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**FACILITY LEASE**

**by and between the**

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

**and the**

**CITY OF OXNARD,  
as Lessee**

**relating to the**

**\$\_\_\_\_\_**

**City of Oxnard Financing Authority  
Lease Revenue Bonds, Series 2019A (Federally Taxable)**

**Dated as of December 1, 2019**

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FACILITY LEASE

This Facility Lease (this “Facility Lease”), executed and entered into as of December 1, 2019, by and between the CITY OF OXNARD FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), as lessor, and the CITY OF OXNARD, a political subdivision duly organized and existing under the Constitution and laws of the State of California (the “City”), as lessee;

WITNESSETH:

WHEREAS, concurrently with the execution of this Facility Lease, the City and the Authority are entering into a Site Lease (the “Site Lease”), dated as of December 1, 2019 (which is recorded concurrently herewith), whereby the Authority will lease certain real property and the improvements thereon from the City, more particularly described in Exhibit A attached hereto (the “Real Property”), (such Real Property and the improvements thereon being collectively referred to herein as the “Leased Property”);

WHEREAS, the City will then sublease the Leased Property back from the Authority pursuant to this Facility Lease;

WHEREAS, concurrently with the execution of this Facility Lease the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”), are entering into an Indenture, dated as of December 1, 2019 (the “Indenture”);

WHEREAS, the City currently provides various services in low-tech ways that are not the most efficient for its residents or businesses using outdated computer systems that are decades old;

WHEREAS, the City desires to finance the implementation costs of an enterprise resource planning software replacement project (the “Project”), including certain payments under a Software as a Service Agreement between the City and Tyler Technologies, Inc. and other related costs such as costs of City staff assigned to the Project;

WHEREAS, the implementation of the Project will, among other things, allow for online sign-up or discontinuation of water, sewer, and solid waste utility services, online permit applications, inspection scheduling and fee payment with a single customer account, allow businesses and residents alike to utilize electronic plan review and to track the permitting and plan check process online, allow City vendors to submit invoices online and track payments, and allow various internal support processes such as timesheets, payroll, procurement, budgeting and various accounting workflows to become automated, which will increase accuracy, efficiency and transparency;

WHEREAS, to provide funds for the Project, the Authority will issue its Lease Revenue Bonds, Series 2019A (Federally Taxable) (the “Series 2019A Bonds”), in the aggregate principal amount of \$\_\_\_\_\_;

WHEREAS, the Series 2019A Bonds will be secured by the payments to be made by the City pursuant to this Facility Lease;

WHEREAS, the City is authorized by law to sublease the Leased Property and the Leased Property is necessary and proper for public purposes; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Facility Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Facility Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

#### Additional Payments

“Additional Payments” means all amounts payable by the City pursuant to Section 5.01(b) hereof.

#### Assignment Agreement

“Assignment Agreement” means that certain Assignment Agreement executed and entered into as of December 1, 2019 (which is recorded concurrently herewith), by and between the Authority and the Trustee, as it may from time to time be amended.

#### Authority

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

#### Base Rental Payment Date

The term “Base Rental Payment Date” means the date three Business Day preceding each Interest Payment Date.

### Base Rental Payments

“Base Rental Payments” means all amounts payable by the City as Base Rental pursuant to Section 5.01(a) hereof.

### Closing Date

“Closing Date” means the date on which the Bonds are initially delivered to the Underwriter.

### Code

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of the Treasury issued thereunder, and in this regard reference to any particular section of the Code shall include reference to all successors to such section of the Code.

### City

“City” means the City of Oxnard, a political subdivision duly organized and existing under the Constitution and laws of the State of California.

### Expiry Date

“Expiry Date” means June 1, 2041.

### Facility Lease

“Facility Lease” means this Facility Lease, dated as of December 1, 2019, by and between the Authority and the City, as originally executed and entered into and as it may from time to time be amended in accordance herewith.

### Fiscal Year

The term “Fiscal Year” means the fiscal year of the City which, as of the date hereof, is the period from July 1 to and including the following June 30.

### Indenture

“Indenture” means that certain Indenture executed and entered into as of December 1, 2019, by and among the Trustee, the City and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance therewith.

### Insurance Consultant

“Insurance Consultant” means an individual or firm retained by the City as an independent insurance consultant, experienced in the field of risk management.



Insurer

“Insurer” means the issuer or issuers, if any, of a policy or policies of municipal bond insurance obtained by the City to insure the payment of the principal of or interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds.

Leased Property

“Leased Property” means the Real Property and the improvements thereon (as the same may be changed from time to time by Removal or Substitution).

Lease Year

The term “Lease Year” means the period from each July 1 to and including the following June 30 during the term hereof; provided that the final Lease Year shall terminate on the Expiry Date.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the City.

Owner

“Owner” means the registered owner of any Outstanding Bond.

