

8. No provided significant professional assistance to the person signing this report.

9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. As of the date of this report, Bruce W. Hull, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.

Bruce W. Hull, MAI
California State Certified General
Real Estate Appraiser (AG004964)

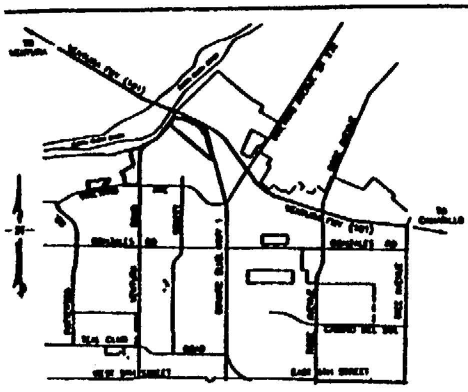
ADDENDA

SECTIONS 5, 6 AND 7 OF ENGINEER'S REPORT
(Dated December 2000)

CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)

SECTION 5
ASSESSMENT DIAGRAM

A reduced copy of the Assessment Diagram is bound within this document on the following page. The full size original documents are incorporated herein as if attached and a part of this Assessment Engineer's Report.



VICINITY MAP

N.T.S.

PARCEL LIST

ASMNT. NO.	COUNTY APN
1	130-0-022-015
2	130-0-022-030
3	130-0-022-040
4	130-0-022-060
5	130-0-022-125
6	130-0-022-140
7	130-0-022-150
8	130-0-150-110
9	130-0-150-125
10	130-0-161-015
11	130-0-161-025
12	130-0-162-040
13	130-0-162-075
14	130-0-162-085
15	130-0-170-015
16	130-0-170-025
17	130-0-170-030
18	130-0-170-045
19	130-0-170-055
20	130-0-170-065
21	170-0-040-170
22	170-0-040-180
23	170-0-040-240
24	170-0-060-125
25	170-0-070-130

ASSESSMENT DISTRICT NO. 2000-1

(OXNARD BLVD./HIGHWAY 101 INTERCHANGE)

ASSESSMENT DIAGRAM

CITY OF OXNARD

COUNTY OF VENTURA, STATE OF CALIFORNIA

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF OXNARD ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED ON THE ________ DAY OF ________, 2000. THE ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF OXNARD ON THE ________ DAY OF ________, 2000. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

____
CITY CLERK
CITY OF OXNARD
COUNTY OF VENTURA, STATE OF CALIFORNIA

FILED IN THE OFFICE OF CITY CLERK OF THE CITY OF OXNARD THIS ________ DAY OF ________, 2000.

____
CITY CLERK
CITY OF OXNARD

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS ________ DAY OF ________, 2000.

____
SUPERINTENDENT OF STREETS
CITY OF OXNARD

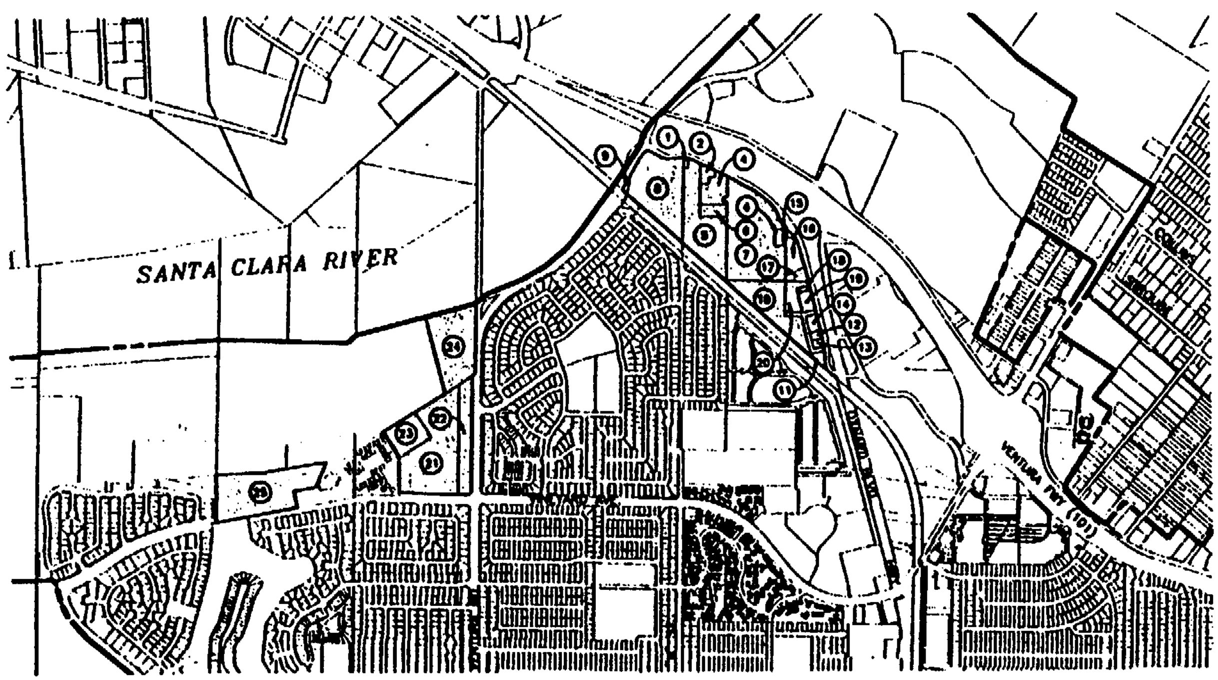
FILED THIS ________ DAY OF ________, 2000. AT HOUR OF ____ O'CLOCK ___M. IN THE BOOK ____, PAGE ________. (DOCUMENT NO. ________) OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF VENTURA, STATE OF CALIFORNIA.

RICHARD D. DEAN
COUNTY RECORDER
COUNTY OF VENTURA, STATE OF CALIFORNIA

____
DEPUTY
COUNTY OF VENTURA, STATE OF CALIFORNIA

DIAGRAM PREPARED BY:

PENFIELD & SMITH
2051 NORTH SOLAR DRIVE, SUITE 225
OXNARD, CALIFORNIA 93030
(805) 983-7499



LEGEND

- ① ASSESSMENT PARCEL NUMBER
- PROPOSED ASSESSMENT DISTRICT BOUNDARY
- PARCEL BOUNDARY
- CITY LIMITS

SCALE: 1" = 1000'
0 1000 2000 3000
(DRAWING HAS BEEN REDUCED)

Penfield & Smith
ENGINEERS • SURVEYORS
W.O. 13047.01 13027AD1.DWG

ASSESSMENT DIAGRAM ASSESSMENT DISTRICT NO. 2000-1 (OXNARD BLVD./HIGHWAY 101 INTERCHANGE) CITY OF OXNARD COUNTY OF VENTURA - STATE OF CALIFORNIA	SHEET 1 OF 1

CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)

SECTION 6
ASSESSMENT ROLL

WHEREAS, on October 24, 2000, the CITY COUNCIL of the CITY OF OXNARD, CALIFORNIA, did, pursuant to the provisions of the Improvement Act, adopt its Resolution of Intention, being Resolution No. 11,837, for the construction of certain public improvements, together with appurtenances and appurtenant work in connection therewith, in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 2000-1 (OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE) (the "Assessment District"); and,

WHEREAS, such Resolution of Intention, as required by the Assessment Law, did direct the appointed Superintendent of Streets to make and file an Assessment Engineer's Report, consisting of the following:

- Plans;
- Specifications;
- Cost estimate;
- Assessment Diagram showing the Assessment District and the subdivisions of land contained therein;
- A proposed assessment of the total amount of the costs and expenses of the proposed improvements upon the several subdivisions of land within the Assessment District, in proportion to the estimated special benefits to be received by such subdivisions from the improvements.
- The total amount, as near as may be determined, of the total principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated for the Assessment District, which would require an investigation and report under the Investigations Act, against the total area proposed to be assessed.
- The total true value, as near as may be determined, of the parcels of land and improvements which are proposed to be assessed.

