

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE – BOOK-ENTRY ONLY

RATING: S&P: “___”
(see “RATING” herein.)

[In the opinion of Nixon Peabody LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, including the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreement as described under the heading “FORWARD DELIVERY OF THE SERIES 2021 BONDS”, interest on the Series 2021A Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2021A Bonds, will not be a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2019/2021 Bonds is exempt from personal income taxes of the State of California (the “State”)s under present State law. See “TAX MATTERS” herein regarding certain other tax considerations.]

\$ _____*
LEASE REVENUE BONDS
SERIES 2019A
(FEDERALLY TAXABLE)

\$ _____*
LEASE REVENUE REFUNDING BONDS
SERIES 2021A
(TAX-EXEMPT)

Dated: Series 2019A Bonds - Date of Delivery
Series 2021A Bonds - Date of Forward Delivery

The City of Oxnard Financing Authority Lease Revenue Bonds, Series 2019A (Federally Taxable) (the “Series 2019A Bonds”) and Lease Revenue Refunding Bonds Series 2021A (Tax-Exempt) (the “Series 2021A Bonds”) and together with the Series 2019A Bonds, the “2019/2021 Bonds”) are being issued pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The 2019/2021 Bonds are payable from certain revenues and other moneys pledged under the Indenture, consisting primarily of base rental payments (the “Base Rental Payments”) to be made by the City of Oxnard (the “City”) for the right to use certain real property consisting of a building housing the City’s services center and the fire department administrative offices (the “Leased Property”) pursuant to a certain Facility Lease dated December 1, 2019 by and between the City of Oxnard Financing Authority (the “Authority”), [as sublessor] and the City, [as sublessee] (the “2019 Facility Lease”), as may be amended by the First Amendment to Facility Lease dated March 1, 2021 by and between the Authority and the City (the “First Amendment to Facility Lease” together with the 2019 Facility Lease, the “Facility Lease”). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 BONDS.” Capitalized terms used but not defined on the cover page of this Official Statement have the meanings ascribed herein.

The Series 2019A Bonds are being issued to provide funds to (i) finance software and services for an enterprise resource system for the City, and (ii) pay the costs incurred in connection with the issuance of the Series 2019A Bonds. The Series 2021A Bonds are being issued on a forward delivery basis to provide funds to (i) refund the Authority’s outstanding Lease Revenue Refunding Bonds, Series 2011 (the “2011 Bonds”), and (ii) to pay the costs incurred in connection with the issuance of the Series 2021A Bonds. See “THE FINANCING PLAN,” “THE REFUNDING PLAN” and “FORWARD DELIVERY OF THE SERIES 2021A BONDS.”

The City will covenant under the Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facility Lease in its operating budget for each fiscal year and to make all necessary appropriations for such Base Rental Payments and Additional Payments. The City’s obligation to make Base Rental Payments and Additional Payments under the Facility Lease is subject to abatement during any period in which, by reason of material damage, destruction, title defect, condemnation of, the Leased Property, there is substantial interference with the City’s right to use and occupy any portion of the Leased Property. See “RISK FACTORS—Abatement.” Additionally, the payment of Base Rental Payments and Additional Payments for the Series 2019A Bonds are subordinate to payments required pursuant to the 2011 Bonds until the delivery of the Series 2021A Bonds March 2, 2021. Neither the Authority nor the City is funding a debt service reserve fund for the 2019/2021 Bonds.

The 2019/2021 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the 2019/2021 Bonds is payable semiannually on June 1 and December 1 of each year. Purchasers will not receive certificates representing their interest in the 2019/2021 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest and premium, if any, on the 2019/2021 Bonds will be paid by Wells Fargo Bank National Association, as trustee (the “Trustee”) to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the Beneficial Owners of the 2019/2021 Bonds. See “THE 2019/2021 BONDS—Book-Entry Only System” herein.

The Series 2019A Bonds will be issued pursuant to a certain Indenture dated as of December 1, 2019, (the “Original Indenture”), by and among the City, the Authority and the Trustee. The Series 2021A Bonds will be issued pursuant to the Original Indenture as supplemented by the First Supplement to Indenture to be dated as of March 1, 2021 (the First Supplement to Indenture” and together with the Original Indenture, the “Indenture”), by and among the City, the Authority and the Trustee. The 2019/2021 Bonds and any additional bonds issued pursuant to the Indenture (“Additional Bonds”) are collectively referred to as the “Bonds.”

The Series 2019A Bonds [and Series 2021A Bonds] are subject to optional redemption prior to maturity as set forth herein. The 2019/2021 Bonds are subject to extraordinary redemption as set forth herein. See “THE 2019/2021 BONDS—Redemption.”

The 2019/2021 Bonds are special obligations of the Authority, payable solely from Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the 2019/2021 Bonds.

The obligation of the City to pay Base Rental Payments does not constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation. The Authority has no power to tax.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

(See the Pages Immediately Following This Cover Page)

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

The 2019/2021 Bonds will be offered respectively when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Nixon Peabody LLP, Bond Counsel. Best Best & Krieger LLP, Riverside, California, is acting as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City and the Authority by its City Attorney and for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California and for the Trustee by its counsel. It is anticipated that the Series 2019A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about _____, 2019. It is anticipated that the Series 2021A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about _____, 2021, subject to the satisfaction of certain conditions. Potential investors should carefully review the information under the caption “FORWARD DELIVERY OF THE SERIES 2021A BONDS” herein.

Dated: _____, 2019.

* Preliminary, subject to change.

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

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

CITY OF OXNARD FINANCING AUTHORITY

LEASE REVENUE BONDS, SERIES 2019A (TAXABLE)

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> ^C	<u>CUSIP</u> [†]
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^C Yield to the optional redemption date of _____, at par.

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LEASE REVENUE REFUNDING BONDS, SERIES 2021A (TAX-EXEMPT)

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>[†]
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No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the 2019/2021 Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. 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 2019/2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners or Beneficial Owners of the 2019/2021 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 representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as 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.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this 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 Authority or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the 2019/2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “RISK FACTORS” and in APPENDIX A – “THE CITY OF OXNARD.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE 2019/2021 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019/2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2019/2021 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT YIELDS HIGHER THAN THE PUBLIC OFFERING YIELDS STATED ON THE PAGES FOLLOWING THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE 2019/2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2019/2021 Bonds.

**CITY OF OXNARD
COUNTY OF VENTURA, CALIFORNIA
CITY COUNCIL AND CITY OF OXNARD FINANCING AUTHORITY**

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Bert E. Perello, Councilmember, District 1
Oscar Madrigal, Councilmember, District 3
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Gabriela Basua, Councilwoman, District 5
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[To Come]

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MAP OF THE CITY OF OXNARD

OFFICIAL STATEMENT

CITY OF OXNARD FINANCING AUTHORITY

\$ _____*
LEASE REVENUE BONDS
SERIES 2019A
(FEDERALLY TAXABLE)

\$ _____*
LEASE REVENUE REFUNDING BONDS
SERIES 2021A
(TAX-EXEMPT)

INTRODUCTION

This Official Statement (which includes the cover page and the appendices hereto) (the “Official Statement”), provides certain information concerning the sale and delivery of \$_____ aggregate principal amount of City of Oxnard Financing Authority Lease Revenue Bonds, Series 2019A (Federally Taxable) (the “Series 2019A Bonds”), and Lease Revenue Refunding Bonds Series 2021A (Tax-Exempt) (the “Series 2021A Bonds” and together with the Series 2019A Bonds (the “2019/2021 Bonds”).

The Series 2019A Bonds are being issued to provide funds to (i) finance software and services for a City enterprise resource planning system (the “ERP System”), and (ii) pay the costs incurred in connection with the issuance of the Series 2019A Bonds. The Series 2021A Bonds are being issued on a forward delivery basis (See “FORWARD DELIVERY OF THE SERIES 2021A Bonds”) to provide funds to (i) refund the Authority’s outstanding Lease Revenue Refunding Bonds, Series 2011 (the “2011 Bonds”), and (ii) to pay the costs incurred in connection with the issuance of the Series 2021A Bonds. See “THE FINANCING PLAN” AND “THE REFUNDING PLAN” herein.

The 2019/2021 Bonds are payable from certain revenues and other moneys pledged under the Indenture (as defined below), consisting primarily of base rental payments (the “Base Rental Payments”) to be made by the City of Oxnard (the “City”) for the right to use certain real property consisting of two buildings housing the City’s services center and the fire department administrative offices (the “Leased Property”) pursuant to a certain Facility Lease (as defined below). The Series 2019A Bonds will be issued pursuant to an Indenture, dated as of December 1, 2019 (the “Original Indenture”), by and among the City of Oxnard Financing Authority (the “Authority”), the City and Wells Fargo Bank National Association, as trustee (the “Trustee”). The Series 2021A Bonds will be issued pursuant to the Original Indenture, as supplemented by a First Supplement to Indenture, to be dated as of March 1, 2021 (the “First Supplement to Indenture” and together with the Original Indenture, the “Indenture”), by and among the Authority, the City and the Trustee. Pursuant to the Indenture, the Authority may issue additional bonds (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the 2019/2021 Bonds (the 2019/2021 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”).

Pursuant to that certain Property Lease dated June 1, 2011 by and between the Authority and the City (the “2011 Property Lease”), the City leased to the Authority the Leased Property for certain consideration. Concurrently, the Authority subleased the Leased Property to the City pursuant to the Master Lease and Option to Purchase dated June 1, 2011 (the “2011 Master Lease”) by and between the City and the Authority. Pursuant to a Site Lease, dated as of December 1, 2019 (the “2019 Site Lease”), by and between the City and the Authority, the City will [sublease] the Leased Property to the Authority. Simultaneously with the execution and delivery of the 2019 Site Lease, the Authority will [sublease] the Leased Property to the City under the Facility Lease dated as of December 1, 2019 (the “2019 Facility Lease”), between the City, as [sublessee], and the Authority, as [sublessor]. Upon the issuance of the Series 2021A Bonds, the 2019 Facility Lease will be amended by a certain First Amendment to Facility Lease, to be dated as of March 1, 2021 (the “First Amendment to Facility Lease” and together, with the 2019 Facility Lease, the “Facility Lease”), by and between the City, and the Authority, to amend the amount of Base Rental Payments payable thereunder such that the

* Preliminary, subject to change.

amounts of the Base Rental Payments will be sufficient to pay debt service on the 2019/2021 Bonds when due. The Facility Lease will obligate the City to make Base Rental Payments to the Authority. **The Site Lease and the Facility Lease are subordinate to the 2011 Master Lease and the 2011 Property Lease until (i) the expiration, cancellation or termination of the 2011 Master Lease for any reason whatsoever or the involuntary surrender of the 2011 Master Lease by operation of law, or (ii) on March 2, 2021, the date on which the 2011 Bonds are defeased.**

Upon the issuance of the Series 2019A Bonds, the Trustee and the Authority will execute and deliver an Assignment Agreement, dated as of December 1, 2019 (the "Assignment Agreement"), pursuant to which the Authority will grant, transfer and assign to the Trustee: (i) all the Authority's rights to receive the Base Rental Payments under and pursuant to the Facility Lease, (ii) the right to take all actions under the Facility Lease, (iii) the right of access more particularly described in the Facility Lease, and (iv) any and all other rights and remedies of the Authority in the Facility Lease as lessor thereunder.

The City will covenant under the Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facility Lease in its operating budget for each fiscal year and to make all necessary appropriations for such Base Rental Payments and Additional Payments, subject to abatement as provided in the Facility Lease. Additional Payments consist of 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.

Base Rental Payments and Additional Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City's right to use and occupy the Leased Property or any portion thereof. See "RISK FACTORS—Abatement." Abatement of Base Rental Payments under the Facility Lease, to the extent that payment is not made from alternative sources as set forth below, would result in all Owners receiving less than the full amount of principal of and interest on the Bonds. To the extent that proceeds of insurance are available, Base Rental Payments (or a portion thereof) may be made during periods of abatement.

THE 2019/2021 BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2019/2021 BONDS. THE AUTHORITY HAS NO TAXING POWER.

THE OBLIGATION OF THE CITY TO PAY BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Neither the Authority nor the City is funding a debt service reserve for the 2019/2021 Bonds.

The City has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission certain annual financial information and operating data and, in a timely manner, notice of certain listed events. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2 12(b)(5). See

“CONTINUING DISCLOSURE” herein for a description of the specific nature of the annual report and notices of listed events and a summary description of the terms of the disclosure certificate pursuant to which such reports are to be made.

Wells Fargo Bank National Association, Los Angeles, California, will act as Trustee with respect to the 2019/2021 Bonds. The 2019/2021 Bonds, respectively, will be issued subject to the approval as to their legality by Nixon Peabody LLP, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by Best Best & Krieger LLP, as Disclosure Counsel and the City Attorney. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California and for the Trustee by its counsel.

Certain events could affect the ability of the City to make the Base Rental Payments when due. See “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2019/2021 Bonds.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2019-20, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. See Appendix A for financial and operating information related to the City.

The summaries or references to the Indenture, the Facility Lease, the 2019 Site Lease, the Assignment Agreement and other documents, agreements and statutes referred to herein, and the description of the 2019/2021 Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document or statute. All capitalized terms used in this Official Statement (unless otherwise defined herein) which are defined in the Indenture or the Facility Lease shall have the meanings set forth therein, some of which are summarized in APPENDIX B—”SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS.”

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SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the 2019/2021 Bonds and certain funds held with respect to the 2011 Bonds are shown below.

	<u>Series 2019A Bonds</u>	<u>Series 2021A Bonds⁽¹⁾</u>
<i>Sources</i>		
Principal Amount		
Plus/Less Original Issue		
Premium/Discount		
Transfers from Other Sources ⁽²⁾		
Total Sources		
<i>Uses</i>		
Escrow Fund		
Construction Fund		
Cost of Issuance ⁽³⁾		
Total Uses		

⁽¹⁾ Sources of funds with respect to the Series 2021A Bonds will not be delivered until the forward delivery date of the Series 2021A Bonds. See "FORWARD DELIVERY OF THE SERIES 2021A Bonds."

⁽²⁾ Amounts held in certain funds established with respect to the 2011 Bonds.

⁽³⁾ Includes legal, municipal advisory, rating agency, Underwriter's Discount, printing fees and other miscellaneous costs of issuance.

THE FINANCING PLAN

The Project

The City has contracted with Tyler Technologies, Inc. to establish and maintain an ERP system. The ERP System software will replace paper-based processes and 1980s green-screen technology. It offers significant efficiencies to residents, businesses and City support operations. For example, the resident portal, which is available in Spanish, will 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. Businesses and residents alike will be able to utilize electronic plan review and to track the permitting and plan check process online. City vendors will be able to submit invoices online and track payments. Also, various internal support processes such as timesheets, payroll, procurement, budgeting and various accounting workflows will become automated, which will increase accuracy, efficiency and transparency. The City anticipates the total costs of the ERP to be approximately \$15 million, which includes certain onetime implementation costs as well as annual maintenance costs. The City will be implementing the ERP system in two phases over the next five years with each phase costing approximately \$7.5 million. The City anticipates utilizing proceeds of the Series 2019A Bonds to finance the first phase of the ERP System implementation, as well as funding from the City's enterprise funds that will benefit from the ERP System. The City anticipates issuing additional bonds to finance the second phase of implementation of the ERP System.

THE REFUNDING PLAN

Upon the forward delivery of the Series 2021A Bonds on or about [March 2], 2021, a portion of the proceeds of the Series 2021A Bonds, together with amounts held in certain funds established in connection with the 2011 Bonds, will be deposited into an escrow fund (the "Escrow Fund") established under an escrow agreement (the "Escrow Agreement") by and between the City and Wells Fargo Bank National Association, as escrow agent. Amounts in the Escrow Fund will be held in cash or invested in certain obligations of the United States of America. Any obligations will be scheduled to mature in such amounts and at such times and bear interest at such rates as to provide amounts, together with the cash held therein, sufficient to pay interest and principal due on the outstanding 2011 Bonds through June 1, 2021 and to redeem on June 1, 2021, the

outstanding 2011 Bonds maturing on and after June 1, 2022, at a redemption price equal to the principal amount thereof, without premium.

2011 Bonds to be Refunded

Maturity Date (June 1)	Principal Amount	Interest Rate	Redemption Date	CUSIP
2021 ⁽¹⁾	\$560,000	5.000%	June 1, 2021	691875BC1
2022	620,000	4.250	June 1, 2021	691875BE7
2023	675,000	4.500	June 1, 2021	691875BF4
2025	1,550,000	4.750	June 1, 2021	691875BJ6
2027	1,840,000	5.100	June 1, 2021	691875BK3
2028	1,045,000	5.200	June 1, 2021	691875BG2
2029	1,130,000	5.300	June 1, 2021	691875BH0
2031	2,560,000	5.375	June 1, 2021	691875BL1
2036	8,495,000	5.750	June 1, 2021	691875BD9

⁽¹⁾ To be paid at maturity.