Permitted Encumbrances

“Permitted Encumbrances” means, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to Section 6.02, permit to remain unpaid; (ii) the Assignment Agreement, as it may be amended from time to time; (iii) this Facility Lease, as it may be amended from time to time; (iv) the Site Lease, as it may be amended from time to time; (v) the Indenture, as it may be amended from time to time; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facility Lease in the office of the County Recorder of the County of Ventura; (viii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of recordation of this Facility Lease and to which the Authority and the City consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the City; and (ix) subleases and assignments of the City which will not adversely affect the exclusion from gross income of interest on the Bonds.

## Project

The term “Project” means, to the extent identified by the City as such, the public facilities to be acquired and constructed with the proceeds of Additional Bonds, as provided in Section 5.07 hereof and Section 2.11 and 2.12 of the Indenture.

## Real Property

“Real Property” means the real property described in Exhibit A hereto.

## Removal

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease as provided in Section 2.06.

## Site Lease

“Site Lease” means that certain Site Lease, executed and entered into as of December 1, 2019 (which is recorded concurrently herewith), by and between the City and the Authority, as originally executed and entered into and as it may from time to time be amended in accordance herewith and therewith.

## Substitution

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Site Lease, and the lease of substituted real property and improvements hereunder and under the Site Lease as provided in Section 2.06.

## Trustee

“Trustee” means Wells Fargo Bank, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee acting in its capacity as such under the Indenture, or any successor as therein provided.

The singular form of any word used herein, including the terms defined in this Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to “Sections” and other subdivisions hereof are to the corresponding Sections or subdivisions of this Facility Lease as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Facility Lease as a whole and not to any particular Section or subdivision hereof.

## ARTICLE II

### THE LEASED PROPERTY

**Section 2.01 Lease of the Leased Property.** The Authority hereby leases to the City, and the City hereby rents and hires from the Authority, the Leased Property on the conditions and terms hereinafter set forth. The City hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Property for public purposes so as to afford the public the benefits contemplated hereby and so as to permit the Authority to carry out its agreements and covenants contained herein and in the Indenture, and the City hereby further agrees and covenants that during the term hereof that it will not abandon or vacate the Leased Property.

**Section 2.02 Quiet Enjoyment.** The parties hereto mutually covenant that the City, so long as it observes and performs the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and is not in default hereunder, shall at all times during the term hereof peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

**Section 2.03 Right of Entry and Inspection.** The Authority shall have the right to enter the Leased Property and inspect the Leased Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations hereunder and for all other lawful purposes.

**Section 2.04 Prohibition Against Encumbrance or Sale.** The City and the Authority will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Property, except Permitted Encumbrances, and except incident to the execution and delivery of Additional Bonds as contemplated by Section 5.07 hereof. The City and the Authority will not sell or otherwise dispose of the Leased Property or any property essential to the proper operation of the Leased Property, except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the City may assign, transfer or sublease any and all of the Leased Property or its other rights hereunder, *provided* that (a) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Authority hereunder, (b) no such assignment, transfer or sublease shall relieve the City of any of its obligations hereunder, (c) the assignment, transfer or sublease shall not result in a breach of any covenant of the City contained in any other Section hereof, (d) any such assignment, transfer or sublease shall by its terms expressly provide that the fair rental value of the Leased Property for all purposes shall be first allocated to this Facility Lease, as the same may be amended from time to time before or after any such assignment, transfer or sublease and (e) no such assignment, transfer or sublease shall confer upon the parties thereto any remedy which allows reentry upon the Leased Property unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Facility Lease which shall in all instances be prior to and superior to any such assignment, transfer or sublease.

**Section 2.05 Liens.** In the event the City shall at any time during the term hereof cause any improvements to the Leased Property to be constructed or materials to be supplied in or upon or attached to the Leased Property, the City shall pay or cause to be paid

when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon, about or relating to the Leased Property and shall keep the Leased Property free of any and all liens against the Leased Property or the Authority's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Authority's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the City shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City shall forthwith pay and discharge or cause to be paid and discharged such judgment. The City shall, to the maximum extent permitted by law, indemnify and hold the Authority and its assignee and its directors, officers and employees harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Leased Property or the Authority's interest therein.

**Section 2.06 Substitution or Removal of Leased Property.**

(a) The City may amend this Facility Lease and the Site Lease to substitute other real property and/or improvements (the "Substituted Property") for existing Leased Property and/or to remove real property (including undivided interests therein) and/or improvements from the definition of Leased Property, and upon compliance with all of the conditions set forth in subsection (b) below. After a Substitution or Removal, the part of the Leased Property for which the Substitution or Removal has been effected shall be released from the leasehold hereunder and under the Site Lease.