NOW, THEREFORE, the undersigned, pursuant to the Assessment, does hereby submit the following:

1. Pursuant to the provisions of the Assessment Law and the Resolution of Intention, I identified all parcels (the "Specially Benefited Parcels") which will have a special benefit conferred upon them from the improvements described in Section 2 to the Assessment Engineer's Report. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram, a copy of which is included in Section 5 of this

Assessment Engineer's Report. There are parcels within the Assessment District that are owned or used by any agency (as such term is defined in Section 2(a) of Article XIIID), the State of California or the United States. These parcels will pay off their full assessments in cash.

2. I have assessed the costs and expenses of the improvements upon the Specially Benefited Parcels. In making such assessment:

   a. The proportionate special benefit derived by each Specially Benefited Parcel was determined in relationship to the entirety of the capital costs of the improvements;

   b. No assessment has been imposed on any Specially Benefited Parcel which exceeds the reasonable cost of the proportional special benefit conferred on such parcel; and

   c. The general benefits from the improvements have been separated from the special benefits and only special benefits have been assessed.

3. As required by the Assessment Law, a Diagram is hereto attached, showing the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within the Assessment District as the same existed at the time of the passage of the Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon the Assessment Diagram and in the Assessment Roll. The numbers given to subdivisions and parcels of land therein as shown on the Assessment Diagram correspond with the numbers given the same subdivisions and parcels of land therein appearing on the Assessment Roll.

4. NOTICE IS HEREBY GIVEN that bonds will be issued in accordance with Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued not to exceed the legal maximum term as authorized by law, THIRTY-NINE (39) YEARS from the 2nd day of September next succeeding twelve (12) months from their date. Such bonds shall bear interest at a rate not to exceed the current legal maximum rate of 12% per annum.

5. By virtue of the authority contained in the Assessment Law, and by further direction and order of the City Council, I hereby make the following Assessment to cover the costs and expenses of the works of improvement for the Assessment District based on the costs and expenses as set forth below:

ASSESSMENT DISTRICT SHARE

	Description	Preliminary	Confirmed
A.	Estimated Cost of Construction	$2,236,978.09	$2,236,978.09
B.	Estimated Incidental Costs	$597,540.68	$597,540.68
C.	Estimated Financing Costs	$398,335.33	$398,335.33
	Estimated Total Cost	**$3,232,854.10**	**$3,232,854.10**
	Estimated Contribution	**($387,854.10)**	**($387,854.10)**
	Balance to Assessment	**$2,845,000.00**	**$2,845,000.00**

For particulars as to the individual assessments and their descriptions, reference is made to the Exhibit attached hereto.

6. The Method of Spread of Assessment is as set forth in Appendix "B", which is attached hereto, referenced and so incorporated.

DATED: December 6th, 2000.

PENFIELD & SMITH

PATRICK J. REEVES, P.E.
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101
INTERCHANGE)
CITY OF OXNARD
COUNTY OF VENTURA
STATE OF CALIFORNIA

CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)

SECTION 6
ASSESSMENT ROLL

Debt Limit Valuation

A.	Estimated Balance to Assessment	$2,845,000.00
B.	Unpaid Special Assessment [1]	$315,581.00
	------------------------------------	--------------
	TOTAL OF A. AND B.	**$3,160,581.00**
C.	True Value of Parcels [2]	$20,338,858.00

[1] Unpaid special assessments consist of the total principal sum of all unpaid assessments previously levied or proposed to be levied other than the assessment for the Assessment District.

[2] "True Value of Parcels" is defined as the assessed value of land and improvements as estimated and shown on the last equalized roll of the County of Ventura.

CERTIFICATION OF ASSESSMENT ENGINEER

I, the undersigned Assessment Engineer, do hereby certify that the total amount of the principal sum of the assessments proposed to be levied for the Assessment District, together with the principal amount of assessments previously levied or proposed to be levied other than the assessments proposed to be levied for the Assessment District, as set forth above, does not exceed one-half (1/2) of the total true value of the parcels proposed to be assessed.

Executed this 6th day of December, 2000.

PENFIELD & SMITH

PATRICK J. REEVES, P.E.
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101
INTERCHANGE)
CITY OF OXNARD
COUNTY OF VENTURA
STATE OF CALIFORNIA

CITY OF OXNARD
ASSESSMENT DISTRICT NO. 2000-1
(OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE)

SECTION 7
ANNUAL ADMINISTRATIVE ASSESSMENT

A proposed maximum annual assessment shall be levied on each parcel of land and subdivision of land within the Assessment District to pay for the necessary costs and expenses incurred, and not otherwise reimbursed, resulting from the administration and collection of assessments and/or from the administration or registration of any bonds and reserve or other related funds. This maximum assessment hereinafter set forth is authorized pursuant to the provisions of Section 10204, and said maximum annual assessment shall not exceed 5.0 % per individual assessment, and said sum shall only be collected to the extent monies are not available for these services from the sale of bonds, or from any other source.

MARKET DATA SUMMARY CHARTS

COMMERCIAL LAND SALES SUMMARY CHART					
Data	**Location**	**Parcel Size**	**Sales Date**	**Sales Price**	**Price/SF**
1	203 E. El Roblar Drive, Meiners Oaks	1.93 acres	09/27/02	$625,000	$7.43
2	234 Harvard Boulevard, Santa Paula	1.26 acres	07/31/02	$560,000	$10.20
3	4451 Telephone Road, Ventura	41,650 sf	11/04/02	$600,000	$14.41
4	2927 Ventura Boulevard, Oxnard	21,750 sf	08/14/02	$302,500	$13.91
5	SWC Ventura Ave. & Park Row Ave., Ventura	25,198 sf	08/06/01	$286,000	$11.35
6	1449 S. Oxnard Boulevard, Oxnard	22,500 sf	12/27/00	$217,000	$9.64
7	North of E. Main St. & west of Telephone Rd. off-ramp, Ventura	24,666 sf	11/21/00	$225,000	$9.12

INDUSTRIAL BUILDING SALES SUMMARY CHART					
Data	**Location**	**Building Size**	**Sales Date**	**Sales Price**	**Price/SF**
1	1400 Statham Parkway, Oxnard	104,073 sf	04/17/03	$5,000,000	$48.04
2	355 Dawson Drive, Camarillo	20,000 sf	02/21/03	$920,000	$46.00
3	170-174 Lambert Street, El Rio	21,629 sf	10/17/02	$1,250,000	$57.79
4	911-921 Mountain View Avenue, Oxnard	10,343 sf	09/24/02	$680,000	$65.74
5	524-568 Pacific Avenue, Oxnard	14,496 sf	07/19/02	$785,000	$54.15
6	500-580 E. 3rd Street, Oxnard	140,303 sf	04/25/02	$5,300,000	$37.78
7	1225-1253 Commercial Avenue, Oxnard	16,728 sf	04/17/02	$645,000	$38.56
8	130 S. Ventura Avenue, Ventura	63,143 sf	04/09/02	$2,800,000	$44.34
9	1217-1223 Commercial Avenue, Oxnard	7,748 sf	09/26/01	$301,000	$39.36
10	642 E. Date Street, Oxnard	7,860 sf	01/18/01	$450,000	$57.25
11	751-771 E. Wooley Road, Oxnard	17,156 sf	10/27/00	$890,000	$51.88

OFFICE/COMMERCIAL BUILDING SALES SUMMARY CHART

Data	Location	Building Size	Sales Date	Sales Price	Price/SF
1	3129-3133 Saviers Road, Oxnard	6,800 sf	06/19/03	$450,000	$66.18
2	520 W. 5th Street, Oxnard	12,832 sf	07/12/02	$950,000	$74.03
3	51-57 S. Victoria Avenue, Ventura	5,053 sf	06/03/02	$375,000	$74.21
4	516 N. A Street, Oxnard	4,964 sf	09/14/01	$400,000	$80.58
5	1300 W. Gonzalez Road, Oxnard	11,540 sf	03/23/00	$750,000	$64.99