This Official Statement does not constitute notice or an advance notice of redemption of the 2011 Bonds. The refunding of the 2011 Bonds is conditioned upon the receipt of proceeds of the Series 2021A Bonds, which is subject to the conditions of the Forward Delivery Bond Purchase Agreement. See “FORWARD DELIVERY OF THE SERIES 2021A BONDS.”

Verification

Upon issuance of the 2021A Bonds, _____, as verification agent, will deliver a report or reports on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to: (a) the adequacy of amounts in the Escrow Fund to pay the amounts due as set forth in the Escrow Agreement, as applicable, as described above; and (b) the computations of yield of the 2021A Bonds which support Bond Counsel’s opinions that the interest on the Series 2021A Bonds (assuming and subject to, with respect to the Series 2021A Bonds, the satisfaction of certain terms and conditions of a Forward Delivery Bond Purchase Agreement for the Series 2021A Bonds) will be excluded from gross income for federal income tax purposes. See “FORWARD DELIVERY OF THE SERIES 2021A BONDS.”

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DEBT SERVICE SCHEDULE

Following is the annual debt service schedule with respect to the 2019/2021 Bonds, assuming no redemptions prior to maturity:

<u>Fiscal</u> <u>Year</u>	Series 2019A Bonds <u>Principal</u>	Series 2019A Bonds <u>Interest</u>	Total Series <u>2019A Bonds</u>	Series 2021A Bonds <u>Principal</u>	Series 2021A Bonds <u>Interest</u>	Total Series <u>2021A Bonds</u>	<u>Grand Total</u>
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THE LEASED PROPERTY

The Leased Property consists of two City buildings located at 214 South “C” Street and 360 West Second Street, which currently encompass approximately 37,000 square feet of total floor space and house a service center and the Fire Department Administration. The buildings were completed in 2007. The insured value of both buildings, as estimated by the City, is approximately \$32 million.

Under the Facility Lease, the City has the right to substitute or release all or portion of the Leased Property subject to certain conditions precedent. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 Bonds – Substitution and Removal of Property.”

THE 2019/2021 BONDS

General

The Series 2019A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Series 2019A Bonds shall bear interest from their date of delivery and such interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2019A Bonds will be paid semiannually on June 1 and December 1 (each, an “Interest Payment Date”) of each year, commencing December 1, 2020. The 2021A Bonds shall be issued (assuming and subject to, with respect to the Series 2021A Bonds, the satisfaction of certain terms and conditions of a Forward Delivery Bond Purchase Agreement for the Series 2021A Bonds) in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, and shall bear interest from their date of delivery, and such interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on the 2021A Bonds will be paid semiannually on each Interest Payment Date, commencing June 1, 2021.

The interest on the 2019/2021 Bonds will be paid in lawful money of the United States. The interest on the 2019/2021 Bonds shall be payable on each Interest Payment Date by check sent by first class mail by the Trustee to the Owners of the 2019/2021 Bonds as of the Record Date for such Interest Payment Date at their addresses shown on the books required to be kept by the Trustee pursuant to the provisions of the Indenture. The principal and premium, if any, of the 2019/2021 Bonds shall be payable upon presentation and surrender thereof on maturity or on redemption prior thereto at the Principal Corporate Trust Office of the Trustee. The term “Record Date,” as defined in the Indenture, means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

The Owner of \$1,000,000 or more in aggregate principal amount of the 2019/2021 Bonds may request in writing that the Trustee pay the interest on the 2019/2021 Bonds by wire transfer to an account in the United States of America and the Trustee shall comply with such request for all Interest Payment Dates following the 15th day after receipt of such request.

Redemption

Optional Redemption.

Series 2019A Bonds. The Series 2019A Bonds maturing on or before _____ 1, 20__, are not subject to optional redemption. The Series 2019A Bonds maturing on or after June 1, 20__ are subject to optional redemption prior to maturity on or after June 1, 20__ at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the Series 2019A Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

Series 2021A Bonds. The Series 2021A Bonds maturing on or before _____ 1, 20__, are not subject to optional redemption. The Series 2021A Bonds maturing on or after June 1, 20__ are subject to optional redemption prior to maturity on or after June 1, 20__ at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the Series 2021A Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

Extraordinary Redemption from Condemnation Award or Insurance Proceeds. To the extent permitted or required by the Indenture, the 2019/2021 Bonds are subject to redemption on any date prior to their respective maturity dates, as a whole, or in part, at the written direction of the City, from the net proceeds of any insurance or condemnation award with respect to the Leased Property or portions thereof, at a redemption price equal to the principal amount of the 2019/2021 Bonds plus accrued interest thereon to the date fixed for redemption, without premium.

Notice of Redemption. Notice of redemption shall be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of 2019/2021 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee and, unless otherwise instructed by the Authority, provided by the Trustee to the MSRB. Each notice of redemption shall state the date of such notice, the 2019/2021 Bonds to be redeemed, the Series and date of issue of such 2019/2021 Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the 2019/2021 Bonds of such maturity to be redeemed and, in the case of 2019/2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice of optional redemption shall also state that such redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the 2019/2021 Bonds then called for redemption, on said date there will become due and payable on each of such 2019/2021 Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a 2019/2021 Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2019/2021 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice of redemption pursuant to Indenture to any one or more of the information services or securities depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The City has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was

sent.

Partial Redemption of Bonds. Whenever less than all the Outstanding Bonds maturing on any one date are called for redemption at any one time, the Trustee shall select the Bonds to be redeemed, from the Outstanding Bonds maturing on such date not previously selected for redemption, by lot in any manner which the Trustee deems appropriate.

Effect of Redemption. If notice of redemption has been duly given as set forth in the Indenture and moneys for the payment of the redemption price of the 2019/2021 Bonds to be redeemed are held by the Trustee, then on the redemption date designated in such notice the 2019/2021 Bonds so called for redemption shall become payable at the redemption price specified in such notice; and from and after the date so designated interest on the 2019/2021 Bonds so called for redemption shall cease to accrue, such 2019/2021 Bonds shall cease to be entitled to any benefit or security under the Indenture and the Owners of such 2019/2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price represented thereby. The Trustee shall, upon surrender for payment of any of the 2019/2021 Bonds to be redeemed, pay such 2019/2021 Bonds at the redemption price thereof.

Book-Entry Only System

General. DTC will act as securities depository for the 2019/2021 Bonds. The 2019/2021 Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the 2019/2021 Bonds (the “Beneficial Owners”) in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in Appendix F) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the 2019/2021 Bonds.

Transfer and Exchange of Bonds. The following provisions regarding the exchange and transfer of the 2019/2021 Bonds apply only during any period in which the 2019/2021 Bonds are not subject to DTC’s book-entry system. While the 2019/2021 Bonds are subject to DTC’s book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC.

All 2019/2021 Bonds may be presented for transfer by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office of the Trustee, on the books required to be kept by the Trustee pursuant to the provisions of the Indenture, upon surrender of such 2019/2021 Bonds for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. The Trustee may treat the Owner of any 2019/2021 Bond as the absolute owner of such 2019/2021 Bond for all purposes, whether or not such 2019/2021 Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the principal of, premium, if any, and interest on such 2019/2021 Bond shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability of by such 2019/2021 Bond to the extent of the sum or sums so paid.

Whenever any 2019/2021 Bond or 2019/2021 Bonds shall be surrendered for transfer, the Trustee shall execute and deliver a new 2019/2021 Bond or 2019/2021 Bonds in the same principal amount in Authorized Denominations. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

2019/2021 Bonds may be presented for exchange at the Principal Corporate Trust Office of the Trustee, for a like aggregate principal amount of 2019/2021 Bonds of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to transfer or exchange any 2019/2021 Bond during the period in

which the Trustee is selecting 2019/2021 Bonds for redemption, nor shall the Trustee be required to transfer or exchange any 2019/2021 Bond or portion thereof selected for redemption from and after the date of mailing the notice of redemption thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 BONDS

Pledge of Revenues

Under the Indenture, the City will irrevocably pledge and transfer to the Trustee, for the benefit of the Owners, all of its right, title and interest in and to all amounts on deposit from time to time in the funds and accounts established under the Indenture (other than the Rebate Fund), subject to the provisions thereof permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein, and in and to the Revenues (as defined below), which shall be used for the punctual payment of the interest and principal of the Bonds. The Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding.

It is the intent of the parties to the Indenture that the Authority shall not have any right, title, in or to the Revenues. In the event, however, that it should be determined that the Authority has any right, title or interest in or to the Revenues, then the Authority irrevocably pledges and transfers to the Trustee, for the benefit of the Owners, all of such right, title and interest, which shall be used for the punctual payment of the interest and principal of the Bonds. These pledges shall constitute a first and exclusive lien on the funds established under the Indenture and the Revenues in accordance with the terms thereof.

Under the Indenture, “Revenues” includes all Base Rental Payments pursuant to the Facility Lease, and all other benefits, charges, income, proceeds, profits, receipts, rents and revenues derived by the Authority from the operation or use of the Leased Property, including interest or profits from the investment of money in any account or fund (other than the Rebate Fund) pursuant to the Indenture. See “RISK FACTORS” and Appendix A. The City will covenant in the Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facility Lease as a separate line item in its annual budgets and to make the necessary annual appropriations therefor, subject to abatement as provided in the Facility Lease.

The Authority, pursuant to the Assignment Agreement, will unconditionally grant, transfer and assign to the Trustee without recourse (i) all its rights to receive the Base Rental Payments under and pursuant to the Facility Lease, (ii) the right to take all actions under the Facility Lease, (iii) the right of access more particularly described in the Facility Lease, and (iv) any and all other rights and remedies of the Authority in the Facility Lease as lessor thereunder; provided, that so long as no default in payment of Base Rental Payments under the Facility Lease shall have occurred or be continuing, the Authority shall have and may exercise all rights of the Authority under the Facility Lease other than the right to receive the Base Rental Payments (which rights to receive have been assigned to the Trustee). The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See “—Base Rental Payments” below. Pursuant to the Indenture, the Authority may issue Additional Bonds payable from the Base Rental Payments on a parity with the 2019/2021 Bonds. See APPENDIX B—”SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—INDENTURE—Proceedings for Authorization of Additional Bonds.”

THE 2019/2021 BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2019/2021 BONDS. THE AUTHORITY HAS NO TAXING POWER.

Base Rental Payments

The City will agree under the Facility Lease to pay to the Trustee, as assignee of the Authority, the Base Rental Payments no later than the 3rd Business Day prior to each Interest Payment Date (the “Base Rental Payment Date”) on which such Base Rental Payment is due. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Revenue Fund to be established under the Indenture (the “Revenue Fund”). Such payments of Base Rental Payments will 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.

Base Rental Payments for each Lease Year or portion thereof during the term of the 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. Pursuant to the Indenture, on each Interest Payment Date, the Trustee will transfer amounts in the Revenue Fund as are necessary to the Interest Fund and the Principal Fund to provide for the payment of the interest on and principal of the 2019/2021 Bonds.

The City will covenant in the Facility Lease to take such action as may be necessary to include all Base Rental Payments and Additional Payments in its operating budget for each fiscal year and to make all necessary appropriations for such Base Rental Payments and Additional Payments, subject to abatement as provided in the Facility Lease. See “DEBT SERVICE SCHEDULE.”

THE OBLIGATION OF THE CITY TO MAKE THE BASE RENTAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The Facility Lease is subject and subordinate to the 2011 Master Lease including any renewals, extensions, modifications, consolidations and replacements thereof (collectively, the “2011 Master Lease Documents”). The 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, or (ii) on March 2, 2021, the date on which the 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 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 the Facility Lease, will not operate to cancel or otherwise terminate the Facility Lease and, in any such event, the Facility Lease will continue in full force and effect.

Additional Payments

The Facility Lease requires the City to pay to the Authority or the Trustee, as Additional Payments thereunder, in addition to the Base Rental Payments, such amounts as shall be required for the payment all costs and expenses incurred in connection with the execution, performance or enforcement of the Facility Lease or the assignment thereof, the Indenture, or the respective interests in the Leased Property and the lease of the Leased Property by the Authority to the City thereunder, including but not limited to all fees, costs and expenses and all administrative costs of the Authority relating to the Leased Property. Such fees and costs include, without limitation, 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.

Additional Payments will 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 constituting Additional Payments, 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.

Abatement

Base Rental Payments and Additional Payments are paid by the City in each Lease Year or portion thereof for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. 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 under the Facility Lease 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 assigns, transfers or subleases any or all of the Leased Property or other rights under the Facility Lease, as permitted by the Facility Lease, 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 the Facility Lease. The City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate the Facility Lease by virtue of any such interference and the Facility Lease shall continue in full force and effect.

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.

Notwithstanding the foregoing, to the extent there are (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, Base Rental Payments and Additional Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts.

Any abatement of rental payments pursuant to the Facility Lease is not considered an Event of Default as defined in the Facility Lease.

See APPENDIX B—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Rental Abatement."

Substitution and Removal of Property

The Authority and the City may amend the Facility 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, upon compliance with all of the conditions set forth in the Facility Lease. 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 under the Facility Lease and under the Site Lease. No substitution or removal shall take place under the Facility Lease until the City delivers to the Authority and the Trustee the following:

(a) 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;

(b) A certificate of the City (i) stating that the annual fair rental value of the Leased Property after a substitution or removal, in each year during the remaining term of the Facility Lease, is at least equal to the maximum annual Base Rental Payments payable thereunder 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; and (ii) demonstrating that the useful life of the Leased Property after substitution or removal equals or exceeds the remaining term of the Facility Lease;

(c) An opinion of counsel to the effect that the amendments to the Facility Lease and to the 2019 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;

(d) (1) 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 under the Facility Lease, 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 Bonds, and (2) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(e) 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 (d) 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;

(f) 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

(g) Evidence that the City has complied with the covenants to secure and maintain the insurance coverage with respect to the Substituted Property as set forth in the Facility Lease.

See APPENDIX B—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS."

Action on Default

If the City defaults under the Facility Lease, the Authority or its assignee must thereafter maintain the 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. The foregoing is the sole and exclusive remedy against the City under the Facility Lease or otherwise. In such event, the City shall remain liable and agrees to keep or perform all covenants and conditions contained in the Facility Lease to be kept or performed by the City and, to pay Base Rental Payments and Additional Payments to the end of the term of the Facility Lease and further agrees to pay said Base Rental Payments and Additional Payments and/or deficiency thereof punctually at the same time and in the same manner as provided in the Facility Lease for the payment of Base Rental Payments and Additional Payments thereunder. There is no provision for the acceleration of debt service on the 2019/2021 Bonds in the Indenture or of Base Rental Payments in the Facility Lease upon the happening of an event of default.

The Authority waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code. See "RISK FACTORS—Limited Recourse on Default; No Acceleration of Base Rental."

In each and every case during the continuance of an event of default under the Indenture, the Trustee or

the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding (subject to the provisions of the Indenture) shall be entitled, upon notice in writing to the City and the Authority to exercise any of the remedies granted to the City under the Facility Lease, to the Authority under the Facility Lease and, in addition, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owners by this Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

For purposes of certain actions of Owners under the Indenture and the Facility Lease, such as certain consents and amendments and the direction of remedies following default, Owners do not act alone and may not control such matters to the extent such matters are not supported by the requisite number of the Owners of all 2019/2021 Bonds and Additional Bonds, if any.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Facility Lease and the Indenture, see APPENDIX B—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Maintenance; Taxes; Insurance and Other Charges—Insurance."

No Reserve Fund

The Authority has not funded a reserve fund in connection with the issuance of the 2019/2021 Bonds.

Insurance

General. The Facility Lease requires that the City maintain certain insurance coverages on the Leased Property for loss due to property damage, title defect, loss of use and other liability as follows:

All Risk Insurance. 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.

General Liability Insurance. 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 such obligations may be satisfied by self-insurance.

Worker's Compensation Insurance. Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State 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 such obligations may be satisfied by self-insurance.

Title Insurance. 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 under the Facility Lease. Property on the date of issuance of the Series 2019A Bonds with liability in the aggregate amount of the principal component of all Base Rental Payments under the Facility Lease. Such policy shall insure the City's leasehold estate in the Leased Property subject only to such exceptions as do not materially affect the City's right to the use and occupancy of the Leased Property.

On the date of issuance of the Series 2021A Bonds, the City will deliver a CTLA leasehold owner's policy insuring the City's leasehold estate in the Leased Property, subject only to such exceptions as do not materially affect the City's right to use and occupancy of the Leased Property, with liability in the aggregate amount of the principal component of all Base Rental Payments, inclusive of the increase in the principal component of the Base Rental Payments upon the forward delivery of the Series 2021A Bonds, as set forth in the First Amendment to Facility Lease. See "FORWARD DELIVERY OF THE SERIES 2021A Bonds."

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.

The City self-insures up to certain amounts and purchases additional coverage from commercial carriers as described in Appendix A hereto under "INFORMATION REGARDING THE CITY OF OXNARD— Risk Management."

See also APPENDIX B—"SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS."