(b) No Substitution or Removal shall take place hereunder until the City delivers to the Authority and the Trustee the following:

(1) A Certificate of the City containing a description of all or part of the Leased Property to be released and, in the event of a Substitution, a description of the Substituted Property to be substituted in its place;

(2) A Certificate of the City (A) stating that the annual fair rental value of the Leased Property after a Substitution or Removal, in each year during the remaining term of this Facility Lease, is at least equal to the maximum annual Base Rental Payments payable hereunder attributable to the Leased Property prior to said Substitution or Removal, as determined by the City on the basis of commercially reasonable evidence of the fair rental value of the Leased Property after said Substitution or Removal; (B) demonstrating that the useful life of the Leased Property after Substitution or Removal equals or exceeds the remaining term of this Facility Lease;

(3) An Opinion of Counsel to the effect that the amendments hereto and to the Site Lease contemplating Substitution or Removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Authority enforceable in accordance with their terms;

(4) (A) In the event of a Substitution, a policy of title insurance in an amount equal to the same proportion of the principal amount as the principal portion of the Base Rental Payments for the Substituted Property bears to the total principal portion of the Base Rental Payments payable hereunder, insuring the City's leasehold interest in the Substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Owners of the Series 2019A Bonds and any Additional Bonds, and (B) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(5) In the event of a Substitution, an opinion of the City Attorney of the City to the effect that the exceptions, if any, contained in the title insurance policy referred to in (4) above do not interfere with the beneficial use and occupancy of the Substituted Property described in such policy by the City for the purposes of leasing or using the Substituted Property;

(6) An Opinion of Counsel that the Substitution or Removal does not cause the interest with respect to the Tax-Exempt Bonds to be includable in gross income of the Owners thereof for federal income tax purposes; and

(7) Evidence that the City has complied with the covenants contained in clauses (1) and (2) of Section 6.03 hereof with respect to the Substituted Property.

### **ARTICLE III**

#### **TERM OF THE FACILITY LEASE**

**Section 3.01 Commencement of the Facility Lease.** The effective date of this Facility Lease is the Closing Date, and the term of this Facility Lease shall end on the Expiry Date, unless such term is extended or sooner terminated as hereinafter provided. If on the Expiry Date, the rental payable hereunder shall not be fully paid and all Bonds shall not be fully paid and retired, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Facility Lease shall be extended until the rental payable hereunder shall be fully paid and all Bonds shall be fully paid, except that the term of this Facility Lease shall in no event be extended beyond June 1, 20\_\_\_. If prior to the Expiry Date, the rental payable hereunder shall be fully paid and all Bonds shall have been fully paid, or deemed fully paid, in accordance with Article X of the Indenture, the term of this Facility Lease shall end immediately.

### **ARTICLE IV**

#### **USE OF PROCEEDS; TAX COVENANTS**

**Section 4.01 Use of Proceeds.** The parties hereto agree that the proceeds of the Series 2019A Bonds will be used to finance the Project and to pay the costs of executing and delivering the Bonds and incidental and related expenses.

## **Section 4.02 Tax Covenants.**

(a) The City will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Tax-Exempt Bonds pursuant to Section 103 of the Code, and specifically the City will not directly or indirectly use or make any use of the proceeds of the Tax-Exempt Bonds or any other funds of the City or take or omit to take any action that would cause the Tax-Exempt Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code or “private activity bonds” subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are “federally guaranteed” as provided in Section 149(b) of the Code; and to that end the City, with respect to the proceeds of the Tax-Exempt Bonds and such other funds, will comply with all requirements of such sections of the Code to the extent that such requirements are, at the time, applicable and in effect; *provided*, that if the City shall obtain an Opinion of Counsel to the effect that any action required under this section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Tax-Exempt Bonds pursuant to Section 103 of the Code, the City may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the City is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture or otherwise the City shall so instruct the Trustee in writing, and the Trustee shall take such action in accordance with such instructions.

(b) To the ends covenanted in this section, the City hereby specifically agrees to ensure that the following requirements are met:

(1) The City will not invest or allow to be invested proceeds of the Tax-Exempt Bonds at a yield in excess of the yield on the Tax-Exempt Bonds, except to the extent allowed under the Tax Certificate.

(2) The City will rebate or cause to be rebated any amounts due to the federal government, as provided in the Tax Certificate.

## **ARTICLE V**

### **RENTAL PAYMENTS**

**Section 5.01 Rental Payments.** The City agrees to pay to the Authority, its successors or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the Leased Property, the following amounts at the following times:

(a) Base Rental. Subject to the immediately following sentence, the City shall pay to the Authority rental hereunder as Base Rental Payments for the use and occupancy of the Leased Property for each Lease Year or portion thereof, at the times and in the amounts set forth in the Base Rental Payment Schedule attached hereto as Exhibit B, and made a part hereof.

The interest components of the Base Rental Payments shall be paid by the City as and constitute interest paid on the principal components of the Base Rental

Payments to be paid by the City hereunder. The obligation to make the Base Rental Payments set forth on Exhibit B attached hereto shall commence as of the Closing Date.