RENT COMPARABLES SUMMARY CHART					
Data	**Location**	**Property Description**	**Lease Date**	**Rent/SF**	**Expense Structure**
1	4225 Saviers Road, Oxnard	Multi-tenant office w/ effective age of 25 years	04/2003	$0.50	Gross
2	2362 N. Oxnard Boulevard, Oxnard	2nd floor office over retail w/ effective age of 10 years	03/2003	$0.90	Gross
3	4025-4051 Saviers Road, Oxnard	Multi-tenant office w/ effective age of 20 years	10/2002	$1.07	Gross
4	343 S. B Street, Oxnard	Single tenant office w/ effective age of 20 years	01/2001	$1.04	Gross
5	2534 E. Main Street, Ventura	Single tenant commercial w/ effective age of 15 years	12/2001	$0.70	Gross
6	118 & 130 Cooper Road, Oxnard	Single tenant auto garage w/ effective age of 40 years	08/2001	$0.78	Gross
7	136 N. 13th Street, Santa Paula	Single tenant industrial w/ effective age of 25 years	12/2002	$0.40	Gross
8	1133 Commercial Avenue, Oxnard	2-tenant industrial building w/ effective age of 25 years	11/2002	$0.52	Gross
9	130 S. Ventura Avenue, Ventura	Multi-tenant industrial w/ effective age of 35 years	09/2002	$0.38	Gross
10	1750 N. Ventura Avenue, Ventura	2-unit industrial building w/ effective age of 30 years	05/2002	$0.40	Gross
11	3891 N. Ventura Avenue, Ventura	Multi-tenant industrial w/ effective age of 40 years	03/2002	$0.38	Gross
12	630 E. Wooley Road, Oxnard	Multi-tenant industrial w/ effective age of 25 years	09/2000	$0.40	Gross
13	5960 Valentine Road, Ventura	Warehouse w/ effective age of 40 years	2000	$0.27	Gross
14	1225 Commercial Avenue, Oxnard	Multi-tenant industrial w/ effective age of 25 years	Mo-to-mo	$0.55	Gross
15	1217 Commercial Avenue, Oxnard	Multi-tenant industrial w/ effective age of 25 years	Mo-to-mo	$0.55	Gross

OVERALL RATE OF CAPITALIZATION (OAR)					
No.	**Property Type**	**APN/ Address**	**Sale Price**	**Sale Date/ Doc. No.**	**Extracted Cap. Rate**
1	Multi-tenant industrial	084-0-150-405 2550 Eastman Ave., Ventura	$2,000,000	Current escrow	7.00%
2	Multi-tenant industrial	084-0-142-065 1956 Palma Dr., Ventura	$1,700,000	Current escrow	7.95%
3	Multi-tenant industrial	084-0-142-075 4837 McGrath St., Ventura	$1,550,000	Current escrow	7.42%
4	Multi-tenant industrial/ office	138-0-113-095 1530 Callens Rd., Ventura	$875,000	08-30-02 207055	7.66%
5	Single tenant industrial	068-0-090-44, 48 & 49 1724 N. Olive St., Ventura	$1,590,000	08-01-02 181679	9.0%
6	2- building single tenant industrial	138-0-250-23 & 24 6060 Nicolle St., Ventura	$3,183,736	05-17-02 118459	8.2%
7	Multi-tenant industrial	201-0-170-33 thru 39 500-580 E. 3rd St., Oxnard	$5,300,000	04-25-02 099265	8.6%
8	2-tenant industrial	073-0-114-03 & 08 130 S. Ventura Ave., Ventura	$2,800,000	04-09-02 084359	8.2%
9	Multi-tenant industrial	084-0-103-025 1710 Donlon St., Ventura	$1,200,000	03-20-02 067515	7.90%
10	Multi-tenant industrial	133-0-072-11 260 Lambert St., Oxnard	$2,400,000	02-15-02 038009	8.8%
11	Multi-tenant office	202-0-101-415 315 N. 5th Street, Oxnard	$1,350,000	Escrow	8.2%
12	Multi-tenant office	202-0-132-110 & 170 520 W. 5th Street, Oxnard	$950,000	07-12-02 164101	8.8%
13	Multi-tenant office	200-0-243-230 701-719 N. A Street, Oxnard	$600,000	05-31-02 129507	10.3%

COMPARABLE MOTEL SALES

No.	No. of Units/ Address/ APN	Sale Price/ Sale Date/ Doc. No.	Land Area/ Zoning	Construction Type/ Gross Area/ Sq. Ft./Unit	Quality & Appeal/ Eff. Age	A.D.R./ Occ. Rate	Price P.Room/ G.I.M.
1	51 350 S. Peck Rd., Santa Paula 098-030-45	$1,850,000 04-26-02 100489	1.19 acs. C-2PD	Fr. & Stucco 17,382 sf 341 sf	Average + 15 years	$50 50%	$86,275 3.89
2	76 12 Conejo Bl., Thousand Oaks 525-020-030	$3,150,000 09-19-01 184883	1.99 acs. C-3	Fr. & Stucco 29,366 sf 386 sf	Average 20 years	$55 55%	$41,447 3.75
3	30 1180 E. Ojai Ave., Ojai 028-073-040	$1,530,000 04-16-02 091422	1.15 acs. C-1	Fr. & Stucco 12,664 sf 356 sf	Average 20 years	$70 60%	$57,167 3.81
4	75 708 E. Thompson Bl., Ventura 078-134-150	$4,785,000 05-15-01 087972	1.70 acs. DC	Fr. & Stucco 23,500 sf 300 sf	Average 30 years	$60 70%	$63,800 4.16
5	49 185 E. Santa Clara St., Ventura 073-022-22	$3,200,000 09-23-02 67729	0.75 acs. C-2	Fr. & Stucco 15,680 sf 320	Average + 15 years	$75 60%	$65,306 3.98
6	31 108 E. Ojai Ave., Ojai 028-072-31	$2,350,000 12-21-01 260123	1.14 acs. BP	Fr. & Stucco 10,416 sf 336 sf	Average + 15 years	$76 65%	$75,806 3.9

COMPARABLE RESTAURANT SALES							
No.	**Property Type/ Address/ APN**	**Sale Price/ Sale Date/ Doc. No.**	**Land Area/ Zoning**	**Construction Type/ Gross Area**	**Quality & Appeal/ Eff. Age**	**Parking**	**Price P.S.F.**
1	Restaurant 2437 E. Main St., Ventura 074-141-20	$445,000 06-13-01 109764	13,204 sf C-1	Fr. & Stucco 5,456 sf	Average 30 years	4.0 spaces per 1,000 sf	$81.56
2	Restaurant 3031 Saviers Rd., Oxnard 205-080-52	$470,000 07-31-01 146845	16,200 sf C-2	Fr. & Stucco 4,401 sf	Average 25 years	4.5 spaces per 1,000 sf	$106.79
3	Restaurant 636 W. Harvard Bl., Santa Paula 102-202-32	$250,000 05-19-00 082566	14,998 sf C-2	Fr. & Stucco 2,200 sf	Average 15 years	14.5 spaces per 1,000 sf	$113.64
4	Restaurant 322 S. Peck Rd., Santa Paula 098-030-41	$400,000 06-27-00 101091	16,521 sf C-2	Fr. & Stucco 3,450 sf	Average 20 years	9.3 spaces per 1,000 sf	$115.94
5	Restaurant 3263 Telegraph Rd., Ventura 077-053-09	$465,000 04-07-99 67729	14,583 sf C-1	Fr. & Stucco 3,740 sf	Average 25 years	5.3 spaces per 1,000 sf	$124.33
6	Restaurant 1105 S. Seaward Av. Ventura 081-053-12	$803,000 10-12-01 203420	22,500 sf C-1A	Fr. & Stucco 5,776 sf	Average 25 years	5.2 spaces per 1,000 sf	$139.02
7	Restaurant 1860 Ventura Bl., Camarillo 162-101-33	$240,000 03-05-99 042541	9,000 sf CPD	Conc. Blk. 2,525 sf	Average 25 years	4.0 spaces per 1,000 sf	$95.05
8	Restaurant 454 Santa Clara St. Fillmore 053-101-12	$247,000 02-26-99 036519	5,375 sf C-3	Fr. & Stucco 2,300 sf	Average 30 years	Public lot close by	$107.39

APPRAISER'S QUALIFICATIONS

QUALIFICATIONS OF BRUCE W. HULL, MAI

Business Locations: 1056 E. Meta Street, Suite 202
Ventura, California 93001
(805) 641-3275 * Facsimile (805) 641-3278
E-Mail Address - Bhull86686@aol.com
Direct Correspondence to Ventura Location

115 E. Second Street, Suite 100
Tustin, California 92780
(949) 581-2194 * Facsimile (949) 581-2198

Bruce W. Hull & Associates, Inc. is an appraisal firm that provides a wide variety of appraisal assignments for public agencies, developers and financial institutions.