Use of Property and Title Insurance and Condemnation Proceeds. If prior to the termination of the term of the 2019 Facility Lease (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, 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* 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 under the Facility Lease 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), the City may elect not to repair, reconstruct or replace the damaged, destroyed, defective or condemned portion of the Leased Property and instead apply such proceeds to the redemption of Outstanding Bonds pursuant to the Indenture.

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, 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 the Facility Lease.

Rental Interruption Insurance. The Facility Lease requires the City to maintain rental interruption insurance to cover the loss, total or partial, of the use of any part of the Leased Property as a result of any of the

hazards covered by the property insurance required by the Facility Lease and described under “—*Property Insurance*” above for 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 under the Facility Lease. The City is not permitted to self-insure its obligation to maintain rental interruption insurance. Such rental interruption insurance may be included in the policy or policies for property insurance required by the Facility Lease and described under “—*Property Insurance*” above without increasing the aggregate limits for coverage with respect to any hazard covered thereby. The net proceeds any rental interruption insurance shall be payable to the Trustee and deposited in the Revenue Fund to be applied to the payment of principal and interest on the Bonds as they become due, in accordance with the Indenture.

See APPENDIX B—“SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS.”

THE AUTHORITY

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

THE CITY

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 Ventura, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the largest city in the County, with a population estimated at 209,879 in 2019, accounting for over 24% of the County’s population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City is governed by an elected Mayor holding a two-year term and six councilmembers elected by districts for four-year overlapping terms. For financial and demographic information regarding the City see APPENDIX A—“THE CITY OF OXNARD.”

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the 2019/2021 Bonds. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the 2019/2021 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General Considerations – Security for the 2019/2021 Bonds

The 2019/2021 Bonds are special obligations of the Authority, payable solely from Revenues and the other assets pledged under the Indenture. Neither the faith nor credit of the Authority, the City or the State, or any political subdivision thereof, is pledged to the payment of the 2019/2021 Bonds. The Authority has no taxing power.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City or the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State is obligated to levy or pledge

any form of taxation or for which the City or the State has levied or pledged any form of taxation.

Although the Facility Lease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Facility Lease to pay the Base Rental Payments and Additional Payments from any source of legally available funds, subject to abatement as provided in the Facility Lease, and the City will covenant in the Facility Lease that it will take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facility Lease in its annual budgets and to make necessary annual appropriations for all such Rental Payments, subject to abatement. The City is currently liable and may become liable on other obligations payable from general revenues. See “CITY FINANCIAL INFORMATION—Long Term Liabilities” in Appendix A attached hereto for a description of the City’s long-term and other obligations payable from general revenues.

Additionally, the payment of Revenues under the Facility Lease are subordinate in right of payment to the 2011 Master Lease, 2011 Property Lease and 2011 Bonds. Revenues will be available to pay obligations on the Bonds only after all payments under the 2011 Master Lease, 2011 Property Lease and 2011 Indenture have been made as set forth in this Official Statement and in the Indenture. In the event Revenues are insufficient to pay interest on or principal due on any or all of the Bonds then Outstanding, then the available Revenues shall first be applied towards the payment of interest on and principal due on the 2011 Bonds and any remaining amounts shall be used to pay the interest on and principal due on the Outstanding Bonds.

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the City, the funds available to make Base Rental Payments may be decreased. In the event the City’s revenue sources are less than its total obligations, the City could choose to fund other activities before making Base Rental Payments and other payments due under the Facility Lease. The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. However, the City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Article XIII B of the State Constitution.”

Abatement

In the event of substantial interference with the City’s right to use and occupy any portion of the Leased Property by reason of damage to, or destruction or condemnation of the Leased Property, or any defects in title to the Leased Property, Base Rental Payments will be subject to abatement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 BONDS—Abatement.” In the event that such portion of the Leased Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the City’s rental interruption insurance will be available in lieu of Base Rental Payments, plus the period for which funds are available from (a) amounts held by the Trustee in the Revenue Bond, and (b) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Bonds under the Indenture, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Leased Property or redemption of the 2019/2021 Bonds, there could be insufficient funds to make payments to Owners in full. The Authority has not funded a reserve fund for the 2019/2021 Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Leased Property results in abatement of the Base Rental Payments related to such Leased Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the 2019/2021 Bonds during the period that the Leased Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Facility Lease and the Indenture, no remedy is available to the Owners for nonpayment under such circumstances.

Limited Secondary Market

As stated herein, investment in the 2019/2021 Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the 2019/2021 Bonds should consider such investment. There can be no guarantee that there will be a secondary market for purchase or sale of the 2019/2021 Bonds or, if a secondary market exists, that the 2019/2021 Bonds can or could be sold for any particular price.

No Reserve Fund

Neither the Authority nor the City is funding a debt service reserve for the 2019/2021 Bonds.

Seismic Activity

Generally, within the State, some level of seismic activity occurs on a regular basis. Periodically, the magnitude of a single seismic event can cause significant ground shaking and damage to property located at or near the center of such seismic activity. An earthquake along one of the faults in the vicinity, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake can easily exceed the resources of the City and would require a high level of self-help, coordination and cooperation.

The City is located in the vicinity of several known active earthquake faults, heightening the risks associated with seismic events. The City does not currently maintain earthquake insurance coverage for the Leased Property.

Wildfire Conditions

Although the City is not located in a very high fire hazard severity zone (as designated by Cal Fire), the County includes areas where there is high or extreme danger of wildfires during dry months and during periods of prolonged drought. In December 2017, the County, along with neighboring Santa Barbara County experienced a massive wildfire known as the Thomas Fire, which burned approximately 282,000 acres, destroyed over 1,000 structures and damaged 280 structures.

In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of homes. There can be no assurances that wildfires won't occur within the County and occur within the City. Property damage due to wildfire could result in a significant decrease in the market value of property in the City and in the ability or willingness of property owners to pay property taxes when due.

Risks Associated with Global Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent and more intense as a result of increasing global temperatures attributable to atmospheric pollution. Airport events, and significant capital investments will likely be made to address these vulnerabilities. Further, the long-term effects of sea level rise and climate change could reduce demand for travel to or from the San Francisco Bay Area, with potential material adverse effects on the Airport's finances.

The Forth National Climate Assessment, published by the U.S. Global Change Research Program in November 2018 (NCA4), finds that rising temperatures, sea level rise, and more frequent and intense extreme

weather and climate-related events, as well as changes in average climate conditions, are expected to continue to increasingly disrupt and damage infrastructure, ecosystems, social systems, property, and regional economies and industries that depend on natural resources and favorable climate conditions. NCA4 also finds that the Airport is vulnerable to effects of sea level rise, with flooding potentially exacerbated by storm surges and high tides.

Coastal portions of the City are located along the Pacific Ocean and have experienced rising sea levels which could cause severe flooding and the loss of property. Additionally, the City could be subject to impacts from tsunamis in the event of an earthquake occurring off-shore.

Beyond the direct adverse material effect of global climate change itself, present, pending and possible regulations aimed at curbing the effects of climate change may directly or indirectly materially adversely affect the market value of property in the City and its ability or willingness of property owners to pay property taxes when due.

Hazardous Substances

The City knows of no existing hazardous substances which require remedial action on or near the Leased Property. However, it is possible such substances do currently or potentially exist and that the City is not aware of them.

Owners and operators of real property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the City, may result in the reduction in the assessed value of property, and therefor property tax revenue.

Cybersecurity

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City’s own administrative regulations. Within the City’s operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City’s computers and technologies.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City’s security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City’s computer and technology could negatively impact the City’s operations, and the costs related to such attacks could be substantial.

Limited Recourse on Default; No Acceleration of Base Rental

Failure by the City to make Base Rental Payments or Additional Payments required to be made under the Facility Lease, or failure to observe and perform any other terms, covenants or conditions contained in the Facility Lease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute events of default under the Facility Lease and permit the Trustee or the Authority to pursue any and all remedies available. In the event of a default, notwithstanding anything in the Facility Lease or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable, nor do the Authority or the Trustee have any right to re-enter or re-let the Leased Property.

The enforcement of any remedies provided in the Facility Lease and the Indenture could prove both expensive and time consuming. If the City defaults on its obligation to make Base Rental Payments with respect to the Leased Property, the Trustee, as assignee of the Authority, may retain the Facility Lease and hold the City liable for all Base Rental Payments thereunder on an annual basis and enforce any other terms or provisions of the Facility Lease to be kept or performed by the City. Any suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 BONDS” and APPENDIX B—“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Until 2011, Bonds are defeased on March 2, 2021, the payment of Revenues under the Facility Lease are subordinate in right of payment to the 2011 Master Lease, 2011 Property Lease and 2011 Bonds. Revenues will be available to pay obligations on the Bonds only after all payments under the 2011 Master Lease, 2011 Property Lease and 2011 Indenture have been made as set forth in this Official Statement and in the Indenture. In the event Revenues are insufficient to pay interest on or principal due on any or all of the Bonds then Outstanding, then the available Revenues shall first be applied towards the payment of interest on and principal due on the 2011 Bonds and any remaining amounts shall be used to pay the interest on and principal due on the Outstanding Bonds.

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners and the obligations of the City may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

Under Chapter 9 of the United States Bankruptcy Code (Title 11, United States Code) (the “Bankruptcy Code”), which governs bankruptcy proceedings of public entities such as the City, no involuntary bankruptcy petition may be filed against a public entity. However, upon satisfaction of certain prerequisite conditions, a voluntary bankruptcy petition may be filed by the City. The filing of a bankruptcy petition results in a stay against enforcement of remedies under agreements to which the bankrupt entity is a party. A bankruptcy filing by the City could thus limit remedies under the Facility Lease. A bankruptcy debtor may choose to assume or reject executory contracts and leases, such as the Facility Lease. In the event of rejection of a lease by debtor lessee, the leased property is returned to the lessor and the lessor has a claim for a limited amount of the resulting damages.

Under the Indenture, the Trustee holds a security interest in the Revenues, including Base Rental

Payments, for the benefit of the Owners of the Bonds, but such security interest arises only when the Base Rental Payments are actually received by the Trustee following payment by the City. The Leased Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of Owners. In the event of a bankruptcy filed by the City and the subsequent rejection of the Facility Lease by the City, the Authority would recover possession of the Leased Property and the Trustee, as assignee of the Authority, would have a claim for damages against the City. The Trustee's claim would constitute a secured claim only to the extent of Revenues in the possession of the Trustee; the balance of such claim would be unsecured.

Bankruptcy proceedings would subject the Owners of the 2019/2021 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently entail risks of delay, limitation, or modification of their rights with respect to the 2019/2021 Bonds. In a bankruptcy case, the amount recovered by Owners of the 2019/2021 Bonds could be affected by whether the Facility Lease is determined to be a "true lease" or a loan or other financing arrangement (a "financing lease"), and the Owners' recovery could be reduced in either case. If the Facility Lease is determined by the bankruptcy court to constitute a "true lease" (rather than a financing lease), the City could choose not to perform under the Facility Lease by rejecting it and the claim of the Owners could be substantially limited pursuant to Section 365 of the Bankruptcy Code to a fraction of the scheduled amount of Base Rental Payments, and that reduced claim amount could be impaired as an unsecured claim under a plan of adjustment. If a bankruptcy court were to treat the Facility Lease as a financing lease then, under a plan of adjustment, the priority, payment terms, collateral, payment dates, payment sources, covenants and other terms or provisions of the Facility Lease and the 2019/2021 Bonds may be altered. Such a plan could be confirmed even over the objections of the Trustee and the Owners, and without their consent. For example, the amount of the Base Rental Payments from the City might be substantially reduced because of the power of the bankruptcy court under the Bankruptcy Code to adjust secured claims to the value of their collateral, which, as described above, could be limited to the Revenues held by the Trustee. In addition there can be a substantial disparity in treatment based on the nature of the Leased Property. Whether the Facility Lease is characterized by the bankruptcy court as a true lease or a financing lease, either scenario could result in the Owners not receiving the full amount of the principal and interest due on the 2019/2021 Bonds.

Possible Insufficiency of Insurance Proceeds

The Facility Lease obligates the City to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Leased Property in the event of damage, destruction or title defects, subject to certain exceptions. The Authority and the City make no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Facility Lease, and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal of and interest on the 2019/2021 Bonds when due. In addition, insurance for certain risks, such as earthquakes and floods, are not required under the Facility Lease, but are currently carried by the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 Bonds—Insurance."

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," the interest on the Series 2021A Bonds (assuming their issuance upon satisfaction of certain terms and conditions of a Forward Delivery Bond Purchase Agreement) could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of such bonds, as a result of acts or omissions of the Authority or the City in violation of their respective covenants in the Indenture, the Facility Lease and the Tax Certificate. Should such an event of taxability occur, the Series 2021A Bonds (assuming their issuance upon satisfaction of certain terms and conditions of a Forward Delivery Bond Purchase Agreement) would not be subject to a special redemption and would remain Outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

No Liability of Authority to the Owners

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Owners of the 2019/2021 Bonds with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Facility Lease or the Indenture, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

Dependence on State for Certain Revenues

In 2008, the State began experiencing the most significant economic downturn and financial pressure since the Great Depression of the 1930s. Despite the recent significant budgetary improvements, according to the State, there remain a number of major risks and pressures that threaten the State's financial condition, including a stock market correction, federal policy, slower global growth and an eventual U.S. recession. The State's revenues (particularly the personal income tax) can be volatile and correlate to overall economic conditions. There can be no assurances that the State will not face fiscal stress and cash pressures again, or that other changes in the State or national economies will not materially adversely affect the financial condition of the State.

The City cannot predict the extent of any budgetary problems the State will encounter in future fiscal years and it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the impact that State budgets will have on the City's finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

A number of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. In the event of a material economic downturn in the State, there can be no assurance that any resulting revenue shortfalls to the State will not reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of the State's efforts to address any such related State financial difficulties.

See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 1A" and "—Proposition 22" below.

Initiatives

There are currently four petitions circulating for initiatives which would have an impact the City's finance and governance if sufficient signatures are obtained to place such initiatives on a future ballot and were passed by the voters. The initiatives are described briefly as follows:

Oxnard Fiscal Transparency and Accountability Act, which would make the City Treasurer, an elected official, the head of the finance department;

Keeping the Promise for Oxnard Streets Act, which would deny the city certain sales tax revenue if it fails to maintain streets to specific levels (see Appendix A – "THE CITY OF OXNARD – Sales Tax Revenues");

Oxnard Term Limits Act, which would limit the mayor and council members to no more than two consecutive four-year terms; and

Oxnard Open Meetings Act, which would require city meetings to begin no earlier than 5 p.m. and

allow public speakers no less than three minutes to comment.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Principal of and interest on the 2019/2021 Bonds are payable from Base Rental Payments made from the City's General Fund. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 Bonds." Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 62, 111, 218, 1A and 22, and certain other provisions of law discussed below are included in this Official Statement to describe the potential effect of these Constitutional and statutory measures on the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service: (i) on indebtedness approved by the voters prior to December 1, 1978; (ii) on bonded indebtedness approved by a two thirds vote on or after December 1, 1978, for the acquisition or improvement of real property; or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, including a general economic downturn, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by counties and distributed according to a formula among taxing agencies.

Increases in assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the State Constitution

In addition to the limits that Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "appropriations limit" imposed by Article XIII B which effectively limits the amount of such revenues that such entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially

by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues and the investment proceeds thereof, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized as of January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each local government’s actual appropriations be tested against its limit every two years.

If the aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B.

Articles XIII C and XIII D of the State Constitution

On November 5, 1996, State voters approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the State Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments and property-related fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the City’s General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs, such as hearings and stricter and more individualized benefit requirements and findings. These provisions include, among other things: (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel; (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIII D, over and above any general benefits conferred; (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party; and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the

same manner as it is to property owners. If the City is unable to continue to collect these revenues, the services and programs funded with these revenues would have to be curtailed and/or the City's General Fund might have to be used to support them. The City is unable to predict whether or not in the future it will be able to continue all existing services and programs funded by the fees, charges and assessments in light of Proposition 218 or, if these services and programs are continued, which amounts (if any) would be used from the City's General Fund to continue to support such activities.

Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and: (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed; (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax imposed by a local governmental entity on or after July 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

On September 28, 1995, the California Supreme Court, in the case of Santa Clara County Local Transportation Authority v. Guardino, upheld the constitutionality of Proposition 62. In this case, the court held that a countywide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, required a two-thirds voter approval. Because the tax received an affirmative vote of only 54.1%, this special tax was found to be invalid. The decision did not address the question of whether or not it should be applied retroactively.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the California Supreme Court released its decision in one of these cases, Howard Jarvis Taxpayers Association v. City of La Habra, et al. In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

The City has not experienced any substantive adverse financial impact as a result of the passage of Proposition 62.