If the term of this Facility Lease shall have been extended pursuant to Section 3.01 hereof, Base Rental Payment installments shall continue to be payable on the Base Rental Payment Dates, continuing to and including the date of termination of this Facility Lease. Upon such extension of this Facility Lease, the City shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the Base Rental Payments at an amount sufficient to pay all unpaid principal and interest on the Bonds.

(b) Additional Payments. The City shall also pay in addition to the Base Rental Payments, to the Authority or the Trustee, as hereinafter provided, such amounts (“Additional Payments”) in each year as shall be required for the payment of all costs and expenses incurred in connection with the execution, performance or enforcement of this Facility Lease or the assignment hereof, the Indenture, or the respective interests in the Leased Property and the lease of the Leased Property by the Authority to the City hereunder, including but not limited to all fees, costs and expenses and all administrative costs of the Authority relating to the Leased Property including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee (to the extent not paid or otherwise provided for out of the proceeds of the sale of the Bonds), fees of auditors, accountants, attorneys or engineers, insurance premiums, and all other reasonable and necessary administrative costs of the Authority or charges required to be paid by it to comply with the terms of the Bonds or the Indenture.

The foregoing Additional Payments shall be billed to the City by the appropriate party from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the items above described, or that such amount is then so payable for such items. Amounts so billed shall be paid by the City not later than the latest time as such amounts may be paid without penalty or, if no penalty is associated with a late payment of such amounts, within 30 days after receipt of a bill by the City for such amounts.

The Authority may enter into leases to finance facilities other than the Project. The administrative costs of the Authority shall be allocated among said facilities and the Project, as hereinafter in this paragraph provided. Any taxes levied against the Authority with respect to the Leased Property, the fees of the Trustee, and any other expenses directly attributable to the Leased Property shall be included in the Additional Payments payable hereunder. Any taxes levied against the Authority with respect to real property other than the Leased Property, the fees of any trustee or paying agent under any resolution securing bonds of the Authority or any Indenture other than the Indenture, and any other expenses directly attributable to any facilities other than the Leased Property shall not be included in the administrative costs of the Leased Property and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably

allocated among all such projects, including the Leased Property, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be final and conclusive determination as to such allocation. The Trustee may conclusively rely upon a Certificate of the Authority in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Leased Property.

(c) Consideration.

(i) Such payments of Base Rental Payments for each Lease Year or portion thereof during the term of this Facility Lease shall constitute, together with the Additional Payments, the total amount due for such Lease Year or portion thereof and shall be paid or payable by the City for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. On the Closing Date, the City shall deliver a certificate to the Authority and the Trustee, which shall set forth the annual fair rental value of the Leased Property. The parties hereto have agreed and determined that the annual fair rental value of the Leased Property is not less than the maximum Base Rental Payments payable hereunder in any year. In making such determinations of annual fair rental value, consideration has been given to a variety of factors including the replacement costs of the existing improvements on the Leased Property, other obligations of the parties under this Facility Lease, the uses and purposes which may be served by the improvements on the Leased Property and the benefits therefrom which will accrue to the City and the general public.

(ii) The parties hereto hereby acknowledge that the parties hereto may amend this Facility Lease from time to time to increase the Base Rental Payments payable hereunder so that Additional Bonds may be executed, authenticated and issued pursuant to Section 5.07 hereof and Sections 2.11 and 2.12 of the Indenture. The proceeds of such Additional Bonds shall be used for any lawful purpose. Notwithstanding anything to the contrary herein contained, this Facility Lease may not be amended in a manner such that the sum of Base Rental Payments, including Base Rental Payments payable pursuant to such amendment, in any year is in excess of the annual fair rental value of the Leased Property and other land and improvements leased to the City hereunder.

(d) Payment; Credit. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee in Los Angeles, California, or such other place as the Authority shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall remain due and payable until received by the Trustee, except as provided in Section 5.04 hereof, and to the extent permitted by law shall bear interest at the rate of ten percent per annum from the date



when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the City and the Authority, the City shall make all rental payments when due, without deduction or offset of any kind, and shall not withhold any rental payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall, at the option of the City, be credited against subsequent rental payments due hereunder or be refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section 5.01(d) on any date shall be reduced to the extent of available amounts on deposit on such date in the Revenue Fund, the Interest Fund or the Principal Fund. Any payment scheduled to be made on a date which is not a Business Day shall be made on the next succeeding Business Day.

**Section 5.02 Annual Budgets; Reporting Requirements.** The City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under this Facility Lease in its operating budget for each fiscal year commencing after the date hereof (an “Operating Budget”) and to make all necessary appropriations for such Base Rental Payments and Additional Payments.