The principal, Bruce W. Hull, MAI, has been in the appraisal field since graduation in 1969 from Westmont College, Santa Barbara. After being employed by the Ventura County Assessor's Office for five years, he established an appraisal company in Orange County in 1974. In August of 1995 he established an office in Ventura while maintaining an Orange County location. While most of the appraisal assignments are in Southern California, assignments have been completed in areas from San Francisco/Bay Area and Lake Tahoe to San Diego.

The appraisal assignments completed have been diverse in nature, including such property types as large masterplanned developments, shopping centers, large retail uses, and mitigation land. A brief summary of the more challenging assignments is given on the following pages.

MASTERPLANNED DEVELOPMENT

These are typically more than 1,000 acres in size and have a wide variety of residential product, often ranging from condominiums to large estate type of properties. In addition, there is often a commercial use within the development. I have been involved in the following projects.

Lake Sherwood, Hidden Valley
Wood Ranch, Simi Valley
Rancho San Clemente, San Clemente
Towne Center, Rancho Santa Margarita
Rancho Trabuco North and South, Rancho Santa Margarita
Hunters Ridge, Fontana
The Corona Ranch, Corona
Mountain Cove, Temescal

Mountain Gate, South Corona
The Foothill Ranch, Corona
Orangecrest, City of Riverside
Aliso Viejo, County of Orange
Talega Valley, City of San Clemente/County of Orange
Otay Ranch, City of Chula Vista

RETAIL USE

Consultant to City of Long Beach regarding a 30 acre site (Long Beach Naval Hospital) which the City was acquiring from the US Navy for inclusion in a 100 acre shopping center site.

Towne Center, Rancho Santa Margarita, is a masterplanned project which contains two shopping centers (Towne Center, 160,000 SF plus a Target Store, 122,000 SF; Plaza Antonio, 165,000 SF).

Mission Grove, City of Riverside, is a 395,362 SF center which included a K-Mart Department Store among the major tenants.

Victoria Gardens Masterplan was a proposed mixed use project consisting of 3,065 acres of land which included a mixture of residential (2,150 acres); commercial (335 acres of which 91.9 acres was a regional center site); schools; parks; and open space for the remainder of the lands.

Menifee Village, Riverside County, is a 1977 acre masterplanned development which had approvals for 5,256 units. The assignment included the valuation of Planning Area 2-7 which was a commercial site that had been developed with a Target Store, Ralph's Market, and in-line stores (190,000 SF with eventually being a 257,000 SF center).

MITIGATION LANDS

These assignments involved valuing lands that are considered mitigation lands which are often acquired by public agencies or nonprofit organizations.

Bolsa Chica, Huntington Beach, a 42-acre site which was part of a larger wetlands conservation program. This particular acreage was unique since it was subject to "tidal flushing" and had both fresh and saltwater impacting the lands. This assignment was completed for Metropolitan Water District.

San Joaquin Marsh, City of Irvine, consisted of approximately 289 acres of wetlands which were acquired for use as a "buffer" zone by the Irvine Ranch Water District.

Eagle Valley, a 1072-acre parcel near Lake Matthews in Riverside County, was acquired by Metropolitan Water District for use as a water treatment plant and buffer zone.

Poormans Reservoir, Moreno Valley, a 38-acre site acquired by the City of Moreno Valley for preservation/open space use.

ASSESSMENT DISTRICTS/BOND ISSUES

Have been involved in the appraisals of the following Bond Issues regarding Community Facilities Districts and/or Assessment Districts. (This represents a partial list of assignments completed from 1990 thru Present.)

CFD No. 9 (Orangecrest - Impr. Areas 1, 3 & 5); City of Riverside
CFD No. 2000-1 (Crosby Estate @ Rancho Santa Fe); Solana Beach
CFD No. 2001-01 (Murrieta Valley U.S.D.);Murrieta
CFD No. 90-1 (Lusk-Highlander); City of Riverside
Otay Ranch SPA I - CFD No. 99-2; City of Chula Vista
CFD No. 7 (Victoria Grove); County of Riverside
CFD No. 10 (Fairfield Ranch); City of Chino Hills
CFD No. 2000-1; Tejon Industrial Complex; Lebec
CFD No. 99-1; Santa Margarita Water District
CFD No. 97-3; City of Chula Vista
CFD No. 2 (Riverside Unified School District); City of Riverside
CFD No. 89-1; City of Corona
Lake Sherwood A.D. Refunding; County of Ventura
CFD No. 9; City of Chino Hills
CFD NO. 88-12; City of Temecula
CFD No. 90-1 (Refunding); City of Corona
A.D. No. 97-1-R; City of Oxnard
A.D. No. 96-1; Valley Center Municipal Water District; San Diego County
A.D. No. 96-1; City of Oxnard
CFD No. 88-1 (Saddleback Valley Unified School Dist.); Rancho Santa Margarita
CFD No. 89-2 (Saddleback Valley Unified School Dist.); Rancho Santa Margarita
CFD No. 89-3 (Saddleback Valley Unified School Dist); Rancho Santa Margarita
Centex A.D. No. 95-1; City of Corona
Coyote Hills A.D. No. 95-1; City of Fullerton
Sycamore Creek A.D. No. 95-1; City of Orange
Prop. CFD No. 2 (Riverside Unified School District); City of Riverside
CFD No. 91-1; City of Rancho Cucamonga
Prop. CFD No. 2; City of Chino
CFD No. 9; County of San Bernardino
A.D. No. 89-1; City of Corona
CFD No. 87-1 (Series B); City of Moreno Valley
CFD No. 90-1; City of Corona

CFD No. 89-1; (Saddleback Valley Unified School District); Orange County
A.D. No. 96-1; City of Oxnard
A.D. Nos. 86-3, 87-1 and 89-1 (Refunding); City of Oxnard
CFD No. 90-1; City of Corona
CFD No. 1 (Refunding); City of Jurupa
CFD No. 88-12; City of Temecula

PARTIAL LIST OF CLIENTS

Have completed appraisal assignments for a wide variety of clients. A partial list of these includes the following.