Proposition 1A

Proposition 1A was approved by the voters at the November 2, 2004 election. Proposition 1A amended the State Constitution to, among other things, reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales, and vehicle license fee revenues as of November 3, 2004. Beginning with Fiscal Year 2008-09, the State may borrow up to eight percent of local property tax revenues, but only if the Governor proclaims such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the Legislature approves the borrowing. The amount borrowed is required to be paid back within three years. The State also will not be able to borrow from local property tax revenues for more than two fiscal years within a period of 10 fiscal years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the statewide local sales tax.

Many of the provisions of Proposition 1A have been superseded by Proposition 22 enacted in November 2010 and described below.

Proposition 22

On November 2, 2010, the voters of the State approved Proposition 22, known as "The Local Taxpayer, Public Safety, and Transportation Protection Act" ("Proposition 22"). Proposition 22, among other things, broadens the restrictions established by Proposition 1A. While Proposition 1A permits the State to appropriate or borrow local property tax revenues on a temporary basis during times of severe financial hardship, Proposition 22 amends Article XIII of the State Constitution to prohibit the State from appropriating or borrowing local property tax revenues under any circumstances. The State can no longer borrow local property tax revenues on a temporary basis even during times of severe financial hardship. Proposition 22 also prohibits the State from appropriating or borrowing proceeds derived from any tax levied by a local government solely for the local government's purposes. Furthermore, Proposition 22 restricts the State's ability to redirect redevelopment agency property tax revenues to school districts and other local governments and limits uses of certain other funds although this provision no longer has any meaningful impact given the statewide dissolution of redevelopment agencies. Proposition 22 is intended to stabilize local government revenue sources by restricting the State government's control over local revenues. The City cannot predict whether Proposition 22 will have a beneficial effect on the City's financial condition.

Proposition 26

On November 2, 2010, State voters also approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not

believe that Proposition 26 will adversely affect its General Fund revenues.

Possible Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D and Propositions 218, 111, 62, 1A, 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

TAX MATTERS

Series 2021A Bonds

Federal Income Taxes. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Bonds. Pursuant to the [Resolution/Indenture, the Loan Agreement and the Tax Document] the Authority and the City have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the City have made certain representations and certifications in the [Resolution/Indenture, the Loan Agreement and the Tax Document]. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, including the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreement as described under the heading "FORWARD DELIVERY OF THE SERIES 2021 BONDS", and the accuracy of certain representations and certifications made by the Authority and the City described above, interest on the Series 2021A Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest will not be treated as a preference item in calculating the alternative minimum tax imposed under the Code.

State Taxes. Bond Counsel is also of the opinion that interest on the Series 2021A Bonds will be exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2021A Bonds nor as to the taxability of the Series 2021A Bonds or the income therefrom under the laws of any state other than California.

Original Issue Discount. Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2021A Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2021A Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a "Discount Series 2021A Bond" and collectively the "Discount Series 2021A Bonds") constitutes original issue discount which will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2021A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Series 2021A Bond and the basis of each Discount Series 2021A Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Series 2021A Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Series 2021A Bonds are advised that they should consult with their own advisors with respect to the state and local tax

consequences of owning such Discount Series 2021A Bonds.

Original Issue Premium. Series 2021A Bonds sold at prices in excess of their principal amounts are “Premium Series 2021A Bonds”. An initial purchaser with an initial adjusted basis in a Premium Series 2021A Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Series 2021A Bond based on the purchaser’s yield to maturity (or, in the case of Premium Series 2021A Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Series 2021A Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Series 2021A Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2021A Bonds. Owners of the Premium Series 2021A Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Series 2021A Bonds.

Ancillary Tax Matters. Ownership of the Series 2021A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2021A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix []. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events. Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2021A Bonds may occur. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2021A Bonds may affect the tax status of interest on the Series 2021A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series

2021A Bonds, or the interest thereon, if any action is taken with respect to the Series 2021A Bonds or the proceeds thereof upon the advice or approval of other counsel.

Series 2019A Bonds

Federal Income Tax. The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2019A Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2019A Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2019A Bonds as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2019A Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2019A Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2019A Bonds.

Neither the Authority nor the City have not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders. As used herein, the term “U.S. Holder” means a beneficial owner of Series 2019A Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2019A Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2019A Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2019A Bonds.

Taxation of Interest Generally. Interest on the Series 2019A Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2019A Bonds. In general, interest paid on the Series 2019A Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Series 2019A Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally. Section 451(b) of the Code provides that purchasers using an accrual

method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, the IRS issued proposed regulations which provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2019A Bonds under the Code.

Original Issue Discount. The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2019A Bonds issued with original issue discount (“Discount Series 2019A Bonds”). A Series 2019A Bond will be treated as having been issued with original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2019A Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2019A Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2019A Bond’s “stated redemption price at maturity” is the total of all payments provided by the Series 2019A Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the Authority) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Series 2019A Bond is the sum of the “daily portions” of original issue discount with respect to such Discount Series 2019A Bond for each day during the taxable year in which such holder held such Discount Series 2019A Bond. The daily portion of original issue discount on any Discount Series 2019A Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Series 2019A Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Series 2019A Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Discount Series 2019A Bond at the beginning of any accrual period is the sum of the issue price of the Discount Series 2019A Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Series 2019A Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2019A Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under “Recognition of Income Generally” above. Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the

recognition of income related to the Series 2019A Bonds under the Code.

Market Discount. A holder who purchases a Series 2019A Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2019A Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a Series 2019A Bond who acquires such Series 2019A Bond at a market discount also may be required to defer, until the maturity date of such Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2019A Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder's gross income for the taxable year with respect to such Series 2019A Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2019A Bond for the days during the taxable year on which the holder held the Series 2019A Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2019A Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under "Recognition of Income Generally" above. Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2019A Bonds under the Code.

Bond Premium. A holder of a Series 2019A Bond who purchases such Series 2019A Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2019A Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2019A Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2019A Bonds who acquire such Series 2019A Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2019A Bonds.

Surtax on Unearned Income. Section 1411 of the Code generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less

certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Bonds. A bondholder's adjusted tax basis for a Series 2019A Bond is the price such holder pays for the Series 2019A Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2019A Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2019A Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2019A Bond is held as a capital asset (except in the case of Series 2019A Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2019A Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued", or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2019A Bond under the defeasance provisions of the Indenture could result in a deemed sale or exchange of such Series 2019A Bond.

EACH POTENTIAL HOLDER OF SERIES 2019A BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2019A BONDS, AND (2) THE CIRCUMSTANCES IN WHICH BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders. The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by the Authority or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of the Authority, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Authority (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Authority, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2019A Bonds must certify to the Authority or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide the Authority or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2019A Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2019A Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2019A Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2019A Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2019A Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Series 2019A Bonds shall have no recourse against the Authority, nor will the Authority be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2019A Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2019A Bonds.

Information Reporting and Backup Withholding. For each calendar year in which the Series 2019A Bonds are outstanding, the Authority, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Authority, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the Series 2019A Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder’s federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by the Authority, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth

in the second paragraph under “Non-U.S. Holders” above), or has otherwise established an exemption (provided that neither the Authority nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2019A Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2019A Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder’s particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2019A Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes. Bond Counsel is also of the opinion that interest on the Series 2019A Bonds will be exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2019A Bonds nor as to the taxability of the Series 2019A Bonds or the income therefrom under the laws of any state other than California.

Changes in Law and Post Issuance Events. Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2019A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2019A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2019A Bonds. Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2019A Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2019A BONDS.

Considerations for Erisa and Other U.S. Benefit Plan Investors. The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (“Qualified Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (“Governmental Plans”), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (“Church Plans”), are not subject to ERISA requirements.

Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2019A Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties In Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2019A Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Authority were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of the Authority would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an “equity interest” in the Authority and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Series 2019A Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2019A Bonds, including the reasonable expectation of purchasers of Series 2019A Bonds that the Series 2019A Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Series 2019A Bonds for ERISA purposes could change subsequent to issuance of the Series 2019A Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Series 2019A Bonds or a characterization of the Series 2019A Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Series 2019A Bonds or any interest therein by a Benefit Plan is prohibited.

However without regard to whether the Series 2019A Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2019A Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Authority or the Issuing and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2019A Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2019A Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions

effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2019A Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2019A Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to (a) represent and warrant that either (i) it is not acquiring the Series 2019A Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2019A Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws, and (b) acknowledge and agree that a Benefit Plan may not purchase the Series 2019A Bonds (or any interest therein) at any time that the ratings on the Series 2019A Bonds are withdrawn or downgraded to below investment grade or the Series 2019A Bonds have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Series 2019A Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

In addition, each purchaser and each transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) of a Series 2019A Bond that is a Benefit Plan is deemed to represent and warrant that: (a) the decision to acquire the Series 2019A Bonds was made by the plan fiduciary; (b) the plan fiduciary is independent of the Authority, Trustee, and Underwriters; (c) the plan fiduciary meets the requirements of 29 C.F.R. § 2510.3 21(c)(1) and specifically is either a bank as defined in Section 202 of the Investment Advisers Act of 1940 or similar institution that is regulated and supervised and subject to periodic examination by a U.S. state or U.S. federal agency; an insurance carrier which is qualified under the laws of more than one U.S. state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan; an investment adviser registered under the Investment Advisers Act of 1940 or, if not registered as an investment adviser under the Investment Advisers Act by reason of paragraph (1) of Section 203A of the Investment Advisers Act, is registered as an investment adviser under the laws of the U.S. state in which it maintains its principal office and place of business; a broker dealer registered under the Exchange Act; or holds, or has under its management or control, total assets of at least \$50 million (provided that this clause shall not be satisfied if the plan fiduciary is an individual directing his or her own individual plan account or is a relative of such individual); (d) the plan fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions, and investment strategies, including the purchase or transfer of the Series 2019A Bonds; (e) the plan fiduciary is a “fiduciary” with respect to the plan within the meaning of Section (21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the acquisition, transfer or holding of the Series 2019A Bonds; (f) none of the Authority, Trustee, or Underwriters has exercised any authority to cause the Benefit Plan to invest in the Series 2019A Bonds or to negotiate the terms of the Benefit Plan’s investment in the Series 2019A Bonds; and (g) the plan fiduciary has been informed: (1) that none of the Authority, Trustee, or Underwriters are undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the plan’s acquisition or transfer of the Series 2019A Bonds and (2) of the existence and nature of the Authority’s, Trustee’s, or Underwriters’ financial interests in the Benefit Plan’s acquisition or transfer of the Series 2019A Bonds.

None of the Authority, Trustee, or Underwriters is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Series 2019A Bonds by any Benefit Plan.

Because the Authority, Trustee, Underwriters or any of their respective affiliates may receive certain

benefits in connection with the sale of the Series 2019A Bonds, the purchase of the Series 2019A Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2019A Bonds using plan assets of a Benefit Plan should consult with its counsel if the Authority, the Trustees or the Underwriters or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2019A Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

CERTAIN LEGAL MATTERS

The validity of the 2019/2021 Bonds and certain other legal matters are subject to the respective approving opinions of Nixon Peabody LLP, Bond Counsel. Best Best & Krieger LLP, is acting as City Attorney, Authority Counsel and Disclosure Counsel for the City. Complete copies of the proposed forms of opinion of Bond Counsel are contained in Appendix D hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Bond Counsel and Disclosure Counsel will receive compensation from the City contingent upon the sale and delivery of the 2019/2021 Bonds. From time to time, Bond Counsel and Disclosure Counsel represents the Underwriter on matters unrelated to the 2019/2021 Bonds. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. Counsel to the Underwriter will receive compensation contingent upon that issuance of the 2019/2021 Bonds.

ABSENCE OF LITIGATION

To the best knowledge of the City and the Authority, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the 2019/2021 Bonds, the 2019 Site Lease, the Facility Lease, the Assignment Agreement or the Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority or the City taken with respect to any of the foregoing.

UNDERWRITING

The Series 2019A Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter will purchase the Series 2019A Bonds from the Authority at an aggregate purchase price of \$_____ (representing the principal amount of the Series 2019A Bonds, plus \$_____ of original issue premium and less \$_____ of Underwriter's discount). The Series 2021A Bonds are also being purchased by the Underwriter from the Authority on a forward delivery basis as described below under the caption "FORWARD DELIVERY OF THE SERIES 2021A Bonds."

The 2019/2021 Bonds are offered for sale at the initial yields stated on the pages following the cover page of this Official Statement, which may be changed from time to time by the Underwriter. The 2019/2021 Bonds may be offered and sold to certain dealers at yield higher than the public offering yields.

FORWARD DELIVERY OF THE SERIES 2021A BONDS

General

The Series 2021A Bonds are being purchased by the Underwriter from the Authority on a forward delivery basis, subject to the satisfaction of certain terms and conditions of a Forward Delivery Bond Purchase Agreement (the “Forward Delivery Bond Purchase Agreement”) among the Authority, the City and the Underwriter. The Underwriter has agreed, subject to the satisfaction of certain terms and conditions of the Forward Delivery Bond Purchase Agreement, certain of which are described below, to purchase the Series 2021A Bonds for delivery by the Authority on or after _____, 2021 (the “Settlement Date”) at purchase price of \$_____ (representing the principal amount of the Series 2021A Bonds, plus \$_____ of original issue premium and less \$_____ of Underwriter’s discount). The Forward Delivery Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2021A Bonds if any are purchased. It is anticipated that the Series 2021A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about March 2, 2021, subject to the satisfaction of certain conditions.

During the period of time between the date hereof and the Settlement Date (the “Delayed Delivery Period”), certain information contained in this Official Statement may change in a material respect. The Authority and the City have agreed to amend this Official Statement (the “updated Official Statement”) to the extent necessary to assure its accuracy as of a date not later than seven days prior to the Settlement Date and to provide a reasonable number of copies of the updated Official Statement, if any, to the Underwriter at such time. With this exception, the Authority, the City and the Underwriter have not agreed to, nor are they obligated to, provide updates to the information contained in this Official Statement during the Delayed Delivery Period.

Certain Terms Concerning Forward Delivery

Under the Forward Delivery Bond Purchase Agreement, the Underwriter is not required to purchase the Series 2021A Bonds if, among other conditions, (1) there has been a Change in Law (as defined below); (2) legislation is enacted, or a decision by a court of the United States is rendered, or any action is taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the Series 2021A Bonds, and any and all underlying obligations, to be registered under, or the sale thereof to be in violation of, the Securities Act of 1933, as amended or has the effect of requiring the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or, in each case, any law analogous thereto relating to governmental bodies; (3) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of Treasury, the IRS, or any agency of the State either enacted, issued, effective, adopted or proposed, or for any other reason Bond Counsel cannot issue an opinion to the effect that (i) the interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code (or comparable provisions of any successor federal tax laws) and (ii) the interest on the Series 2021A Bonds is exempt from the State of California personal income taxes; (4) this Official Statement (as amended, if applicable) as of its date or as of the date of delivery of the Series 2019A Bonds contained any untrue statement or misstatement of material fact or omitted to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; or the updated Official Statement to be delivered in connection with the forward delivery of the Series 2021A Bonds (as amended, if applicable) as of its date or as of the date of delivery of the Series 2021A Bonds, contained or contains any untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; (5) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange; [or (6) the Series 2021A Bonds are no longer rated investment grade by S&P.]

A “Change in Law” means (i) any change in or addition to applicable federal or State law, whether statutory or as interpreted by the courts or by federal or State agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or State agencies; (ii) any legislation enacted

by the Congress of the United States (if such enacted legislation has an effective date which is on or before the date of delivery of the Series 2021A Bonds), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the date of delivery of the Series 2021A Bonds) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter prohibit the Underwriter from completing the underwriting of the Series 2021A Bonds or selling the Series 2021A Bonds or beneficial ownership interests therein to the public, or (B) as to the Authority or the City, would make the completion of the issuance, sale or delivery of the Series 2021A Bonds illegal.

Delayed Delivery Contract

The Underwriter has advised the Authority that the Series 2021A Bonds may be sold to investors who execute the Delayed Delivery Contract in substantially the form attached hereto as Appendix G. The Delayed Delivery Contract sets forth certain terms, conditions and representations of the investors who commit thereunder to purchase the Series 2021A Bonds from the Underwriter if and when they are issued. The proposed form of Delayed Delivery Contract is attached as Appendix G at the request and for the convenience of the Underwriter. The Authority will not be a party to any Delayed Delivery Contract and the Authority is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Certain Considerations

Issuance and delivery of the Series 2021A Bonds will be dependent on receipt by the Authority of the opinion of Bond Counsel to the effect set forth in Appendix D on the Settlement Date and of certain other documents required by the Forward Delivery Bond Purchase Agreement, and payment of the purchase price by the Underwriter in accordance with the Forward Delivery Bond Purchase Agreement on the Settlement Date.

Bond Counsel could be prevented from rendering its opinion on the Settlement Date with respect to the Series 2021A Bonds as a result of (i) changes or proposed changes, prior to the Settlement Date, in federal or California state laws, court decisions, regulations or proposed regulations, or rulings of administrative agencies or (ii) the failure of the Authority or the City to provide closing documents, satisfactory to Bond Counsel, of the type customarily required in connection with the issuance of tax-exempt bonds, such as certificates to the effect that the proceedings of the Authority and the City with respect to the issuance of the Series 2021A Bonds have not been amended or repealed, in a manner detrimental to holders of the Series 2021A Bonds, by executive, legislative or administrative action.