**Section 5.03 Application of Rental Payments.** All Base Rental Payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components (including any prepayment premium components) of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

**Section 5.04 Rental Abatement.** Except to the extent of (a) amounts held by the Trustee in the Revenue Fund, (b) amounts received in respect of rental interruption insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds, during any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by the City of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments, in which case rental payments shall be abated only by an amount equal to the difference. In the event the City shall assign, transfer or sublease any or all of the Leased Property or other rights hereunder, as permitted by Section 2.04 hereof, for purposes of determining the annual fair rental value available to pay Base Rental Payments, annual fair rental value of the Leased Property shall first be allocated to this Facility Lease as provided in clause (d) of Section 2.04 hereof. Any abatement of rental payments pursuant to this Section shall not be considered an Event of Default as defined in Article X hereof. The City waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Facility Lease by virtue of any such interference and this Facility Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

In the event that rental is abated, in whole or in part, pursuant to this Section due to damage, destruction, title defect or condemnation of any part of the Leased Property and the City is unable to repair, replace or rebuild the Leased Property from the proceeds of insurance, if any, the City agrees to apply for and to use its best efforts to obtain any appropriate state and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Property.

**Section 5.05 Prepayment of Rental Payments.** The City may prepay, from eminent domain proceeds or net insurance proceeds received by it pursuant to Section 7.01 hereof, all or any portion of the components of Base Rental Payments payable hereunder relating to any portion of the Leased Property then unpaid, in whole on any date, or in part on any date in integral multiples of an Authorized Denomination so that the aggregate annual amounts of principal components of Base Rental Payments payable under this Facility Lease represented by the Series 2019A Bonds and any Additional Bonds which shall be payable after such prepayment date shall each be in an integral multiple of an Authorized Denomination and shall be as nearly proportional as practicable to the aggregate annual amounts of principal components of Base Rental Payments payable under this Facility Lease represented by the Series 2019A Bonds and any Additional Bonds.

The City may prepay, from any source of available moneys pursuant to Section 4.01(b) of the Indenture, all or any part (in an integral multiple of an Authorized Denomination) of the principal components of Base Rental Payments payable under this Facility Lease then unpaid so that the aggregate annual amounts of principal components of Base Rental Payments under this Facility Lease which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of principal components represented by the Series 2019A Bonds and any Additional Bonds unpaid prior to the prepayment date, at a prepayment amount equal to the principal component prepaid plus accrued interest thereon to the date of prepayment plus any applicable premium.

Before making any prepayment pursuant to this Section, at least 45 days before the prepayment date the City shall give written notice to the Authority and the Trustee describing such event, specifying the order of Principal Payment Dates and specifying the date on which the prepayment will be made, which date shall be not less than 30 nor more than 60 days from the date such written notice is given to the Authority and the Trustee.

**Section 5.06 Obligation to Make Rental Payments.** The agreements and covenants on the part of the City contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the agreements and covenants contained herein agreed to be carried out and performed by the City.

THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL RENT DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION TO MAKE RENTAL PAYMENTS AND TO PAY ADDITIONAL RENT CONSTITUTES AN INDEBTEDNESS OF

THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

**Section 5.07 Additional Bonds.** In addition to the Series 2019A Bonds to be executed, authenticated and issued under the Indenture the City and the Authority may, from time to time, but only upon satisfaction of the conditions to the issuance of Additional Bonds set forth in Sections 2.11 and 2.12 of the Indenture, enter into a Supplemental Indenture to issue Additional Bonds on a parity with the Series 2019A Bonds and any previously executed, authenticated and issued Additional Bonds (unless otherwise provided in the related Supplemental Indenture), the proceeds of which may be used for any lawful purpose by the City, as provided in the Supplemental Indenture; *provided* that prior to or concurrently with the execution and delivery of the Additional Bonds, the City and the Authority shall have entered into an amendment to this Facility Lease, providing for an increase in the Base Rental Payments to be made hereunder subject to the limitations set forth in Section 5.01(c)(ii) hereof.

## ARTICLE VI

### MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

**Section 6.01 Maintenance of the Leased Property by the City.** The City agrees that, at all times during the term hereof, it will, at its own cost and expense, maintain, preserve and keep the Leased Property and every portion thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Authority shall have no responsibility in any of these matters or for the making of additions or improvements to the Leased Property.

**Section 6.02 Taxes, Other Governmental Charges and Utility Charges.** The parties hereto contemplate that the Leased Property will be used for public purposes by the City and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the City or the Authority of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Property, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; *provided*, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Facility Lease is in effect.

**Section 6.03 Insurance.** The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance (which shall be deemed for purposes hereof to include risk sharing

pools) to the extent specifically permitted in this Section 6.03, all insurance coverage on the Leased Property required by this Section 6.03. Such insurance or self-insurance shall consist of:

(1) A policy or policies of insurance (excluding earthquake and flood insurance) against loss or damage to the Property known as "all risk." Such insurance shall be provided by an insurer rated no less than "A" by A. M. Best and shall be maintained at all times in an amount not less than the greater of the full replacement value of the Leased Property or the aggregate principal amount of the principal component of the then-remaining Base Rental Payments payable hereunder.

(2) General liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Leased Property. Such insurance shall afford protection with a combined single limit of not less than \$2,000,000 per occurrence with respect to bodily injury, death, or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose; provided, however, that the City's obligations under this clause (2) may be satisfied by self-insurance.