Anaheim City Unified School District
Bank of America NT & SA
Bank of Montreal
Bear, Stearns & Co., Inc.
Best Best & Krieger LLP (Law Firm)
Carpinteria Valley Unified School District
Chino Unified School District
Citicorp, N.A.
City of Brea
City of Chino
City of Chino Hills
City of Chula Vista
City of Colton
City of Corona
City of Fullerton
City of Huntington Beach
City of Jurupa
City of Mission Viejo
City of Moreno Valley
City of Orange
City of Oxnard
City of Rancho Cucamonga
City of Riverside
City of San Bernardino
City of San Marcos
City of Temecula
Coast Federal Bank
Colton Joint Unified School District
County of Los Angeles
County of Orange
County of Riverside
County of San Bernardino
County of Ventura

Downey Savings and Loan
Federal National Mortgage Association (FNMA)
Federal Deposit Insurance Corporation (FDIC)
Fieldman, Rolapp & Associates (Financial Consultants)
Irvine Ranch Water District
Irvine Unified School District
Jurupa Community Services District
Metrobank
Metropolitan Water District
Meserve, Mumper & Hughes (Law Firm)
Munger, Tolles & Olson LLP (Law Firm)
Murrieta Valley Unified School District
Rialto Unified School District
Riverside Unified School District
Saddleback Valley Unified School District
Santa Margarita Water District
Sidley & Austin (Law Firm)
Solana Beach Unified School District
Southern California Edison Company
Stone & Youngberg LLC (Bond Underwriters)
Talmantz Aviation
The Irvine Company
Wells Fargo Bank
Wells Fargo Mortgage Company
Weyerhaeuser Mortgage Company

COURT EXPERIENCE

Qualified Expert Witness in the following courts:

United States District Court/Central District of California, Los Angeles
Los Angeles County Superior Court
Orange County Superior Court
Riverside County Superior Court
Ventura County Superior Court

ORGANIZATIONS

Member - Appraisal Institute (No. 6894)

LICENSES

Certified General Real Estate Appraiser (AG004964)
State of California; Expires April 15, 2004
Licensed Real Estate Broker (00821209)
State of California; Expires August 15, 2004

GUEST SPEAKER (for)

UCLA Symposium on Mello Roos Districts - 1988

"Exploring the Rumors & Realities of Land Secured Debt in California" - Conference sponsored by Stone & Youngberg, LLC, bond underwriters, held in Los Angeles on January 15, 1992

"Appraisals for Land Secured Financing" presentation for Stone & Youngberg, LLC, bond underwriters, held at San Francisco Headquarters on March 5, 1998

UCLA Symposium on Mello-Roos Districts - 2001

MISCELLANEOUS

Member Advisory Panel to California Debt Advisory Commission regarding Appraisal Standards for Land Secured Financing (May 1994 and March 2003)

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF OXNARD

This appendix sets forth general information about the City of Oxnard (the "City"). The following information concerning the City, the County of Ventura (the "County") and the State of California (the "State") is included only for general background purposes. It is not intended to suggest that the Bonds are payable from any source other than Assessments and amounts pledged therefor under the Bond Indenture.

General

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 financial hub of the County and the largest city in the County, with a population estimated of 182,000 in 2002, accounting for over 23% of the County's population. The City has become a premier center of County industrial activity since 1996 with the start of nine new industrial buildings representing a total of approximately 750,000 square feet of industrial and commercial space, with significant growth and building in the northeast area of the City.

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

The City has a diversified and expanding economic base composed of light and heavy manufacturing, retail, service and government sectors. The City has maintained a steady population growth rate of approximately 2.2% for the past decade and the City's adopted General Plan anticipates continued steady growth for the next ten years.

Population

The City's population has grown from approximately 150,300 people in 1993 to approximately 182,000 in 2002. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 1993 through 2002 as of January 1 in each year.

Population of
City, County, State and U.S.
1993 through 2002[1]

Year	City	Population Percent Change	County	Percent Change	State (000)	Percent Change	United States (000)	Percent Change
1993	150,300	--	690,000	--	31,150	--	260,255	--
1994	153,400	2.06%	697,200	1.85%	31,418	0.86%	263,436	1.22%
1995	155,700	1.50	702,800	0.80	31,617	0.63	266,557	1.18
1996	157,500	1.16	707,800	0.71	31,837	0.70	269,667	1.17
1997	159,800	1.46	716,100	1.17	32,207	1.16	272,912	1.20
1998	163,000	2.00	725,400	1.30	32,657	1.40	276,115	1.17
1999	166,100	1.90	736,000	1.46	33,140	1.48	279,295	1.15
2000	170,358[2]	2.56	753,197[2]	2.34	33,872[2]	2.21	281,674[2]	0.85
2001	177,600	4.25	765,200	1.59	34,385	1.51	284,797	1.11
2002	182,000	2.48	780,100	1.95	35,037	1.90	N/A	N/A

(1) Unless otherwise noted, estimates for City, County and State as of January 1, and for U.S. as of July 1.
(2) Actual census figures.
Sources: State of California Department of Finance; U.S. Department of Commerce, Bureau of the Census (U.S. figures only).

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIIIA to the California Constitution. Article XIIIA limits *ad valorem* taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. The only voter-approved obligation of the City currently outstanding is the Oxnard District No. 1-Public Safety Retirement Tax, a tax levied on all properties within the City to pay public safety retirement expenses. The following table details the City's property tax rates for the last 10 fiscal years.

City of Oxnard
Property Tax Rates
1993 through 2002

Year Ended June 30	County Tax	Oxnard District No. 1 (Public Safety Retirement Tax)	School Districts	Water Districts	Total Tax Rates
1993	1.00%	0.0490%	0.0736%	0.2555%	1.7810%
1994	1.00	0.0495	0.0685	0.2693	1.3873
1995	1.00	0.0380	0.0805	0.2913	1.4098
1996	1.00	0.0362	0.0773	0.3105	1.4240
1997	1.00	0.0367	0.0807	0.3328	1.4502
1998	1.00	0.0367	0.1360	0.3449	1.5176
1999	1.00	0.0367	0.1491	0.1212	1.3070
2000	1.00	0.0475	0.1740	0.0979	1.3194
2001	1.00	0.0475	0.1714	0.0977	1.3166
2002	1.00	0.0575	0.1867	0.0723	1.3165

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2002.

Property Tax Levies, Collections and Delinquencies

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

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

Property owners may redeem property upon payment of delinquent taxes and penalties. Tax-delinquent properties are subject to a redemption penalty of one and one-half percent (1-1/2%) of the delinquent amount every month commencing on July 1 following the date on which the property became tax-delinquent. Properties may be redeemed under an installment plan by paying current taxes, plus 20% of delinquent taxes each year for five years, with interest accruing at one and one-half percent (1-1/2%) per month on the unpaid balance.

The following table details the City's property tax levies, collections and delinquencies for the last 10 fiscal years.

City of Oxnard
Property Tax Levies, Collections and Delinquencies
1993 through 2002

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Tax Levy
1993	$18,331,754	$16,929,453	92.35%	$687,047	$17,616,500	96.10%
1994	17,571,000	17,467,060	99.40	621,750	18,088,810	102.95
1995	17,318,091	17,000,969	98.17	567,432	17,568,401	101.45
1996	18,296,398	16,831,456	91.99	569,431	17,400,887	95.11
1997	18,233,366	17,033,821	93.42	487,301	17,521,122	96.09
1998	18,113,687	17,712,334	97.78	250,440	17,962,774	99.17
1999	15,014,300	14,868,769	99.03	189,551	15,058,320	100.29
2000	17,038,470	17,317,763	101.64	99,032	17,416,795	102.22
2001	23,380,000	23,484,567(1)	100.45	90,164	23,574,731	100.83
2002	25,900,000	25,718,029	99.30	284,711	26,002,740	100.40

(1) Voter-approved tax for $3,977,315 was transferred from trust and agency to the special revenue fund in fiscal year 2001.

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2002.

Assessed Property Values

The following table details the assessed value of the real and personal property within the City for the last 10 fiscal years.

City of Oxnard
Assessed Property Values
1993 through 2002

Year Ended June 30	Real Property Assessed Value	Personal Property Assessed Value	Exemptions	Total Assessed Value
1993	$5,989,433,136	$81,514,123	$749,713,311	$5,321,233,948
1994	6,082,455,163	108,703,880	692,726,941	5,498,432,102
1995	6,215,308,381	117,493,334	697,128,516	5,635,673,199
1996	6,312,352,104	119,814,735	667,234,581	5,764,932,258
1997	6,307,831,466	101,123,835	720,506,163	5,688,449,138
1998	6,473,207,602	94,844,935	722,494,121	5,845,558,416
1999	6,605,309,284	95,463,165	737,477,086	5,963,295,363
2000	6,844,276,538	91,597,348	874,969,634	6,060,904,252
2001	7,645,814,717	97,930,553	846,810,724	6,896,934,546
2002	8,351,831,139	111,351,225	905,863,935	7,557,318,429

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2002.