Rating Risk

S&P has issued its rating for the Series 2021A Bonds. See “RATING” below. No assurance can be given that at the Settlement Date of the Series 2021A Bonds, such rating will continue to be in effect. [The Underwriter may not terminate its obligation to purchase the Series 2021A Bonds unless as of the Settlement Date, S&P no longer maintains an investment grade rating on the Series 2021A Bonds.] The rating in effect as of the Settlement Date need not be the same rating that was expected as of the closing of the Series 2019A Bonds.

Secondary Market Risk

The Underwriter is not obligated to make a secondary market in the Series 2021A Bonds and no assurance can be given that a secondary market will exist for the Series 2021A Bonds, including during the Delayed Delivery Period. Prospective purchasers of the Series 2021A Bonds should assume that there will be no secondary market during the Delayed Delivery Period.

Market Value Risk

The market value of the Series 2021A Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the rating on the Series 2021A Bonds, the financial condition and business operations of the City and federal and state income tax and other laws. Thus, the market value of the Series 2021A Bonds on the Settlement Date could be greater or less than the agreed purchase price. None of the Authority, the City or the Underwriter makes any representation as to the market value of the Series 2021A Bonds as of the Settlement Date.

Federal Tax Proposals

The Forward Delivery Bond Purchase Agreement obligates the Authority to deliver and the Underwriter to acquire the Series 2021A Bonds if the Authority delivers an opinion of Bond Counsel substantially in the form set forth in Appendix D hereto to the effect that the interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. It is possible that certain bills could be introduced (or that bills previously introduced could be amended) in the U.S. Congress that, if adopted, would reform the system of federal taxation. Those bills could (i) eliminate the tax exemption granted under Section 103 of the Code to interest payable on “state or local bonds” such as the Series 2021A Bonds, or (ii) diminish the value of the federal tax exemption granted interest on such bonds under the current system of federal income taxation. If as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of Treasury, the IRS, or any agency of the State either enacted, issued, effective, adopted or proposed, or for any other reason Bond Counsel cannot issue an opinion to the effect that (i) the interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code (or comparable provisions of any successor federal tax laws) and (ii) the interest on the Series 2021A Bonds is exempt from the State of California personal income taxes, then Underwriter may terminate its obligation to purchase the Series 2021A Bonds. If, however, legislation only diminishes the value of the tax exemption, and the Authority satisfies the requirements for the delivery of the Series 2021A Bonds set forth in the Forward Delivery Bond Purchase Agreement, then the Underwriter would still be required to accept delivery of the Series 2021A Bonds at the Settlement Date. Prospective purchasers of the Series 2021A Bonds are encouraged to consult their tax advisors regarding the likelihood that such bills would be introduced or amended or enacted and the consequences of such enactment to the purchasers.

RATING

S&P Global Ratings, a Standard & Poor’s Financial Services LLC Business (“S&P”) has assigned an issuer credit rating of “___” (stable outlook) to the 2019/2021 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such ratings should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the 2019/2021 Bonds. Neither the City nor the Underwriter has undertaken any responsibility either to bring to the attention of the owners of the 2019/2021 Bonds a proposed change in or proposed withdrawal of any rating or to oppose any such proposed revision or withdrawal.

MUNICIPAL ADVISOR

NHA Advisors, San Rafael, California, served as municipal advisor (the “Municipal Advisor”) to the Authority and the City with respect to the sale of the 2019/2021 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2019/2021 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

NHA Advisors, is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the Owners of the 2019/2021 Bonds to provide annually certain financial information and operating data relating to the 2019/2021 Bonds and the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. For a complete listing of items of information which will be provided in each Annual Report and further description of the City’s undertaking with respect to the Annual Report and certain enumerated events, see APPENDIX E—”FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The Annual Report is to be provided by the City not later than March 1 after the end of the City’s fiscal year, commencing with the report for the 2019-20 fiscal year with respect to the Series 2019A Bonds and Series 2019A Bonds and 2020-21 fiscal year with respect to the Series 2021A Bonds. Each Annual Report will be filed by the City with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

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

- the failure to file on a timely basis the City’s audited financial statements for Fiscal Year 2014-15;
- the failure to file on a timely basis certain annual operating data required for three series of bonds for Fiscal Year 2014-15; and
- the failure to file or to file on a timely basis significant event notices pertaining to underlying rating changes for three series of bonds or of the bond insurers insuring such bonded indebtedness.

During the last five years, the successor agency failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. Such failures to comply included:

- the failure to file on a timely basis the City’s audited financial statements for Fiscal Year 2014-15;
- the failure to file on a timely basis certain annual operating data required for two series of bonds for Fiscal Years 2014-15 through 2015-16; and
- the failure to file on a timely basis a significant event notice pertaining to a 2014 rating change for the bond insurer for one series of bonds.

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

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

[Other than as set forth above, the City and its related entities believe that, in the last five years, the City and its related entities have materially complied with their respective continuing disclosure undertakings.]

FINANCIAL STATEMENTS OF THE CITY

Included herein as Appendix C are the audited financial statements of the City as of and for the year ended June 30, 2018, together with the report thereon dated December 12, 2018 of Eadie & Payne, LLP, Riverside, California, certified public accountants (the “Auditor”). Such audited financial statements have been included herein in reliance upon the report of the Auditor. The Auditor has not been engaged to perform and has not performed, since the date of its report (December 12, 2018) included in Appendix C to this Official Statement, any procedures on the financial statements addressed in such report. The Auditor also has not performed any procedures relating to this Official Statement.

MISCELLANEOUS

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 the Indenture, the Facility Lease, the 2019 Site Lease and other documents are available, upon request, and upon payment to the City of a charge for copying, mailing and handling, from the City Clerk at the City of Oxnard, 300 West Third Street, Oxnard, California 93030.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the City and the purchasers or Owners of any of the 2019/2021 Bonds.

[Signature page follows]

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

CITY OF OXNARD FINANCING AUTHORITY

By: _____
Alexander Nguyen, Executive Director

CITY OF OXNARD

By: _____
Alexander Nguyen, City Manager

APPENDIX A

INFORMATION REGARDING THE CITY OF OXNARD

General

The City of Oxnard (the “City”) was incorporated in 1903 and is located in western Ventura County (the “County”) on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the county seat of the County. The City is the largest city in the County, with a population estimated at 209,879 as of January 2019, accounting for approximately 24% of the County’s population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

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

Transportation

Oxnard is served by all major modes of transportation. Both U.S. Highway 101 and State Highway 1 pass through the City, linking it with the Los Angeles metropolitan area and Santa Barbara County. Rail passenger service is provided by AMTRAK, which has a station in the City. Two trains pass through daily in each direction and stop at the Oxnard station. Metrolink provides commuters from the Oxnard Transportation Center with several daily routes to the Los Angeles basin, including downtown Los Angeles. Union Pacific Railroad provides freight rail service through the City. The Ventura County Railroad Company connects Port Hueneme, the Ormond Beach Industrial Area, the Naval Construction Battalion Center, and surrounding industrial areas to the Union Pacific line. The Port of Hueneme, owned and operated by the Oxnard Harbor District, an independent special district, is the only commercial deep-draft harbor between Los Angeles and San Francisco. The port has five 600- to 700-foot berths and a 35-foot entrance channel depth. The Channel Islands Harbor, owned and operated by the County of Ventura, is a modern 3,000 slip boat marina, which also serves the Oxnard area in the capacity of a recreational marina and covers approximately 310 acres. The Oxnard Airport is operated by Ventura County as a general and commercial aviation airfield. The Oxnard Airport handles passenger as well as cargo services. Local bus service is provided by Gold Coast Transit, a regional public transit agency funded by the County and member cities. Service is available in Ojai, Ventura, Oxnard, and Port Hueneme. The Greyhound bus line provides passenger and parcel service from its Oxnard station. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

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

Recreation

The City offers its residents a wide range of recreational facilities. The beach, marina neighborhood and regional parks add up to nearly 1,500 acres of park land. McGrath State Beach Park, located South of the Santa Clara River mouth, covers approximately 295 acres and includes over a mile of ocean frontage. Overnight camping and day picnics are the main use of that park. Oxnard Beach Park includes approximately 62 acres with concession stands and facilities for day picnics and sports. Silver Strand Beach, south of the Harbor entrance, and Hollywood Beach, north of

the entrance, are day beach facilities. Channel Islands Harbor is a recreational boating marina administered by Ventura County. The City has over 30 neighborhood parks located throughout the City. A tennis and softball center is located at Community Center Park. Additionally, Wilson Park contains the largest senior citizen center in the County.

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

City Council and Management

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 an elected Mayor holding a two-year term and six councilmembers elected by districts for four-year overlapping terms.

The members of the City Council and the expiration dates of their respective terms are as follows:

**CITY OF OXNARD
City Council**

<i>Name</i>	<i>Term Expires</i>
Tim Flynn, <i>Mayor</i>	2020
Carmen Ramirez, Esq., <i>Mayor Pro Tem</i>	2022
Bert E. Perello, <i>Councilmember</i>	2022
Oscar Madrigal, <i>Councilmember</i>	2020
Bryan A. MacDonald, <i>Councilman</i>	2020
Gabriela Basua, <i>Councilwoman</i>	2022
Vianey Lopez, <i>Councilmember</i>	2022

City Management

The City Manager’s office oversees all of the City’s department responsible for City Services and Operations. A summary of certain City executive staff are described below.

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

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

Deputy City Manager. Ms. Shiri Klima was appointed Deputy City Manager in January 2019, to oversee the Finance, Information Technology and Human Resources Departments. Ms. Klima served as an Assistant City Attorney in Oxnard for over two years and has a decade of experience with municipal government, having advised

many cities including Indio, Highland, Yucaipa, Rancho Palos Verdes, Beverly Hills, Agoura Hills and Wasco as well as a workforce development joint powers authority in southeast L.A. County.

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

Employee Relations

As of June 30, 2019, the City had approximately 1,159 full-time employees and 23 part-time employees. Such amounts do not include the City’s temporary and seasonal workers which totaled 612 employees as of June 30, 2019. Temporary workers are not represented by an employee association. In accordance with the provisions of California Government Code Section 3500, the City participates in labor negotiations with its employee associations. The result of the negotiations processes are memorialized in memoranda of understanding (MOU’s) reached between the City and the City employee associations. The table below lists the City’s six employee associations and the approximate membership as of June 30, 2019, as well as the unrepresented executive employees.

<u>Unit/Affiliation</u>	<u>Number of Members</u>	<u>MOU Expiration</u>
International Association of Fire Fighters	102	June 30, 2021
International Union of Operating Engineers, Local No. 501 AFL-CIO	353	June 30, 2022
Oxnard Mid Manager’s Association	99	June 30, 2022
Oxnard Peace Officers Association	249	June 30, 2021
Oxnard Public Safety Manager’s Association	16	June 30, 2021
Services Employees Intervention Union Local 721, CLC	311	June 30, 2022
Unrepresented and Executive Employees	52	

Source: City.

[On September 17, 2019, the City passed Resolution No. ____ which established compensation rates and benefit levels for certain represented employees which is effective through June 30, 2022.] The City does not currently have any outstanding material labor disputes.

Risk Management

The City provides general liability and workers’ compensation insurance under self-insurance programs with an annual limit per occurrence of \$1 million for each program. Excess insurance in the layer of \$1 million to \$25 million is purchased for general liability and \$200 million per year for workers’ compensation. The City contracts with outside service agencies to assist in the administration of the self-insurance programs. Estimated liabilities related to outstanding workers’ compensation and public liability claims, including estimates for incurred but not reported claims, are based upon actuarial studies and are recorded in internal service funds.

In August 1988, the City adopted a resolution to execute a Joint Powers Agreement (JPA) creating the Big Independent Cities Excess Pool Joint Powers Authority (BICEP), a risk management pool. Through BICEP, five cities (Oxnard, Ventura, Huntington Beach, Santa Ana, West Covina) share the cost of insuring catastrophic general liability losses incurred by the members for claims between \$1 million and \$25 million, thereby eliminating the need for individual excess commercial insurance policies. The purpose of this JPA is to jointly fund the purchase of reinsurance and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjustment, and legal defense service. BICEP is governed by a five-member board of directors representing each member city. Each member is appointed and serves at the pleasure of the member city council.

All funds of the City participate in general liability and workers' compensation insurance programs and make payments to internal service funds on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of \$28,007,825, which includes the amounts identified below under "-General Liability" and "-Workers' Compensation" recorded at June 30, 2018, is based on results of actuarial studies and includes an estimate for claims incurred but not reported at the balance sheet date. The City has not established a trust to offset such costs. Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts, and other economic and societal factors. General liability and workers' compensation liabilities are carried at present value using a discount rate of 2.0%.

General Liability

The City is self-insured for general liability claims up to \$1,000,000. The City is covered through Big Independent Cities Excess Pool (BICEP) for claims between \$1,000,000 and \$25,000,000. Self-insured general liability claims are administered through a third-party administrator, with the City Attorney's approval required for settlements over \$15,000. Litigated claims are settled directly through the City Attorney's Office.

The City's contribution to BICEP for general liability coverage in Fiscal Year 2017-2018 was \$1,458,415. During the past five-year period, the average claims filed each year for general liability amounted to 201 claims totaling \$1,507,373 per year (an average of \$7,484 per claim).

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2018 was \$5,500,000.

Workers' Compensation

The City is self-insured for workers' compensation claims up to \$1,000,000. For claims over \$1,000,000, the City has purchased excess workers' compensation insurance through BICEP. The claims are processed by a third-party administrator similar to general liability claims.

The City's contribution for workers' compensation liability coverage in fiscal year 2017-2018 was \$296,300.

Within the City's self-insured program for workers' compensation, there has been an average of 207 claims filed per year for the past five years, with an average of approximately \$5,641,328 per year in total reported losses (an average of \$27,306 per claim). In addition, there have been no insurance settlements that have exceeded the City's insurance coverage for each of the past three years.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2018 was \$22,507,825. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2019/2021 BONDS—Insurance" in the Official Statement for the requirement to maintain certain insurance coverage under the Facility Lease.

[No significant reduction in insurance coverage occurred during the last two fiscal years. During each of the preceding three fiscal years no claim settlement exceeded insurance coverage.]

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The basic financial statements of the City are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The City's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from

business-type activities, which rely, to a significant extent, on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements, such as the City's general fund (the "General Fund"), are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the applicable fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Property taxes and taxpayer-assessed tax revenues, net of estimated refunds and uncollectible amounts, and interest associated with the applicable fiscal period are all considered subject to accrual and so have been recognized as revenues of the then-current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Budget Procedure, Current Budget and Historical Budget Information

The City's fiscal year begins on July 1 of each year and ends on June 30 of the subsequent year. The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year. The City Council also adopts annual financial plans for the enterprise and internal service funds and five-year capital budget plans for capital expenditures accounted for primarily in proprietary funds.

The City Manager and City staff review estimates of revenues and expenditures for each City department for the ensuing fiscal year. At least 30 days prior to the beginning of each fiscal year, the City Manager submits the proposed budget to the City Council. After reviewing and making such revisions as it deems advisable, the City Council determines the time for the holding of a public meeting to discuss the proposed budget. At the conclusion of the public meeting, the City Council further considers the proposed budget and makes any revisions that it deems advisable. One or before June 30, the City Council adopts the budget with revisions, if any, by the affirmative vote of at least a majority of the members of the City Council.

The budget for fiscal year 2019-20 was approved on June 18, 2019 (the "Adopted Budget"). The Adopted Budget projects General Fund revenues to be approximately \$138 million, an increase of approximately 3% from the fiscal year 2018-19 adopted budget of approximately \$134 million. The most significant revenue increase is approximately \$2.5 million in property tax revenues over the adopted budget revenue for fiscal year 2018-19. The Adopted Budget projects General Fund expenditures of approximately \$140 million in fiscal year 2019-20, an increase of approximately 4.7% from General Fund expenditures in the fiscal year 2018-19 adopted budget of approximately \$134 million. The most significant expenditure increase was for salaries and benefits.

Set forth below is the adopted General Fund budget for fiscal year 2018-19, the estimated actual results for fiscal year 2018-19 and the adopted fiscal year 2019-20 General Fund budget. The fiscal year 2019-20 General Fund budget expenditures include a one-time payment of approximately \$2 million for unrecognized PERS liability which

was the primary reason the City projected deficit spending for such fiscal year. The City has terminated some of its workforce and certain programs to reduce such deficit.