(3) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover liability for compensation under any such act; provided, however, that the City's obligations under this clause (3) may be satisfied by self-insurance.

(4) Rental interruption insurance to cover loss, total or partial, of the use of any Component of the Property as a result of any of the hazards covered by the insurance required pursuant to clause (1) above, covering a period of twenty-four (24) months, in an amount equal to the product obtained by multiplying the maximum annual Base Rental Payments coming due and payable by 2.0

(5) A CLTA policy or policies of title insurance for the Leased Property in an amount not less than the initial aggregate principal amount of the Bonds. Such policy or policies of title insurance shall show fee simple title and leasehold estate to the Leased Property in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances as will not, in the opinion of the Authority, materially adversely affect the use and possession of the Property and will not result in the abatement of Base Rental payable by the City hereunder.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to the Trustee. The City shall deliver to the Trustee on the Closing Date and on or prior to July 1 of each year thereafter a Certificate of the City stating whether the City is in compliance with the

requirements of this Section and, in the event it is not in compliance, specifying the nature of the noncompliance, and what action the City is taking to remedy such noncompliance.

All policies or certificates of insurance held by the City provided for herein shall name the City as a named insured, and the policies and certificates described in clauses (1) and (4) above shall name (in addition to the City) the Authority and the Trustee as additional insureds. All proceeds of insurance maintained under clauses (1), (4), and (5) above shall be deposited with the Trustee for application pursuant to the Indenture. All proceeds of insurance maintained under clauses (2) and (3) shall be deposited with the City.

Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers on the open market.

**Section 6.04 Advances.** In the event the City shall fail to maintain the full insurance coverage required hereby or shall fail to keep the Leased Property in good repair and operating condition, the Authority may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Authority shall become Additional Payments, which amounts the City agrees to pay within 30 days of a written request therefor, together with interest thereon at the maximum rate allowed by law.

## ARTICLE VII

### DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION

**Section 7.01 Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds.** If prior to the termination of the term hereof (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the City or the Authority in the Leased Property or any portion thereof is defective or shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or Authority acting under governmental authority, then the City and the Authority will cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed, defective or condemned portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed shall be paid to the City; *provided*, that the City, at its option and provided the proceeds of such insurance or condemnation award together with any other moneys then available for the purpose are at least sufficient to prepay the aggregate annual amounts of principal and interest components of the Base Rental Payments due hereunder attributable to the portion of the Leased Property so destroyed, damaged, defective or condemned (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged, defective or condemned portion thereof bears to the annual fair rental value

of the Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of Outstanding Bonds pursuant to the provisions of Section 4.01(a) of the Indenture. Notwithstanding any other provision herein, the City shall only prepay less than all of the principal component of the then-remaining Base Rental Payments if the annual fair rental value of the Leased Property after such damage, destruction, title defect or condemnation is at least equal to the aggregate annual amount of the principal and interest components of the Base Rental Payments not being prepaid.

In the event that the proceeds, if any, of said insurance or condemnation award are insufficient either to (i) repair, rebuild or replace the Leased Property so that the fair rental value of the Leased Property would be at least equal to the Base Rental Payments or (ii) to redeem all the Outstanding Bonds, both as provided in the preceding paragraph, then the City may, in its sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; *provided* that the failure of the City to so budget and/or appropriate shall not be a breach of or default under this Facility Lease.

## ARTICLE VIII

### DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY

**Section 8.01 Disclaimer of Warranties.** NEITHER THE TRUSTEE NOR THE AUTHORITY MAKES ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE CITY ACKNOWLEDGES THAT NEITHER THE TRUSTEE NOR THE AUTHORITY IS A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event shall the Authority or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facility Lease or the existence, furnishing, functioning or the City's use of the Leased Property as provided hereby.

**Section 8.02 Use of the Leased Property; Improvements.** The City will not use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The City shall provide all permits and licenses, if any, necessary for the use of the Leased Property. In addition, the City agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Leased Property) with all laws of the jurisdictions in which its operations involving any portion of the Leased Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property; *provided*, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the City adversely affect the estate of the Authority in and to the Leased Property or its interest or rights hereunder.

## ARTICLE IX

### ASSIGNMENT AND INDEMNIFICATION

**Section 9.01 Assignment by Authority.** The parties understand that certain of the rights of the Authority hereunder and under the Site Lease will be assigned to the Trustee pursuant to the Assignment Agreement, and accordingly the City agrees to make all payments due hereunder to the Trustee, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach hereof or otherwise) that the City may from time to time have against the Authority. The City agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Authority or the Trustee to protect their interests in the Leased Property during the term hereof.

**Section 9.02 Assignment by City.** This Facility Lease and the interest of the City in the Leased Property may not be assigned or encumbered by the City except as permitted by Section 2.04 hereof.