Principal Taxpayers

The following table lists the principal taxpayers in the City as of June 30, 2002.

City of Oxnard
Principal Taxpayers

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
The Procter & Gamble Paper Products Company	Manufacturing-Paper Products	$ 269,163,758	3.562%
St. John's Regional Medical Center	Hospital	149,730,718	1.981
Willamette Industries Inc.	Processed Paper Manufacturer	67,773,739	0.897
CHW Central Coast	Real Estate Development	51,491,600	0.681
Tiger Ventura County	Real Estate Development	47,681,230	0.631
Seminis Inc.	Seeds	45,118,255	0.597
Ormond Beach Power, Gen. LLC	Power Plant	42,767,608	0.566
BMW of North America Inc.	Auto Manufacturer	39,336,819	0.521
Ocean Vista Power Generation	Power Plant	37,205,756	0.492
Donwen Corporation	Commercial Development	36,509,318	0.483
Fred Kavli	Real Estate Development	34,162,579	0.452
Verizon Media Ventures Inc.	Telecommunication	31,386,300	0.415
Terminal Freezers Inc.	Food Processing	30,197,990	0.400
Arden Realty Ltd Partnership	Real Estate Development	28,611,701	0.379
Other Taxpayers	Various	6,646,181,058	87.943
Totals		$7,557,318,429	100.000%

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2002.

Employment

The following tables present the available labor force data and unemployment rates for five years for the City and the County.

City and County
Labor Force and Unemployment Figures
(1997 through 2001)

	City		County	
Year	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2001	85,200	6.5%	419,800	4.5%
2000	83,850	6.5	413,300	4.5
1999	80,740	6.9	397,400	4.8
1998	79,170	8.0	388,200	5.5
1997	78,140	9.3	381,500	6.5

Source: State of California, Employment Development Department.

Taxable Retail Sales

Consumer spending in calendar year 2001 resulted in $1,775,146 in taxable sales in the City, which is approximately 9.52% above calendar year 2000. Although the taxable sales figures for each type of business are not yet available from the California Board of Equalization, the following table sets forth information regarding taxable sales in the City for each type of business for calendar years 1997 through 2000.

City of Oxnard
Taxable Retail Sales by Type of Business
1997 - 2000
(000s)

	1997	1998	1999	2000
Apparel stores	$ 43,816	$ 48,198	$ 50,341	$ 43,441
General merchandise stores	256,788	265,886	262,491	241,410
Food stores	62,158	64,708	66,763	66,134
Eating and drinking places	102,099	113,096	121,892	128,529
Home furnishings and appliances	36,777	40,436	45,114	44,273
Building mat. and farm implmts.	154,135	174,486	183,951	187,530
Auto dealers and auto supplies	219,860	226,386	321,044	345,079
Service stations	59,191	55,600	69,170	87,773
Other retail stores	164,866	172,786	188,381	200,655
Total Retail Outlets	1,099,600	1,161,582	1,309,147	1,344,824
All Other Outlets	220,188	223,242	256,213	275,985
Total All Outlets	$1,319,788	$1,384,824	$1,565,360	$1,620,809

Source: California State Board of Equalization.

Transportation

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

Ormond Beach Industrial Area, the CB Base 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 Angles and San Francisco. The port has five 600 to 700 foot berths and a 35-foot entrance channel depth. Completed in 1989 was an $18 million expansion of the harbor that included the addition of an automobile terminal and the construction of a new wharf. The Port's acquisition of 33 acres from the Navy in 1997 has enabled it to increase facilities for importing foreign automobiles. Automobile imports increased by 12.7% in 1997, making the Port one of the top 10 entry points in the U.S. for foreign automobiles. 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. The Oxnard Airport is operated by Ventura County as a general and commercial aviation air field. The Oxnard Airport handles passenger as well as cargo services. Feeder service to Los Ageless International Airport is provided by United Express and American Eagle. Local bus service is provided by South Coast Area Transit System (SCAT), 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. Great American Stagelines provides passenger services between Oxnard and Los Angeles every hour. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

There are twenty-nine elementary, three junior high and five senior high schools located in and around the City, plus eight parochial and private schools. The City is served by Oxnard College, which has an enrollment of over 5,700 students. 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 newly-completed California State University campus at Channel Islands (CSUCI) opened in fall 2002 with approximately 1,320 full time transfer students and will welcome freshmen in fall 2003. 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 fifty 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 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 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 Marina is a recreational boating marina administered by Ventura County. The City has over thirty 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 the River Ridge Golf Course, an 18-hole, 7,010-yard championship golf course located on the south side of the Santa Clara River. The City also owns a 1,600-seat Performing Arts Center located on Hobson Way in the heart of the City.

APPENDIX C

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE OF THE CITY

This Continuing Disclosure Certificate of the City (the "Disclosure Certificate") is executed and delivered by the City of Oxnard (the "City"), in connection with the issuance by the City of its $2,335,000 City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds (the "Bonds"). The Bonds are being issued pursuant to a Bond Indenture, dated as of August 1, 2003 (the "Bond Indenture"), between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent").

The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean NBS Government Finance Group, or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Fiscal Agent a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement relating to the Bonds.

"Participating Underwriter" shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"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.

"State Repository" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by

the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than eight months after the end of the City's fiscal year, commencing with the report for the 2003-2004 fiscal year, provide to the Participating Underwriter and each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). 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 the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City shall send a notice to the Municipal Securities Rulemaking Board in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

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

(a) Audited Financial Statements of the City prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for the Annual Reports provided for in Section 3 above, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in any corresponding tables and charts in the Official Statement for the Bonds (if applicable), as follows:

(i) Principal amount of the Bonds then outstanding as of the end of the Fiscal year covered by the respective Annual Report.

(ii) Balances in the Improvement Fund, the Redemption Fund and the Reserve Fund created pursuant to the Bond Indenture as of the end of the Fiscal year covered by the respective Annual Report.

(iii) Total aggregate assessed value (per the Ventura County records) of all parcels currently subject to the assessments within the Assessment District, showing the total aggregate assessed valuation for all land and the total aggregate assessed valuation for all improvements within the Assessment District.

(iv) In the event that the total delinquencies within the Assessment District as of August 1 in any year exceed 5% of the assessments for the previous year, delinquency information, including a list of all parcels delinquent in the payment of the assessments, amounts of delinquencies, length of delinquency and status of any foreclosure for each parcel listed (including results of foreclosure sales).

(v) A land ownership summary listing property owners (and the assessed values of their property) responsible for more than five percent (5%) of the annual assessments within the Assessment District, as shown on the Ventura County Assessor's last equalized tax roll covered by the respective Annual Report.

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, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, 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:

(i) Principal and interest payment delinquencies.
(ii) Non-payment related defaults.
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
(v) Substitution of credit or liquidity providers, or their failure to perform.
(vi) Adverse tax opinions or events affecting the tax-exempt status of the security.
(vii) Modifications to rights of security holders.
(viii) Contingent or unscheduled bond calls.
(ix) Defeasances.
(x) Release, substitution, or sale of property securing repayment of the securities.
(xi) Rating changes.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the City shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Bond Indenture.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. 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 initial Dissemination Agent shall be NBS Government Finance Group.

The Dissemination Agent may at any time resign by providing thirty days written notice to the City and the Fiscal Agent, such resignation to become effective upon acceptance of appointment by a successor Dissemination Agent. Upon receiving notice of such resignation, the City shall promptly appoint a successor Dissemination Agent by an instrument in writing, delivered to the Fiscal Agent. If no appointment of a successor Dissemination Agent shall be made pursuant to the forgoing provisions of this Section within forty-five (45) days after the Dissemination Agent shall have given to the City and the Fiscal Agent written notice of its resignation, the Dissemination Agent may apply to any court of competent jurisdiction to appoint a successor Dissemination Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Dissemination Agent. The City shall provide the Fiscal Agent with written notice of the identity of any successor Dissemination Agent appointed or engaged by the City.