TABLE 1
CITY OF OXNARD
GENERAL FUND BUDGETS⁽¹⁾
(In Millions)

GENERAL FUND	Final Fiscal Year 2018-19 <u>Adopted Budget</u>	Fiscal Year 2018-19 <u>Estimated Actuals</u>	Adopted Fiscal Year 2019-20 Budget
Revenues			
Property Tax	\$ 56,549,762	\$ 56,973,674	\$ 59,102,100
Sales Tax	31,000,000	32,394,581	31,984,693
Franchises	2,972,847	3,618,192	3,732,843
Business License Tax	5,642,218	5,681,898	5,852,355
Transient Occupancy Tax	5,489,550	5,492,352	5,613,341
Deed Transfer Tax	781,411	781,411	781,411
Building Fees & Permits	2,100,655	1,901,021	1,635,892
Intergovernmental	1,786,543	2,153,563	1,954,191
Infrastructure Use	-	-	-
Service Fees & Charges	8,182,482	5,730,656	8,117,204
Fines & Forfeitures	2,238,983	2,713,887	3,117,563
Interest Income	848,398	424,976	571,238
Special Assessments	246,710	395,119	399,489
Indirect Cost Reimbursement	7,980,216	7,980,216	8,234,369
Other Revenue	4,912,759	4,678,591	3,668,223
Transfer In-Assess Dist/CFD	1,607,520	1,607,520	1,607,520
Transfer In-Golf Course	-	-	-
Transfers In-Other Funds	1,851,385	1,851,385	1,851,385
Total Revenues	<u>\$ 134,191,718</u>	<u>\$ 134,379,042</u>	<u>\$ 138,223,817</u>
Expenditures			
Regular Salaries	61,433,211	56,564,731	63,334,060
Part-Time Wages	2,084,559	1,700,226	1,219,079
Overtime	5,981,499	8,230,892	4,575,968
Pension (calPERS+PARS)	14,620,005	14,291,000	16,045,971
Health/Insurance	10,977,461	10,339,016	13,808,666
Retiree Medical	2,189,293	2,240,732	2,223,402
Workers Com/Safety Program	3,990,139	5,150,686	4,675,927
Other Benefits	92,749	-	-
Other Personnel Costs	-	93,962	106,403
Vacancy Savings	(4,747,150)	-	(4,652,997)
Subtotal Personnel	<u>\$ 96,621,766</u>	<u>\$98,611,427</u>	<u>\$101,336,479</u>
Services and Supplies	\$ 7,943,431	\$ 8,913,458	\$ 8,800,060
Internal Service	11,817,242	12,033,174	12,143,751
Utilities	4,009,065	3,905,327	3,570,292
Animal Shelter	1,900,000	1,900,000	1,443,841
Other Expense	1,721,151	1,669,571	1,363,394
Debt Service	1,875,688	1,875,688	1,875,688
Lease Pymt Cap Growth Fees	1,065,672	1,068,672	1,052,630
Capital Outlay	25,000	126,760	35,000
Transfers Out-Traffic Safety	-	-	-
Transfers Out-Out-Assess Dists	262,668	262,668	225,073
Transfers Out-Impact Fees	-	-	-
Transfers Out-PACC	1,124,664	1,124,664	-
Transfers Out-Golf Course	-	-	-
Transfers Out-Grants	17,876	17,876	17,876
Transfers Out-Debt Service	3,754,163	3,754,163	3,271,021
Transfers Out-Storm Water	1,003,700	1,078,453	1,370,559
Transfers Out-Measure O	-	-	-
Transfers Out-Capital Outlay	-	8,779	120,000
Transfers Out-ISF	49,632	118,406	234,978
Contingencies	1,000,000	1,193,951	3,679,887
Total Expenditures	<u>\$134,191,718</u>	<u>\$137,660,037</u>	<u>\$140,540,529</u>
Net Revenue (Expense)	-	(3,280,995)	(2,316,712)
Beginning Fund Balance	<u>\$ 16,920,770</u>	<u>\$ 18,073,388</u>	<u>\$ 14,792,393</u>
Ending Cash Balance	\$ 16,920,770		
Ending Fund Balance	-	\$ 14,792,393	\$ 12,475,681
Balance as % of Total Expend	12.6%	10.70%	8.90%

⁽¹⁾ Include only amounts in General Fund 101.

Source: Adopted budgets of the City for fiscal years 2018-19 and 2019-20.

Comparative Change in Fund Balance of the City General Fund

The table below presents the City's audited General Fund Statement of Revenues, Expenditures and Change in Fund Balance for fiscal years 2013-14 through 2017-18.

TABLE 2⁽¹⁾
CITY OF OXNARD
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
REVENUES					
Taxes	\$ 93,952,457	\$ 99,721,540	\$106,270,935	\$109,470,295	\$112,368,183
Licenses and permits	2,456,359	2,320,034	2,589,992	3,473,506	2,524,505
Intergovernmental	13,168,255	19,457,413	1,486,594	1,839,567	1,908,513
Charges for Services	8,871,669	9,624,476	24,457,214	23,524,718	19,345,462
Fines and Forfeitures	444,099	482,142	901,025	2,376,171	2,367,166
Interest on Investments	411,506	200,761	166,072	362,830	383,016
Special Assessments	-	67,390	68,628	530,151	536,113
Miscellaneous	4,421,389	2,973,931	4,101,209	4,068,970	5,244,292
Total Revenues	<u>\$123,725,734</u>	<u>\$134,847,687</u>	<u>\$140,041,669</u>	<u>\$145,646,208</u>	<u>\$144,677,250</u>
EXPENDITURES					
Current:					
General Government	\$ 9,541,347	\$ 13,177,222	\$ 11,173,996	\$ 13,295,412	\$ 17,635,849
Public Safety	70,075,583	71,735,237	75,785,330	76,500,306	82,483,021
Transportation	3,464,755	1,956,210	1,079,338	1,591,295	6,176,942
Community Development	9,069,503	7,395,196	8,039,067	9,362,535	10,606,545
Culture and Leisure	13,004,072	18,486,607	16,436,617	17,477,538	18,914,570
Library Services	4,222,264	4,461,784	3,923,546	3,483,561	3,311,739
Capital Outlay	2,213,224	4,622,469	3,022,068	1,319,347	2,826,991
Debt Service:					
Principal	-	-	-	690,000	715,000
Interest and Fiscal Charges	-	-	-	667,544	608,242
Total Expenditures	<u>\$111,590,748</u>	<u>\$121,834,725</u>	<u>\$119,459,962</u>	<u>\$124,387,538</u>	<u>\$143,278,899</u>
Excess of Revenues Over (Under) Expenditures	\$ 12,134,986	\$ 13,012,962	\$ 20,581,707	\$ 21,258,670	\$ 1,398,351
OTHER FINANCING SOURCES (USES)					
Proceeds from Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer in Performing Arts and Convention Center	-	(1,716,808)	-	-	-
Transfer in Golf Course	-	(2,923,809)	-	-	-
Transfers In	37,000	37,000	37,000	46,960	4,801,088
Transfers Out	(5,989,482)	(17,708,272)	(9,758,123)	(9,416,588)	(12,005,796)
Total Other Financing Sources (Uses)	<u>\$ (5,952,482)</u>	<u>\$ (22,311,889)</u>	<u>\$ (9,721,123)</u>	<u>\$ (9,369,628)</u>	<u>\$ (7,204,708)</u>
Net Change in Fund Balances	6,182,504	(9,298,927)	10,860,584	11,889,042	(5,806,357)
Fund Balances, July 1	32,215,045	36,946,002	24,775,765	34,288,072	46,268,790
Prior Period Adjustment	(1,451,547)	(2,871,310)	(1,348,277)	91,676	-
Fund Balances, June 30	<u>\$ 36,946,002</u>	<u>\$ 24,775,765</u>	<u>\$ 34,288,072</u>	<u>\$ 46,268,790</u>	<u>\$ 40,462,433</u>

⁽¹⁾ Includes General Fund 101 as well as certain other funds, such as those for sales tax revenues, pension tax benefits and other funds.
Source: City of Oxnard Comprehensive Annual Financial Reports for Fiscal Years Ended June 30, 2014-2018.

Comparative General Fund Balance Sheets of the City

The table below presents the City's audited General Fund Balance Sheets for fiscal years 2013-14 through 2017-18.

TABLE 3
CITY OF OXNARD
GENERAL FUND BALANCE SHEETS
FIVE YEAR COMPARISON

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
ASSETS					
Cash and cash equivalents	\$24,986,652	\$25,362,750	\$26,734,805	\$39,640,935	\$35,830,461
Investments with fiscal agents	-	-	-	-	-
Accounts and other receivables	1,752,191	2,777,639	3,434,464	4,770,932	3,643,938
Due from other funds	6,645,417	6,091,653	4,166,549	4,438,064	5,878,372
Due from other government	7,958,839	6,419,557	10,945,452	9,698,347	8,821,609
Due from Successor Agency	7,643,860	5,495,520	8,190,308	42,184	8,809
Notes receivable	-	-	-	-	-
Other assets	-	-	-	-	377,086
Properties held for resale	-	-	-	-	-
Total Assets	<u>\$48,986,959</u>	<u>\$46,147,119</u>	<u>\$53,471,578</u>	<u>\$58,590,462</u>	<u>\$54,560,275</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 3,479,546	\$ 7,441,678	\$ 5,631,919	\$ 3,780,851	\$ 3,439,160
Other liabilities	5,385,144	10,561,136	9,060,214	6,840,403	6,457,069
Due to other funds	-	-	117,611	121,139	3,211,474
Due to other agencies	-	251,343	-	408,725	3,381
Advances from other funds	-	-	1,230,666	1,109,527	984,753
Unearned revenues	<u>3,042,356</u>	<u>3,117,197</u>	<u>3,143,096</u>	<u>61,027</u>	<u>2,005</u>
Total Liabilities	<u>\$11,907,046</u>	<u>\$21,371,354</u>	<u>\$19,183,506</u>	<u>\$12,321,672</u>	<u>\$14,097,842</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	\$ 133,911	\$ -	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	\$ 133,911	-	-	-	-
FUND BALANCES					
Nonspendable					
Long-term Receivable	\$ 4,620,492	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Debt service	-	-	-	-	-
Transportation	-	-	-	-	-
Maintenance Districts	-	-	-	-	-
Streets and Traffic improvements/maintenance	-	-	-	-	10,558,537
Infrastructure developments	-	-	550,000	835,296	-
Housing	-	-	-	-	-
Public safety retirement	-	-	-	-	-
Assigned to:					
Capital Projects	-	5,116,158	7,792,386	11,303,187	-
Measure "O" Service Enhancement	18,261,567	3,534,921	7,181,145	10,480,885	12,662,261
Other Purposes	147,850	2,664,780	905,561	1,499,019	-
Unassigned	<u>13,916,093</u>	<u>13,459,906</u>	<u>17,858,980</u>	<u>22,150,403</u>	<u>17,241,635</u>
Total Fund Balances	<u>\$36,946,002</u>	<u>\$24,775,765</u>	<u>\$34,288,072</u>	<u>\$46,268,790</u>	<u>\$40,462,433</u>
Total Liabilities and Fund Balances	<u>\$48,986,959</u>	<u>\$46,147,119</u>	<u>\$53,471,578</u>	<u>\$58,590,462</u>	<u>\$54,560,275</u>

Source: City of Oxnard Comprehensive Annual Financial Reports for Fiscal Years Ended June 30, 2014-2018; the City.

Major Revenues

The City derives its revenues from a variety of sources including ad valorem property taxes, sales taxes, transient occupancy tax, franchise tax, deed transfer tax, business licenses and other miscellaneous revenues. The City's total revenues for selected major revenue sources for the past five fiscal years are set forth below.

**TABLE 4
CITY OF OXNARD
SELECTED MAJOR REVENUE SOURCES
TEN YEAR COMPARISON**

<i><u>Fiscal Year</u></i>	<i><u>Property Tax</u></i>	<i><u>Sales Tax</u></i>	<i><u>Transient Occupancy Tax</u></i>	<i><u>Franchise Tax</u></i>	<i><u>Deed Transfer Tax</u></i>	<i><u>Business License</u></i>	<i><u>Penalties and Interest</u></i>	<i><u>Total</u></i>
2010	\$72,817,719	\$28,103,051	\$3,061,163	\$3,439,645	\$509,370	\$4,692,615	\$136,565	\$112,760,128
2011	71,118,203	33,396,737	3,301,864	3,495,532	528,563	4,412,881	105,158	116,358,938
2012 ⁽¹⁾	63,176,888	37,453,124	3,402,793	3,435,823	412,471	6,125,278	126,609	114,132,986
2013 ⁽¹⁾	55,148,254	35,156,013	3,826,954	3,842,351	628,780	4,562,692	121,064	103,286,108
2014 ⁽¹⁾	54,783,756	38,287,439	4,239,111	3,775,233	519,093	5,125,801	157,998	106,888,431
2015 ⁽¹⁾	58,633,590	40,624,737	4,649,292	4,093,435	758,502	5,104,859	142,127	114,006,542
2016	61,571,660	43,163,411	5,044,231	3,854,116	690,805	5,422,499	225,990	119,972,712
2017	60,802,119	44,092,707	5,174,427	3,703,971	729,609	5,348,086	228,899	120,079,818
2018	67,165,834	43,418,876	5,749,572	3,925,374	818,322	5,570,488	313,847	126,962,313
2019 ⁽²⁾	71,813,098	47,515,581	5,492,352	3,618,192	781,411	5,681,898	362,055	135,264,587

⁽¹⁾ Decrease in property tax revenues due to declining home values due to economic recession.

⁽²⁾ Estimated.

Source: City of Oxnard Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018 and the City.

Property Taxes

Property taxes have historically provided the largest tax revenue source for the City. In fiscal year 2017-18, property taxes allocated to the General Fund were \$67,165,834, providing 59.7% of General Fund tax revenues and approximately 46.4% of total General Fund revenues. Based on unaudited estimated results, fiscal year 2018-19 property tax receipts of approximately \$71,813,098 are expected to contribute approximately 53% of General Fund tax revenues and approximately 42% of total General Fund revenues. In California, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens, arising pursuant to State Law, on the secured property, regardless of the time of the creation of other liens. The valuation of property is determined as of January 1 each year, and installments of taxes levied upon secured property become delinquent on the following December 10th and April 10th of the subsequent calendar year. Taxes on unsecured property are due July 1, and become delinquent August 31.

Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The exclusive means of forcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes that are delinquent. The taxing authority has four methods of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder’s Office in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvement or possessory interest belonging or taxable to the assessee.

A ten percent penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, beginning on the July 1 following a delinquency, interest begins accruing at the rate of 1 1/2% per month on the amount delinquent. Such property may thereafter be redeemed by the payment of the delinquent taxes and the ten percent penalty, plus interest at the rate of 1 1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector. A ten percent penalty also applies to the delinquent taxes or property on the unsecured roll, and further, an additional penalty of 1 1/2% per month accrues with respect to such taxes beginning on the varying dates related to the tax billing date.

Legislation enacted in 1984 (Section 75 et seq. of the Revenue and Taxation Code of the State of California), provides for the supplemental assignment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next tax lien date following the change and thus delayed the realization of increased property taxes from the new assessment for up to 14 months. Collection of taxes based on supplemental assessments occurs throughout the year. Taxes due are prorated according to the amount of time remaining in the tax year, with the exception of tax bills dated January 1 through May 31, which are calculated on the basis of the remainder of the current fiscal year and the full 12 months of the next fiscal year.

In the past, the State Legislature has shifted property taxes from cities, counties and special districts to the Educational Revenue Augmentation Fund. The term “ERAF” is often used as a shorthand reference for this shift of property taxes. In 1992-93 and 1993-94, in response to serious budgetary shortfalls, the State Legislature and administration permanently redirected over \$3 billion of property taxes from cities, counties, and special districts to schools and community college districts. The 2004-05 State budget included an additional \$1.3 billion shift of property taxes from certain local agencies, including the City, to occur in fiscal years 2004-05 and 2005-06. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 1A” and “—Proposition 22” for a description of certain limitations on the State’s authority over local government revenue sources.

See “—Retirement System—Public Safety Pension Tax Override” below for a description of a voter-approved tax for purposes of paying certain costs of safety-employees retirement benefit costs.

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the City. The City’s receipt of property taxes is therefore subject to delinquencies and the County will pay to the City only actual amounts collected.

The table below sets forth the secured and unsecured assessed valuations for property in the City for the fiscal years 2014-15 through 2017-18.

**TABLE 5
CITY OF OXNARD
ASSESSED VALUATION
FISCAL YEARS 2014-15 THROUGH 2018**

<i>Fiscal Year</i>	<i>Real Property Assessed Valuation (Secured)</i>		<i>Personal Property (Unsecured Roll)</i>	<i>Real Property Exemption⁽¹⁾</i>	<i>Total⁽²⁾⁽³⁾</i>
	<i>Roll Land</i>	<i>Improvements</i>			
2015	\$7,084,272,773	\$9,694,262,028	\$631,218,103	\$708,835,243	\$16,700,917,661
2016	7,653,508,229	10,068,135,286	652,518,246	753,110,464	17,621,051,297
2017	8,130,791,365	10,403,624,296	664,679,543	784,759,788	18,414,335,416
2018	8,649,933,708	10,789,755,377	656,241,587	840,285,136	19,255,645,536

⁽¹⁾ Primarily reflects exemption of \$7,000 of assessed valuation for owner-occupied principal residence.