**Section 9.03 Indemnification.** The City shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the issuance of the Bonds, the entering into of this Facility Lease, the acquisition, construction, installation and use of the Leased Property and each portion thereof or any accident in connection with the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City or the Authority; any claim arising out of the use, presence, storage, disposal or release of any Hazardous Substances on or about the Leased Property; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section 9.03 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The City and the Authority mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following the learning thereof by such party.

## ARTICLE X

### DEFAULT

**Section 10.01 Default.**

(a) The following events shall be “Events of Default” under this Facility Lease and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Facility Lease, any one or more of the following events:

(1) The City shall fail to deposit with the Trustee any Base Rental Payment required to be so deposited by the close of business on the day such deposit is required pursuant to Section 5.01(a) hereof, provided, that the failure to deposit any Base Rental Payments abated pursuant to Section 5.04 hereof shall not constitute an Event of Default;

(2) The City shall fail to pay any item of Additional Payments when the same shall become due and payable pursuant to Section 5.01(b) hereof; or

(3) The City shall breach any other terms, covenants or conditions contained herein or in the Indenture, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Authority to the City; *provided, however*, that if the failure stated in the notice cannot be corrected within such period, then the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is diligently pursued until the default is corrected.

(b) Upon the happening of any of the Events of Default specified in Section 10.01(a) or (e) hereof, it shall be lawful for the Authority or its assignee, subject to the terms of this Facility Lease, to exercise any and all remedies available or granted to it pursuant to law or hereunder.

(c) Upon the occurrence of an Event of Default, the Authority or its assignee must thereafter maintain this Facility Lease in full force and effect and may only recover rent and other monetary charges as they become due, all without terminating the City's right to possession of the Leased Property, regardless of whether or not the City has abandoned the Leased Property; **THIS SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE AGAINST THE CITY UNDER THIS FACILITY LEASE OR OTHERWISE.** In such event, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, to pay the rent to the end of the term of this Facility Lease and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration).

(d) The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

(e) In addition to any Event of Default resulting from breach by the City of any agreement, condition, covenant or term hereof, if the City's interest herein or any part thereof is assigned, sublet or transferred without the written consent of the Authority (except as otherwise permitted by Section 2.04 hereof), either voluntarily or by operation of law; or the City or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject 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 the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for



a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the City shall make a general or any assignment for the benefit of its creditors; or the City shall abandon or vacate the Leased Property or any portion thereof (except as permitted by Section 2.04 hereof); then in each and every such case the City shall be deemed to be in default hereunder.

(f) Neither the City nor the Authority shall be in default in the performance of any of its obligations hereunder (except for the obligation to make Base Rental Payments pursuant to Section 5.01 hereof) unless and until it shall have failed to perform such obligation within 30 days after notice by the City or the Authority, as the case may be, to the other party properly specifying wherein it has failed to perform such obligation.

(g) The City and Authority and its successors and assigns shall honor the exclusive rights of the City to use the Leased Property.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01 Notices.** All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority:

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

If to the City:

City of Oxnard  
300 West Third Street  
Oxnard, California 93030  
Attention: Chief Financial Officer

If to the Trustee:

Wells Fargo Bank, National Association  
707 Wilshire Blvd., 17<sup>th</sup> Floor  
Los Angeles, California 90017  
Attention: Global Corporate Trust

**Section 11.02 Binding Effect.** This Facility Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

**Section 11.03 Trustee as Third Party Beneficiary.** The Trustee is hereby designated a third party beneficiary hereunder for the purpose of enforcing any of the rights hereunder assigned to the Trustee under the Assignment Agreement.

**Section 11.04 Net Lease.** It is the purpose and intent of the Authority and the City that lease payments hereunder shall be absolutely net to the Authority so that this Facility Lease shall yield to the Authority the lease payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Property, and without counterclaim, deduction, defense, deferment or set-off by the City except as herein specifically otherwise provided. The Authority shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Property which may arise or become due during the term of this Facility Lease shall be paid by the City.

**Section 11.05 Amendments.** This Facility Lease may be amended in writing as may be mutually agreed by the Authority and the City, subject to the written consent of the Trustee; *provided*, that no such amendment which materially adversely affects the rights of the Owners shall be effective unless it shall have been consented to by the Owners of more than 50% in principal amount of the Bonds Outstanding, and *provided further*, that no such amendment shall (a) extend the payment date of any Base Rental Payment, or reduce the interest, principal or prepayment premium component of any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected, or (b) reduce the percentage of the principal amount of the Bonds Outstanding the consent of the Owners of which is required for the execution of any amendment hereof.

This Facility Lease and the rights and obligations of the Authority and the City hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners;

(c) to effect a Substitution or Removal in accordance with Section 2.06 hereof;

(d) to facilitate the issuance of Additional Bonds as provided in Section 5.07 hereof; or

(e) to make any other addition, amendment or deletion which does not materially adversely affect the interests of the Owners.