Section 8. 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(a), 4 or 5(a), 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 type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Indenture for amendments to the Bond Indenture with the consent of holders, or (ii) does not, in the opinion of the City or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds; and

(d) no amendment increasing or affecting the obligations or duties of the Dissemination Agent or the Fiscal Agent shall be made without the consent of either such party.

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

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 5(c).

Section 9. 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 Annual Report or 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 Annual Report or 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 Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Fiscal Agent may (and, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds and upon receipt of indemnification satisfactory to it, shall), or any holder or beneficial owner of the 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. Notwithstanding the foregoing, a default under this Disclosure Certificate shall not be, or be deemed to be, a default under the Bond Indenture or the Bonds, 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 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent (if other than the City), 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 Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Bondholders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or further act

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: August 14, 2003

CITY OF OXNARD

By: ______________________________
Its: ______________________________

The undersigned hereby agrees to act as Dissemination Agent pursuant to the foregoing Continuing Disclosure Certificate of the City

NBS Government Finance Group

By: ______________________________

Its: ______________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Oxnard, California
Name of Bond Issue:	$2,335,000 City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds
Date of Issuance:	August 14, 2003

NOTICE IS HEREBY GIVEN that the City of Oxnard (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by that certain Continuing Disclosure Certificate dated August 14, 2003 with respect to the Bonds. The City anticipates that the Annual Report will be filed by _________.

Dated: _____________

CITY OF OXNARD

By__________________________________

Its __________________________________

cc: Wells Fargo Bank, National Association
Corporate Trust Services MAC #E2818-176
707 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90017

NBS Government Finance Group
41661 Enterprise Circle North, Suite 225
Temecula, CA 92590

CONTINUING DISCLOSURE CERTIFICATE OF THE LANDOWNER

This Continuing Disclosure Certificate of the Landowner (the "Disclosure Certificate") is executed and delivered by SDC-CT Properties LLC (the "Owner") in connection with the issuance of $2,335,000 City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds (the "Bonds"). The Bonds are being issued pursuant to a Bond Indenture, dated as of August 1, 2003 (the "Bond Indenture"), between the City of Oxnard (the "City") and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent").

The Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Owner for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). However, this Disclosure Certificate shall not create any monetary liability on the part of the Owner, the City, the Dissemination Agent (as defined below) or the Fiscal Agent, including any liability to the registered owners or beneficial owners of the Bonds. The sole remedy in the event of any failure of the Owner, the Dissemination Agent or the Fiscal Agent to comply with this Disclosure Certificate shall be an action to compel performance of any act required hereunder, as further specified in Section 11 below.

Section 2. Definitions. In addition to the definitions set forth in the Bond Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Affiliate" of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other Person, (b) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other Person, (c) any Person directly or indirectly controlling such other Person, and (d) with respect to any general partner of a partnership or member of a limited liability company for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"Annual Report" shall mean any Annual Report provided by the Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Assessments" means the assessments levied by the City on the land within the District.

"Assumption Agreement" means an agreement between a landowner in the District, or an Affiliate thereof, and the Dissemination Agent containing terms substantially similar to this Disclosure Certificate, whereby such landowner or Affiliate agrees to provide annual reports and notices of significant events to the Dissemination Agent of the character described in Sections 3 and 4 hereof, with respect to the portion of the Property owned by such landowner and its Affiliates and which contains an assumption provision of the character set forth in Section 6 hereof to be applicable to sales of Property by such landowner.

"City" means the City of Oxnard.

"Disclosure Representative" means David L. Ball, or his designee, or such other officer, employee or agent as the Owner shall designate in writing to the Dissemination Agent and the City from time to time.

"Dissemination Agent" shall mean NBS Government Finance Group, or any successor Dissemination Agent designated in writing by the City and which has filed with the Owner, the City and the Fiscal Agent a written acceptance of such designation.

"District" means the City's Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange).

"Event of Bankruptcy" means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person's debts or obligations, or offers to such Person's creditors to effect a composition or extension of time to pay such Person's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person's creditors.

"Fiscal Year" shall mean the Owner's fiscal year for its financial accounting purposes.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Property" means the real property owned by the Owner or any Affiliate thereof within the boundaries of the District on which Assessments have been levied, and which Assessments have not been prepaid in full.

"Property Owner" means any Person that owns a fee interest in any Property.

"Repository" shall mean each National Repository and each State Repository.

"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.

"State Repository" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) Until this Disclosure Certificate terminates in accordance with Section 7 below, the Owner shall, or upon written request shall cause the Dissemination Agent to, not later than 90 days after the end of the Fiscal Year, commencing with the report for the Fiscal Year which first ends after the date of issuance of the Bonds, provide to each Repository an Annual Report which is consistent with the requirements of Section 4(a) of this Disclosure Certificate, with a copy to the City, the Participating Underwriter and the Fiscal Agent. Not later than fifteen (15) business days prior to said date, the Owner shall provide the Annual Report to the Dissemination Agent. The Owner shall provide a written certification with each Annual Report furnished to the Dissemination Agent, the City, the Participating Underwriter and the Fiscal Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Owner hereunder. The Dissemination Agent, the City and the Fiscal Agent may conclusively rely upon such certification of the Owner, and shall have no duty or obligation to review such Annual Report. 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. If the Owner's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Owner is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Owner shall send a notice to the Municipal Securities Rulemaking Board in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) to the extent the Annual Report has been provided to the Dissemination Agent, file a report with the Owner, the City (if the Dissemination Agent is other than the City) and the Fiscal Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

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

(a) A description of any material changes to the improvements on the Property (the "Improvements") during the Fiscal Year covered by the Report, including a description of any new Improvements.

(b) A description of how many acres of Property were owned by the Owner or any Affiliate thereof as of the end of the Fiscal Year covered by such Annual Report, along with a description of any sales or long term leases by the Owner or any Affiliate thereof of material portions of the Property during the Fiscal Year covered by such Annual Report, including the identification of each material purchaser, and the number of acres sold.

(c) Any delinquency in the payment of Assessments by the Owner or any Affiliate thereof during the Fiscal Year to which the Annual Report pertains, and a statement as to whether or not any such delinquency has been cured.

(d) Any pending litigation which would adversely affect the ability of the Owner or any Affiliate thereof to pay Assessments levied on the Property, or any legislative, or administrative challenges to the operation of the Improvements as known to the Owner.

(e) Any material change in the structure or ownership of the Owner.

(f) Material amendments to land use entitlements for the Property known to the Owner.

(g) The assumption of any obligations by a landowner pursuant to Section 6.

In addition to any of the information expressly required to be provided as described above, the Owner shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

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 Owner or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Owner shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Owner shall give, or cause to be given, notice of the occurrence of any of the following events, if material:

(i) failure by the Owner or any Affiliate thereof to pay any real property taxes, or Assessments levied on Property located within the District,

(ii) material damage to or destruction of any of the Improvements, and

(iii) The occurrence of an Event of Bankruptcy with respect to the Owner or any Affiliate thereof.

(b) Whenever the Owner obtains knowledge of the occurrence of a Listed Event, the Owner shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Owner shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository, with a copy to the City, the Participating Underwriter and the Fiscal Agent.

Section 6. Assumption of Obligations. If a portion of the Property owned by the Owner, or any Affiliate of the Owner, is to be conveyed to a Person that, upon such conveyance, will, together with any Affiliates of such Person, own land in the District that is subject to over twenty (20%) of the then unpaid Assessments levied in the District, the Owner shall use commercially reasonable efforts to include a provision in the conveyance agreement for a Person to agree to execute an Assumption Agreement following the closing of escrow for the conveyance.