⁽²⁾ Equals Real Property Assessed Valuation plus Personal Property Assessed Valuation, less Real Property Exemptions plus Personal Property Assessed Valuation.

Source: City of Oxnard Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

The table below sets forth secured property tax collections and delinquencies in the City as of June 30 for fiscal years 2013-14 through 2017-18. The City’s receipt of its property tax revenues is impacted by delinquencies in payment, as well as by the collection of interest and penalties on past delinquencies.

**TABLE 6
CITY OF OXNARD
SECURED PROPERTY TAX LEVIES AND COLLECTIONS
FISCAL YEARS 2013-14 THROUGH 2017-18**

<i>Fiscal Year</i>	<i>Total Tax Levy for Fiscal Year⁽¹⁾</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collections in Subsequent Years⁽¹⁾</i>	<i>Total Collections to Date</i>	
		<i>Amount⁽²⁾</i>	<i>Percentage of Levy</i>		<i>Amount</i>	<i>Percentage of Levy</i>
2014	\$55,367,000	\$50,243,275	90.75%	\$456,769	\$50,700,044	91.57%
2015	56,032,000	53,289,829	95.11	910,819	54,200,648	96.73
2016	61,480,511	57,222,321	93.07	350,407	57,572,728	93.64
2017	59,960,303	50,883,749	84.86	1,523,414	52,407,163	87.40
2018	68,931,117					

Source: City of Oxnard Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

The 10 largest property taxpayers in the City as shown on the fiscal year 2017-18 secured tax roll, the land use, the assessed valuation and the percentage of the City’s total assessed valuation attributable to each are shown in the below table.

**TABLE 7
CITY OF OXNARD
TOP TEN PROPERTY TAXPAYERS**

	<u>Property Owner</u>	<u>Land Use</u>	<u>2017-18 Assessed Valuation</u>	<u>Percentage of Totals</u>
1.	Proctor & Gamble Paper Products	Manufacturing	\$315,643,782	1.627%
2.	Essex Arbors LP	Apartments	214,285,422	1.105
3.	Vintage Production California, LLC	Petroleum	170,505,658	0.879
4.	SOCM I LLC	Real Estate	112,495,891	0.580
5.	Serenade Apts Properties Owner LLC	Apartments	108,620,696	0.560
6.	HAAS Automation Inc.	Manufacturing	92,077,000	0.475
7.	Prime Peninsula LP	Apartments	89,683,585	0.462
8.	New-Indy Oxnard LLC	Manufacturing	77,064,307	0.397
9.	Duesenberg Investment Company	Real Estate	73,835,719	0.381
10.	MC Gaelic Group	Retail	<u>73,672,172</u>	<u>0.380</u>

Source: City of Oxnard Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Sales Taxes

In fiscal year 2017-18, sales tax receipts were \$43,418,876, providing 38.6% of General Fund tax revenues and approximately 30.0% of total General Fund revenues. Based on unaudited estimated results, fiscal year 2018-19 business tax receipts of approximately \$47,515,581 are expected to contribute approximately 35% of General Fund tax revenues and approximately 28% of total General Fund revenues.

Fiscal year 2018-19, sales tax receipts are estimated to have increased by \$3,090,198 (7.1%) over fiscal year 2017-18 year-end results. The City attributes this increase to strong occupancy, commercial lease rates and growth in retail sales (which are taxed based on gross receipts), as well as a timing issue in processing receipts by the CFTDA (certain payments were delayed from 2018 to 2019.) The City’s Adopted Budget forecasts a decrease of approximately 1% in sales tax receipts in fiscal year 2019-20.

In November 2008, City voters approved a one-half cent sales tax increase known as “Measure O”. Collection of Measure O sales taxes began in April 2009 and will sunset in 2029. Measure O sales taxes represent a general purpose tax, and the City’s policy is to use additional revenue generated from Measure O sales taxes to improve services to the community by adding and improving City facilities and programs. Measure O sale tax revenues have strengthened the City’s cash and fund balance positions, growing from \$8.9 million in Fiscal Year 2009-10 to \$15.1 million in Fiscal Year 2018-19.

The deadline to file the petition with the requisite signatures is October 29, 2019. If the petition gathers enough valid signatures for the initiative to reach a future ballot, is passed by the voters and is implemented, then the City's finances would be affected if and only if the pavement condition standards cited above are not met for the City-owned street and alley network by the specific dates of compliance. In the most extreme case, the approximately \$15 million annual revenue to the Measure O (Half-Cent Sales Tax) Fund would cease six (6) years prior to its currently scheduled expiration date of March 31, 2029. In such case, the City, upon approval of the City Council, would need to offset several expenditures currently funded by Measure O, including terminating certain capital improvement and maintenance projects. Conversely, if the Citywide pavement conditions are met on the various trigger dates, then the proposed initiative would have no effect on the Measure O (Half-Cent) Sales Tax Fund and the City's finances. Additionally, the initiative proposes to permit the City Council to extend the half-cent sales tax for additional five (5) year periods beyond the currently scheduled

termination date of March 31, 2029 if a third party civil engineering consultant finds that the PCI for the City-owned street and alley network is at least 80 by April 1, 2028.

The following table shows historical sales tax revenues from Fiscal Years 2009-10 through 2018-19.

<u>Fiscal Year</u>	<u>Measure O Sales Tax Revenues</u>	<u>All Other Sales Tax Revenues</u>	<u>Total Sales Tax Revenues</u>
2010	\$ 8,908,667	\$19,194,384	\$28,103,051
2011	11,161,453	22,235,284	33,396,737
2012	13,268,841	24,184,283	37,453,124
2013	10,091,602	25,064,411	35,156,013
2014	12,509,580	25,777,859	38,287,439
2015	13,398,405	27,385,772	40,624,737
2016	13,225,990	29,937,421	43,163,411
2017	14,174,002	29,918,706	44,092,707
2018	13,753,704	29,665,172	43,418,876
2019 ⁽¹⁾	15,121,000	32,394,581	47,515,581

⁽¹⁾ Estimated.
Source: The City.

Pension Override Tax. The City collects a tax dedicated to paying fire and police safety employee pension costs in the California State Employees Retirement System (PERS) which was approved by voters in October 23, 1951. This tax is referred to as the “Carman Override” based upon the California Supreme Court case Carman v. Alvord in which the Court ruled that voter approved pension costs constituted debt that could be supported by a tax levy in excess of the 1% maximum allowed by Proposition 13 (California Constitution, Article XIII A). The tax can finance pension benefits in effect on July 1, 1978. There is no sunset on such tax. Each year, the City determines the amount of eligible costs that can be covered by the Carmen Override. The City is also limited by a maximum tax rate of \$0.076637 per \$100,000 of assessed valuation. For Fiscal Year 2019-20, the City is anticipating collecting \$12,610,095 of Carmen Override revenues, representing 61% of the total expected safety plan PERS costs of \$20,811,185.

Transient Occupancy Tax

A transient occupancy tax is imposed on persons staying 30 days or less in a hotel, motel, inn or other lodging place within the City. There are currently 17 hotels, 52 vacation rentals and one recreational vehicle park within the City, subject to the transient occupancy tax. The City anticipates the addition of two hotels which are currently under construction. The current transient occupancy tax rate is 10% of the room rate. There is no sunset on the transient occupancy tax. Payments are made to the City on a monthly basis and are deposited to the City’s General Fund. In fiscal year 2017-18, transient occupancy tax receipts were \$5,749,752, providing 5.11% of General Fund tax revenues and approximately 3.97% of total General Fund revenues. Based on unaudited estimated results, fiscal year 2018-19 transient occupancy tax receipts of approximately \$5,492,352 are expected to contribute approximately 4% of General Fund tax revenues and approximately 3% of total General Fund revenues.

Transient occupancy tax receipts are estimated to have decreased by \$257,400 (4.5%) in fiscal year 2018-19 over fiscal year 2017-18 year-end results. The City’s Adopted Budget forecasts an increase of approximately 2.2% in transient occupancy tax receipts in fiscal year 2019-20.

Other Taxes and Fees

The City collects other taxes and fees which provide a smaller source of revenue for the General Fund. Such taxes and fees include, but are not limited to franchise taxes, property transfer taxes, business licenses and penalties and interests.

State of California Motor Vehicle In-Lieu Payments

The City also received a portion of Department of Motor Vehicles license fees (“VLF”) collected Statewide. Several years ago, the Statewide VLF was reduced by approximately two-thirds. However, the State continued to remit to cities and counties the same amount that those local agencies would have received if the VLF had not been reduced, known as the “VLF backfill.” The State VLF backfill was phased out, and as of Fiscal Year 2011-12 all of the VLF is now received through an in-lieu payment from State property tax revenues.

Long-Term Liabilities

Changes in Long-Term Liabilities. The following table summarizes the City’s changes in long-term debt and liabilities as of June 30, 2018, excluding debt of the City’s water fund. The table below does not include long-term liabilities related to pension or post-employment benefit plans. See “—Retirement System” and “Other Post-Employment Benefits” below.

**TABLE 8
CITY OF OXNARD
LONG-TERM LIABILITIES
(EXCLUDING WATER FUND DEBT)
FISCAL YEAR 2017-18**

Governmental Activities:	<i>Balance (July 1, 2017)</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance (June 30, 2018)</i>	<i>Due Within One Year</i>
Lease Revenue Bonds					
Variable rate demand lease revenue bonds, series 2003B	\$ 9,400,000	-	\$9,400,000	-	-
Variable rate demand lease revenue bonds, series 2006	18,385,000	-	18,385,000	-	-
Lease revenue refunding bonds, series 2011 ⁽¹⁾	19,845,000	-	410,000	\$ 19,435,000	\$ 455,000
Lease revenue refunding bonds, series 2014	14,765,000	-	935,000	13,830,000	975,000
Lease revenue refunding bonds, series 2018	-	\$28,810,000	985,000	27,825,000	1,330,000
Unamortized premiums	2,090,436	4,129,940	175,523	6,044,853	-
Unamortized discounts	(205,301)	-	(10,805)	(194,496)	-
Certificate of Participation					
“Gas tax revenue certificate of participation”	22,870,000	-	690,000	22,180,000	720,000
Unamortized discounts	(30,027)	-	(30,027)	-	-
Capital Leases					
2009 CIP lease purchase, draw #1	279,895	-	108,180	171,714	113,178
2009 CIP lease purchase, draw #10	407,028	-	110,625	296,403	115,070
2009 CIP lease purchase, draw #13	979,293	-	647,745	331,548	331,549
2009 CIP lease purchase, draw #16	4,150	-	4,150	-	-
2009 CIP lease purchase, draw #17	14,065	-	14,065	-	-
2009 CIP lease purchase, draw #19	490,247	-	160,174	330,073	163,394
2009 CIP lease purchase, draw #20	112,548	-	74,686	37,862	37,862
B of A Capital Lease 2018	-	5,000,000	-	5,000,000	774,742
2012 Lease purchase	3,979,764	-	343,958	3,635,806	353,797
Capital Lease, series 2014 A&B - Fire Station 8	<u>13,606,695</u>	-	<u>715,000</u>	<u>12,891,695</u>	<u>745,000</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$106,993,793</u>	<u>\$37,939,940</u>	<u>\$33,118,274</u>	<u>\$111,815,458</u>	<u>\$6,114,592</u>
BUSINESS-TYPE ACTIVITIES (Continued)	<i>Balance (July 1, 2017)</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance (June 30, 2018)</i>	<i>Due Within One Year</i>
Environmental Resources Fund					
Capital Leases					
Lease purchase trash containers	\$ 410,194	-	\$ 410,194	-	-
B of A Capital Lease 2018	-	\$5,000,000	-	\$ 5,000,000	\$ 434,555
2009 CIP lease purchase, draw #9	<u>18,091</u>	-	<u>18,091</u>	-	-
TOTAL ENVIRONMENTAL RESOURCES FUND	<u>\$ 428,285</u>	<u>\$5,000,000</u>	<u>\$ 428,285</u>	<u>\$ 5,000,000</u>	<u>\$ 434,555</u>
Oxnard Housing Authority Fund Revenue Bonds					
2004 Capital Fund Revenue Bonds	\$ 2,610,000	-	\$ 320,000	\$ 2,290,000	\$ 335,000
TOTAL OXNARD HOUSING AUTHORITY FUND	<u>\$ 2,610,000</u>	<u>-</u>	<u>\$ 320,000</u>	<u>\$ 2,290,000</u>	<u>\$ 335,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$295,869,495</u>	<u>\$ 5,000,000</u>	<u>\$10,368,206</u>	<u>\$290,501,289</u>	<u>\$10,104,600</u>
TOTALS	<u>\$402,863,288</u>	<u>\$42,939,940</u>	<u>\$43,486,480</u>	<u>\$402,316,747</u>	<u>\$16,219,192</u>

⁽¹⁾ Reflects 2011 Bonds which the City expects to refund with the proceeds of the Series 2021A Bonds.

Source: City.

Long-Term Debt. The following table summarizes the City’s outstanding long-term indebtedness as of June 30, 2019. As described in the Official Statement under “THE REFUNDING PLAN” the City expects to refund the outstanding 2011 Bonds with a portion of the proceeds of the 2019/2021 Bonds.

**TABLE 9
CITY OF OXNARD
LONG-TERM DEBT**

Fiscal Year	<u>Governmental Activities</u>				<u>Business-type Activities</u>		Total Primary Government
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases	
2010	\$38,877,717	\$33,600,000	\$46,475,000	\$1,436,151	\$370,257,293	\$3,632,411	\$494,278,572
2011	37,359,198	32,820,000	45,155,000	2,552,594	383,230,810	3,623,668	504,741,270
2012	35,781,802	32,010,000	-	5,665,006	372,713,206	2,963,438	449,133,452
2013	34,146,715	25,335,000	-	11,101,548	361,808,291	2,620,593	435,012,147
2014	32,453,939	24,755,000	-	9,943,968	347,340,473	2,093,846	416,587,226
2015	71,026,930	24,064,918	-	22,159,563	316,333,774	1,546,350	435,131,535
2016	66,823,533	23,464,945	-	21,558,130	305,514,850	1,034,692	418,396,150
2017	64,280,135	22,839,973	-	19,873,684	295,626,652	552,843	403,173,287
2018	66,940,356	22,180,000	-	22,695,103	285,427,585	5,073,701	402,316,745
2019							

Source: Finance Department, City of Oxnard.

Master Equipment Lease Purchase Agreement

The City entered into a Master Equipment Lease Purchase Agreement with Banc of America Capital Corp. in June 2014. The original agreement provided \$10,000,000 in funding for any approved capital expenditures.

On March 30, 2018, Banc of America deposited \$10,000,000 into escrow to fund the capital items approved by City Council on June 6, 2017 and March 27, 2018. Through August 2019, the City has drawn down \$7,445,415 in funds for the purchase of 15 refuse collection vehicles, 20 police motorcycles and vehicles, two fire trucks and miscellaneous public safety equipment. It is anticipated that the remaining funds will be drawn out of escrow by the end of fiscal year 2019-20 as equipment is delivered to the City. Based on the City's preliminary estimates, the Master Equipment Lease Purchase Agreement will cover a portion of the total capital expenditures.

Retirement System

City's Pension Plans

The City contributes to the California Public Employees Retirement System ("PERS"), a multiple-employer, public employee defined benefit plan, which acts as a common investment and administrative agent for participating public entities within the State. The City's membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City's payroll for employees covered by PERS and Public Agency Retirement System Retirement Enhancement Plan ("PARS"), further described below, for the year ended June 30, 2018 was \$44,249,464.

PERS issues a separate comprehensive annual financial report, and annual actuarial reports for the City's retirement plans. Copies of PERS' annual financial report may be obtained from their executive office at 400 "P" Street, Sacramento, California 95814, or at their website at <http://www.calpers.ca.gov>. The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

All City personnel are eligible to participate in PERS, becoming vested after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are payable for life in an amount equal to a specified percentage as follows:

Miscellaneous Employees (ranging from 1.426% for employees who retire at age 50 to 2.418% for employees who retire at age 63 or over)	2% at age 55 2% at age 62
Police Employees	2.7% at 57 3% at age 50
Fire Employees	2.7% at 57 3% at age 50

For employees hired on or before December 31, 2012 (“classic” employees), the benefits are calculated at the highest consecutive 12 months for miscellaneous employees and safety employees multiplied by a total number of years employed. For new (PEPRA) members, hired January 1, 2013 or later, final compensation is the average annual pensionable compensation for a 36-consecutive-month period of employment.

For employees hired on or before December 31, 2012, required employee contributions to PERS are 7% of compensation for miscellaneous employees and 9% of compensation for safety employees, which the City currently pays for regular employees. Under the California Public Employees’ Pension Reform Act of 2013 (PEPRA), for new employees hired on or after January 1, 2013, the required employee contributions to PERS are 6.00% of compensation for miscellaneous employees, 13.75% of compensation for safety Police employees, and 12.25% of compensation for safety Fire employees. The City is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the PERS Board of Administration. The City does not provide contributions to any portion of the required employee contributions.