**Section 11.06 Discharge of City.** Upon the payment of all Base Rental Payments and Additional Payments payable hereunder, all of the obligations of the City hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied; *provided, however*, if any Outstanding Bonds shall be deemed to have been paid by virtue of a deposit of Base Rental Payments hereunder pursuant to Section 10.01(b) of the Indenture, then the obligation of the City hereunder to make Base Rental Payments hereunder shall continue in full force and effect until the Outstanding Bonds so deemed paid have in fact been paid, but such payments shall be made solely and exclusively from moneys and securities deposited with the Trustee as contemplated by Section 10.01(b) of the Indenture, and that shall be the sole source of satisfaction of the City's obligation to make Base Rental Payments. The time period for giving notice by the City to the Authority and the Trustee specified in the third paragraph of Section 5.05 hereof shall not apply incident to the payment to the Owners of all Outstanding Bonds in accordance with Section 10.01, including Section 10.01(b), of the Indenture.

**Section 11.07 Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms hereof shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining agreements, conditions, covenants or terms hereof shall be affected thereby, and each provision of this Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

**Section 11.08 California Law.** This Facility Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

**Section 11.09 Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

**Section 11.10 Execution.** This Facility Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Section 11.11 Subordination.** This Facility Lease is subject and subordinate to the following documents and all renewals, extensions, modifications, consolidations and replacements thereof (collectively, the "Master Lease Documents") (i) that certain Master Lease and Option to Purchase dated as of June 1, 2011 by and between Lessee and Lessor, and (ii) that certain Property Lease dated as of June 1, 2011 by and between Lessor and Lessee. Lessor and Lessee shall, within five (5) days of request by the other, execute such further instruments or assurances as may be reasonably required to evidence or confirm such subordination or superiority of the Master Lease Documents to this Facility Lease. The foregoing subordination

shall cease upon the earlier to occur of (i) the expiration, cancellation or termination of the Master Lease Documents for any reason whatsoever or the involuntary surrender of the Master Lease Documents by operation of law and shall, or (ii) the date on which the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 Bonds are defeased. Effective as of and from and after the earlier to occur of the events described in the immediately preceding sentence the subordination described in this Section shall automatically be null and void and of no further force or effect. The expiration, cancellation or termination of the Master Lease Documents for any reason whatsoever or of the involuntary surrender of the Master Lease Documents by operation of law prior to the expiration, cancellation or termination of this Facility Lease, shall not operate to cancel or otherwise terminate this Facility Lease and, in any such event, this Facility Lease shall continue in full force and effect.

[This space intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Facility Lease by their officers thereunto duly authorized as of the day and year first written above.

CITY OF OXNARD FINANCING AUTHORITY

By: \_\_\_\_\_  
Controller

ATTEST:

By: \_\_\_\_\_  
Secretary

CITY OF OXNARD

By: \_\_\_\_\_  
Chief Financial Officer

ATTEST:

By: \_\_\_\_\_  
City Clerk

**EXHIBIT A**

**DESCRIPTION OF LEASED PROPERTY**

All that certain real property, situated in the City of Oxnard, County of Ventura, State of California, described on the attached pages.

**EXHIBIT B**

**BASE RENTAL PAYMENTS SCHEDULE**

<u>Payment Date*</u>	<u>Principal Component of Base Rental Payment</u>	<u>Interest Component of Base Rental Payment</u>	<u>Total</u>
December 1, 2020			
June 1, 2021			
December 1, 2021			
June 1, 2022			
December 1, 2022			
June 1, 2023			
December 1, 2023			
June 1, 2024			
December 1, 2024			
June 1, 2025			
December 1, 2025			
June 1, 2026			
December 1, 2026			
June 1, 2027			
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December 1, 2033			
June 1, 2034			
December 1, 2034			
June 1, 2035			
December 1, 2035			
June 1, 2036			
December 1, 2036			
June 1, 2037			
December 1, 2037			
June 1, 2038			
December 1, 2038			
June 1, 2039			

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\* Due on each Base Rental Payment Date or that date three Business Day preceding each Interest Payment Date.

<u>Payment Date*</u>	<u>Principal Component of Base Rental Payment</u>	<u>Interest Component of Base Rental Payment</u>	<u>Total</u>
December 1, 2039			
June 1, 2040			
December 1, 2040			
June 1, 2041			



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the Facility Lease, dated as of December 1, 2019, by and between the City of Oxnard Financing Authority (the "Authority") and the City of Oxnard (the "City"), from the Authority to the City, is hereby accepted by the undersigned on behalf of the City pursuant to authority conferred by resolution of the City Council of the City adopted on \_\_\_\_\_, 2019, and the City consents to recordation thereof by its duly authorized officer.

Dated as of \_\_\_\_\_, 2019

CITY OF OXNARD

By: \_\_\_\_\_  
Chief Financial Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF VENTURA )

On \_\_\_\_\_, 2019, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
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WITNESS my hand and official seal.

Signature \_\_\_\_\_ [SEAL]