The Owner shall use commercially reasonable efforts to enter into an Assumption Agreement with any landowner described in the preceding paragraph, which Assumption Agreement shall be in form and substance satisfactory to the City, or the landowner shall otherwise enter into an agreement with Dissemination Agent in form substantially identical to this Disclosure Certificate (except for the identity of the "Owner" therein). From and after the date on which an Assumption Agreement (or replacement agreement in form equivalent to this Disclosure Certificate) is executed with respect to Property, the Owner shall no longer be required to take such Property into account in connection with any Annual Report required under Sections 3 and 4 hereof; provided however that if, following a conveyance by the Owner of the character described in the first sentence of this Section 6, an Assumption Agreement (or replacement agreement in form equivalent to this Disclosure Certificate) is not executed (other than by reason of the willful misconduct of the Dissemination Agent), the Owner shall continue to include such Property in its Annual Reports and, for purposes of Section 3, the term "Owner" shall include, in addition to Owner, the Person to whom the Property has been conveyed. In such event, the information regarding the conveyed Property shall be provided by the Owner only to the knowledge of the Owner with no duty investigate.

Section 7. Termination of Reporting Obligation. The Owner's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of: (a) the legal defeasance, prior redemption or payment in full of all the Bonds, (b) the date on which the Owner and all Affiliates of the Owner own, in the aggregate, land in the District that is subject to less than twenty percent (20%) of the then unpaid Assessments levied in the District, (c) the date on which all Assessments on the Property owned by the Owner and its Affiliates are paid or prepaid in full, and (d) the date on which the Owner delivers to the City and the Dissemination Agent an opinion of bond counsel acceptable to the City to the effect that the continuing disclosure provided for in this Disclosure Certificate is no longer required under the Rule to allow the Participating Underwriter to deal in the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Owner shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to act as such under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NBS Government Finance Group.

The Dissemination Agent may at any time resign by providing thirty days written notice to the City, the Owner and the Fiscal Agent, such resignation to become effective upon acceptance of appointment by a successor Dissemination Agent. Upon receiving notice of such resignation, the City shall promptly appoint a successor Dissemination Agent by an instrument in writing, delivered to the Fiscal Agent and the Owner. If no appointment of a successor Dissemination Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Dissemination Agent shall have given to the City, the Owner and the Fiscal Agent written notice of its resignation, the Dissemination Agent may apply to any court of competent jurisdiction to appoint a successor Dissemination Agent. Said court may thereupon after such notice, if any, as such court may deem proper, appoint a successor Dissemination Agent. The City shall provide the Owner and the Fiscal Agent with written notice of the identity of any successor Dissemination Agent appointed or engaged by the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Owner 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), 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 type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) the proposed amendment or waiver either (i) is approved by owners of the Bonds in the manner provided in the Bond Indenture for amendments to the Bond Indenture with the consent of owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the Bonds; and

(d) no amendment increasing or affecting the obligations or duties of the City, the Dissemination Agent or the Fiscal Agent shall be made without the consent of such party.

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Owner 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 Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Owner chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Owner to comply with any provision of this Disclosure Certificate, the Participating Underwriter, the City or any owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Bond Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Owner and shall not be deemed to be acting in any fiduciary capacity for the Owner, the Bondholders, or any other party. The obligations of the Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or further act.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Owner, the Fiscal Agent, the Dissemination Agent, 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.

Dated: August 14, 2003

SDC-CT PROPERTIES LLC, a California limited liability company

By: SDC-CT, LLC, a California limited liability company, its Sole Member

By: CT Oxnard LLC, a California limited liability company, its Managing Member

By: CT Realty Corporation, a California corporation, its Managing Member

By: ______________________________

Its: ______________________________

NBS Government Finance Group agrees to act as Dissemination Agent pursuant to the foregoing Continuing Disclosure Certificate of the Landowner

By: ______________________________

Its: ______________________________

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Oxnard
Name of Bond Issue:	$2,335,000 City of Oxnard Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) Limited Obligation Improvement Bonds
Date of Issuance:	August 14, 2003

NOTICE IS HEREBY GIVEN that SDC-CT Properties LLC (the "Owner") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the Landowner dated August 14, 2003 executed by the Owner for the benefit of the owners and beneficial owners of the above-referenced bonds. The Owner anticipates that the Annual Report will be filed by ______________.

Dated: ____________

SDC-CT PROPERTIES LLC, a California limited liability company

By: SDC-CT, LLC, a California limited liability company, its Sole Member

By: CT Oxnard LLC, a California limited liability company, its Managing Member

By: CT Realty Corporation, a California corporation, its Managing Member

By: ____________________________

Its: ____________________________

cc: City of Oxnard
305 West Third Street
Oxnard, California 93030
Attention: Director of Finance

Wells Fargo Bank, National Association
Corporate Trust Services MAC #E2818-176
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017

NBS Government Finance Group
41661 Enterprise Circle North, Suite 225
Temecula, California 92590

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

August 14, 2003

Mayor and City Council
City of Oxnard

$2,335,000
City of Oxnard
Assessment District No. 2000-1
(Oxnard Boulevard/Highway 101 Interchange)
Limited Obligation Improvement Bonds

Ladies and Gentlemen:

We have examined the record of the proceedings taken by the City of Oxnard (the "City") for the levy of special assessments and the authorization and issuance of the above-captioned bonds (the "Bonds"), with respect to a special assessment district known as Assessment District No. 2000-1 (Oxnard Boulevard/Highway 101 Interchange) (the "Assessment District"), pursuant to a resolution adopted by the City Council of the City on October 24, 2000 (the "Resolution of Intention").

The proceedings were taken pursuant to the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code of the State of California). The Bonds are issued pursuant to the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code of the State of California), a resolution adopted by the City Council on July 24, 2001, and the Bond Indenture, dated as of August 1, 2003, between the City and Wells Fargo Bank, National Association, as fiscal agent (the "Bond Indenture").

Based upon such examination, we are of the opinion that the proceedings have been taken in accordance with the law and Constitution of the State of California and that the Bonds, having been duly issued, executed and delivered in the manner provided by law, are regularly issued Bonds, and that the Bonds are secured by the monies in the redemption fund established pursuant to the Bond Indenture and by the unpaid assessments levied on property within the Assessment District for the financing of the construction and acquisition of the public improvements within and for such Assessment District as authorized by the Resolution of Intention.

The City has covenanted in the Bond Indenture to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), which must be satisfied for the interest on the Bonds to be and remain excluded from gross income for purposes of federal income taxation. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

We are of the opinion that, assuming compliance by the City with the aforementioned covenants, the interest on the Bonds is excluded from gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. We are further of the opinion that the interest on the Bonds is exempt from personal income taxes imposed by the State of California under present state income tax laws.

We are further of the opinion that the interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions of the Code. However, such interest received by corporations will be included in adjusted current earnings, a portion of which may increase the alternative minimum taxable income of such corporations. Although the interest on the Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of such interest may otherwise affect the total income tax liability of the recipient. The extent of these tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such tax consequences.

The opinions expressed herein may be affected by actions which may be taken (or not taken) or events which may occur (or not occur) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or occur or are not taken or do not occur.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Indenture may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Respectfully submitted,

Best Best & Krieger LLP

APPENDIX E

THE BOOK ENTRY SYSTEM

The information in this Appendix E has been provided by The Depository Trust Company ("DTC"), New York, NY, for use in securities offering documents, and the City takes no responsibility for the accuracy or completeness thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants mill act in the manner described in this Official Statement.

1. DTC will act as securities depository for the Bonds (referred to in this Appendix E as the "Securities"). The Securities 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 Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. 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.**

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Securities 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 issuer or the paying agent or bond 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 nor its nominee, the paying agent or bond trustee, or the issuer, 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 issuer or the paying agent or bond 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.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the issuer or the paying agent or bond fiscal agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

11. As long as a book-entry system is used, the Beneficial Owners of the Bonds or of interests in the Bonds will not receive or have the right to receive physical delivery of the Bonds, and will not be or be considered to be registered owners under the Bond Indenture. The Fiscal Agent, the City and the Underwriter have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership of the Bonds.

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