PERS uses a modification of the entry age normal actuarial cost method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

The City’s total contributions to PERS for the years ended June 30, 2017, and 2018 were \$22,209,040 and \$26,227,251, respectively, and were greater than the recognized contributions for each year. Contribution rates for each participating employer are determined based on the benefit structure established.

Currently, a significant portion of the contribution requirements for police and fire are funded with a voter-approved property tax override. The maximum property tax rate is \$0.076637 per \$100 of assessed values within the City (except a portion of land annexed to the City in 1969). The estimated normal cost and unfunded actuarial liability for Fiscal Year 2019-20 for public safety employees is approximately \$20.8 million, and the property tax override is expected to generate approximately \$12.6 million.

The funded status of each plan as of June 30, 2018, on an actuarial value of assets basis is as follows (dollar amounts in thousands):

	<i>Market Value of Assets (MVA)</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio (MVA / AAL)</i>	<i>Covered Payroll</i>
Police	\$389,027,996	\$281,261,430	\$107,766,566	72.3%	\$26,840,104
Fire	162,409,178	107,128,467	55,280,711	66.0	9,861,994
Fire PEPRA	1,479,893	1,630,148	150,255	90.8	1,485,985
Miscellaneous	354,610,268	491,022,050	136,411,782	72.2	54,374,607

Source: CalPERS Miscellaneous Plan Report dated July 2019.

The actuarial studies referenced above incorporate recent changes in actuarial methods and assumptions. In the PERS’ June 30, 2016 actuarial valuations, PERS used the new actuarial methods for the calculation of the projected contribution rates. CalPERS states that “Projected results reflect the adopted changes to the discount

rate... Actuarial Methods and Assumptions. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. The projected normal cost percentages in the projections below do not reflect that the normal cost will decline over time as new employees are hired into PEPRA or other lower cost benefit tiers.”

The projected rates for each plan as of June 30, 2018, the most recent actuarial valuation, are as follows:

Projected Future Employer Contribution Rates

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Police	26.565%	26.6%	26.6%	26.6%	26.6%	26.6%
Fire	25.540%	25.5%	25.5%	25.5%	25.5%	25.5%
Fire PEPRA	13.884%	13.9%	13.9%	13.9%	13.9%	13.9%
Miscellaneous	9.585%	9.6%	9.6%	9.6%	9.6%	9.6%

Source: CalPERS Actuarial Reports dated July 2019 for each plan.

The City cannot anticipate accuracy of the projections above or to what extent the contribution requirements of the City will increase in future years.

Public Agency Retirement System Retirement Enhancement Plan. The City established a Public Agency Retirement System Retirement Enhancement Plan (“PARS”) effective January 1, 2003, for selected groups of miscellaneous employees (non-safety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. PARS meets the requirements of a pension trust under California Government Code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. For employees meeting the eligibility requirements, the plan provides a benefit equal to the “3% at 60” plan factor (formula is a static 3% at age 60 and older), less the PERS “2% at 55” plan factors for all years of City service plus any military service purchased through PERS (prior to July 1, 2003) while an employee of the City.

Eligibility for an immediate benefit is defined as reaching age 50, completing five years of service, and retiring concurrently from both the City and PERS after leaving City employment. In addition, a deferred benefit would be available to participants who complete five years of service. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Employees and the City contribute a total of 8% of eligible employees’ gross wages. Current employee and city contributions by employee groups are as follows:

	<u>City Contributions</u>	<u>Employee Contributions</u>
IUOE	2.7%	5.3%
SEIU	3.5	4.5
Management	3.0	5.0
Confidential	2.5	5.5

In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660, or at their website at <http://www.pars.org>. The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

For fiscal year ended June 30, 2018, the City recognized a pension expense of \$4,172,000 for the PARS

plan. The City contributed \$4,480,000 to the plan in fiscal year 2017-18. The City's funded status for the PARS plan is 76.7%.

Early Retirement Incentive Plan. The City adopted a supplemental retirement plan to 48 eligible employees; this plan is administered by Phase II Systems, PARS Trust Administrator. The level of benefit is 7% of the employee's final base pay, payable through the employee's lifetime, with an option of payment for five to ten years, at the employee's election. The City's payable to the plan at June 30, 2017 was \$405,060.

Post-Employment Health Care Benefit. The City provides post-employment benefits for retired employees. Employees who retire from the City and receive a PERS pension are eligible for post-employment medical benefits. Retirees can enroll in any of the available PERS medical plans. This benefit continues for the life of the retiree and surviving spouse. Benefit provisions for PERS are established by the Public Employees Retirement Law (Part 3 of the California Government Code, Section 20000 et seq.). PERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the PERS annual financial report may be obtained from the PERS Executive Office, 400 "P" Street, Sacramento, California 95814, or at their website at <http://www.calpers.ca.gov>. The foregoing reference to an internet website is made for reference and convenience only; the information contained within the website has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

The City contributes the minimum amount allowed under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The City's required monthly contribution for calendar year 2018 was \$133.00 per active member. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution.

The City's total OPEB liability of \$36,120,738 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date. For the year ended June 30, 2018, the City recognized an OPEB expense of \$2,835,217.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions (OPEB). This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. For the City, GASB 75 will be effective for the fiscal year ending June 30, 2018. The GASB has also issued Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. That statement is applicable to OPEB plans administered through one or more trusts which meet particular criteria. GASB 74 does not apply to the City, since its OPEB plan is not administered through a trust.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

For additional information with respect to the City's OPEB plan, Appendix C – AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”.

CITY FINANCIAL POLICIES

Reserve Policies

The City's reserve policies require adequate reserves will be maintained for all known liabilities, including payable employee leave balances, workers' compensation, and self insured retention limits. The

City's goal is to maintain an operating reserve equal to twelve percent (12%) of the General Fund operating budget. The operating reserve is available to cover cash flow requirements, meet unanticipated revenue shortfalls, take advantage of unexpected opportunities, invest in projects with a rapid payback, ensure against physical or natural disasters, and provide interest earnings. Additionally, the City desires to maintain operating reserves in the utility funds equal to twenty-five percent (25%) of the operating budgets.

Debt Policy

Pursuant to Resolution No. 15, 105 the City has adopted a debt management policy (the "Debt Management Policy") in compliance with California Government Code Section 8855. The Debt Management Policy sets forth the purposes for which long-term debt financings may be undertaken (i.e. for projects that will provide benefit to constituents over multiple years). The Debt Management Policy provides that the City will limit the debt ratio of annual principal and interest due during a fiscal year to 10% of the General Fund Budget.

City Capital Management Policy

The City's Capital Management Policy requires an annual update of the five-year Capital Improvement Program ("CIP"), including anticipated funding sources for projects. During each budget cycle the five-year CIP is reviewed and approved by the City Council. Such policy requires staff to evaluate each proposed project against the City's capital project priority criteria, which include health and safety, asset preservation and new or expanded City services.

City Investment Policy

The City invests its funds in accordance with the City's Investment Policy, most recently amended on February 20, 2018. In accordance with Section 53600 *et seq.* of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. The City's Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy sets forth a stated objective, among others, of ensuring the safety of invested funds by limiting credit and market risks. Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Yield.

Eligible investments are generally limited to managed investment pools, including but not limited to the Local Agency Investment Fund which is operated by the California State Treasurer, U.S. Treasury bills, notes and bonds, obligations issued by United States Government agencies, obligations issued by a federal agency or United States government-sponsored enterprise, debt issued by a municipal agency, FDIC-insured or negotiable certificates of deposit rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's, repurchase agreements, medium term corporate notes and municipal bonds with maturities of five years or less and rated "A" to "AAA" by Moody's Investor's Service, Inc. or Standard and Poor's Rating Services, banker's acceptances and commercial paper rated A1/P1, as applicable, or better.

[The City Treasurer is required to provide a quarterly report to the City Manager and the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest, and other such information as may be required by the City Council. At September 30, 2019, the City had an investment portfolio of \$_____. As of such date, the City had invested approximately ____% of its investment portfolio in LAIF, ____% in federal agencies, ____% in U.S. Treasuries, and ____% of its investment portfolio in corporate securities. For additional information with respect to the City's cash and investments, see the audited financial statements for fiscal year 2017-18 attached to the Official Statement as Appendix C.]

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The City's population has grown from approximately 197,889 people in 2010 to approximately 209,879 in 2019. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2010 through 2019.

Population of City, County, State, and United States 2010 through 2019⁽¹⁾

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2011	200,029	831,076	37,594,781	311,580,009
2012	201,418	836,774	37,971,427	313,874,218
2013	203,169	843,220	38,321,459	316,057,727
2014	205,301	848,621	38,622,301	318,386,421
2015	207,471	852,505	38,952,462	320,742,673
2016	208,603	854,886	39,214,803	323,071,342
2017	208,987	855,973	39,504,609	325,147,121
2018	209,269	857,415	39,749,508	327,167,434
2019	209,879	856,958	39,927,315	328,231,337

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

⁽¹⁾ Estimates for City, County, State, and United States are as of April 1, 2010.

Source: For City: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010; for State and County: California Department of Finance (Report E-4 Population Estimates for Cities, Counties and the State, 2010-2019 with 2000 Benchmark); for United States: United States Bureau of the Census.

Personal Income

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

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

The following tables show the personal income and per capita personal income for the County, the State and United States from 2010 through 2018.

PERSONAL INCOME
County of Ventura, State of California, and United States
2010-2018
(in Thousands)

<i>Year</i>	<i>County of Ventura</i>	<i>California</i>	<i>United States</i>
2010	\$37,868,923	\$1,627,839,000	\$12,541,995,000
2011	39,908,241	1,738,413,100	13,315,478,000
2012	41,704,333	1,853,467,200	13,998,383,000
2013	42,313,336	1,885,672,400	14,175,503,000
2014	44,708,130	2,021,640,000	14,983,140,000
2015	47,194,829	2,173,299,700	15,711,634,000
2016	48,381,341	2,259,413,900	16,115,630,000
2017	50,550,958	2,634,129,400	16,820,250,000
2018 ⁽¹⁾	Not Available	2,475,727,500	17,572,929,100

⁽¹⁾ Preliminary figures, County figures not yet available.

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

The following table summarizes per capita personal income for the City, the County, the State and the United States for the years 2010 through 2018. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

PER CAPITA PERSONAL INCOME⁽¹⁾
County of Ventura, State of California, and United States
2010-2018

<i>Year</i>	<i>County of Ventura</i>	<i>California</i>	<i>United States</i>
2010	\$45,885	\$43,617	\$40,546
2011	48,025	46,183	42,735
2012	49,937	48,826	44,599
2013	50,363	49,259	44,851
2014	52,925	52,340	47,060
2015	55,594	55,793	48,985
2016	56,846	57,625	49,883
2017	59,178	60,004	51,731
2018 ⁽¹⁾	Not Available	62,586	53,712

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

⁽²⁾ Preliminary figures, County figures not yet available.

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

Employment

The following table summarizes the labor force, employment and unemployment figures over the past five years for the Oxnard-Thousand Oaks-Ventura Metropolitan Statistical Area (“MSA”), the State of California and the nation as a whole.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT Yearly Average for Years 2014 through 2018

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate(%)⁽³⁾</i>
2014				
MSA	431,100	402,500	28,700	6.6%
State of California	18,714,700	17,310,900	1,403,800	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2
2015				
MSA	428,400	404,200	24,200	5.6%
State of California	18,851,100	17,681,800	1,169,200	6.2
United States ⁽⁴⁾	157,130,000	148,834,000	8,296,000	5.3
2016				
MSA	426,700	404,000	22,300	5.2%
State of California	19,044,500	18,002,800	1,041,700	5.5
United States ⁽⁴⁾	159,187,000	151,436,000	7,751,000	4.9
2017				
MSA	426,200	407,100	19,100	4.5%
State of California	19,205,300	18,285,500	919,800	4.8
United States ⁽⁴⁾	160,320,000	153,337,000	6,982,000	4.4
2018 ⁽⁵⁾				
MSA	427,800	411,800	16,000	3.7%
State of California	19,398,200	18,582,800	815,400	4.2
United States ⁽⁴⁾	162,075,000	155,761,000	6,314,000	3.9

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

⁽⁴⁾ Not strictly comparable with data for prior years.

⁽⁵⁾ As of December 2018.

Note: Data is not seasonally adjusted.

Source: California Employment Development Department, based on March 2018 benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

The table below summarizes employment by industry in the MSA from 2014 to 2018. Service Providing, Professional and Business Services and Government are the largest employment sectors in the MSA.

**OXNARD-THOUSAND OAKS-VENTURA
METROPOLITAN STATISTICAL AREA
Annual Average Industry Employment 2014-2018
(in the Thousands)**

<i>Industry Title</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Total Farm	24,900	24,000	23,100	21,700	21,700
Total Nonfarm	298,600	299,200	305,800	307,400	313,300
Total Private	253,200	256,800	258,100	264,300	265,600
Mining and Logging	1,300	900	900	900	900
Natural Resources, Mining and Construction	15,000	15,200	15,700	17,300	17,800
Construction	13,700	14,300	14,800	16,400	16,900
Manufacturing	25,400	26,100	25,400	25,700	26,400
Trade, Transportation and Utilities	60,900	61,400	62,000	62,100	61,200
Wholesale Trade	12,700	12,800	13,300	13,200	13,200
Retail Trade	42,200	42,500	42,300	42,400	41,400
Transportation, Warehousing and Utilities	6,000	6,100	6,400	6,500	6,600
Information	5,300	5,200	5,000	5,100	4,900
Financial Activities	18,400	17,500	17,500	16,700	16,500
Professional and Business Services	41,000	41,600	41,100	43,000	43,200
Educational and Health Services	42,600	44,200	45,400	47,300	48,700
Leisure and Hospitality	34,900	36,000	36,500	37,600	37,500
Other Services	9,700	9,600	9,500	9,500	9,400
Government	<u>45,400</u>	<u>46,900</u>	<u>47,700</u>	<u>47,500</u>	<u>47,700</u>
Total, All Industries	323,500	327,700	328,900	333,500	335,000

Source: State of California, Employment Development Department, Labor Market Information Division, Los Angeles-Long Beach-Glendale Annual Average Labor Force and Industry Employment, March 2018 Benchmark.

Principal Employers

The following table list the top ten employers within the City for fiscal year ended June 30, 2017:

**City of Oxnard
Principal Employers
Fiscal Year 2017**

<u>Employer</u>	<u>2017 Number of Employees</u>	<u>Percent of Total Employment</u>
1. Haas Automation	1,589	20.63%
2. Oxnard Union School District	1,463	18.99
3. City of Oxnard	1,171	15.19
4. Pashan Management Corp.	854	11.09
5. Procter & Gamble-Paper Products	650	8.44
6. Waterway Plastics Inc.	543	7.05
7. CalAmp Corp.	419	5.44
8. Raypak	396	5.14
9. Procter & Gamble-Paper Products	328	4.26
10. Mission Produce	291	3.78

⁽¹⁾ Most recent data available.

Source: City of Oxnard Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the years 2015 through 2018.

CITY OF OXNARD
TABLE OF TAXABLE SALES BY CATEGORY
For the Years 2015 Through 2018
Adjusted for Economic Data
(000's)

	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Motor Vehicle and Parts Dealers	\$ 557,468,273	\$ 596,911,284	\$ 610,449,669	\$ 596,570,616
Home Furnishings and Appliance Stores	137,871,611	147,257,458	146,130,441	143,011,416
Building Material and Garden Equipment and Supplies Dealers	144,467,484	152,212,526	171,303,597	212,383,840
Food and Beverage Stores	115,164,237	118,224,838	138,404,317	155,163,426
Gasoline Stations	219,361,331	185,779,608	193,578,251	220,672,141
Clothing and Clothing Accessories Stores	113,533,048	121,865,488	122,142,546	121,784,101
General Merchandise Stores	315,825,144	316,496,497	328,406,863	340,937,936
Food Services and Drinking Places	278,569,066	294,177,130	319,053,446	323,948,572
Other Retail Group	127,819,663	197,738,936	171,384,463	157,914,525
Total Retail and Food Services	2,010,079,857	2,130,663,765	2,200,853,593	2,272,386,573
All other outlets	557,289,649	553,400,971	580,323,296	617,209,797
Total all outlets	2,567,369,506	2,684,064,736	2,781,176,889	2,889,596,370

Sources: California Department of Taxes and Fees Administration.

APPENDIX B
SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS
[TO COME]

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE YEAR ENDED JUNE 30, 2018

APPENDIX D

PROPOSED FORMS OF BOND COUNSEL OPINION

[TO COME FROM BOND COUNSEL]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Oxnard, California (the “City”) in connection with the issuance of \$_____ aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2019A (Federally Taxable) (the “Series 2019A Bonds”) and Series 2021A (Tax-Exempt) (the “Series 2021A Bonds” and together with the Series 2019A Bonds, the “Bonds”). The Bonds are being issued pursuant to an Indenture dated as of _____ 1, 2019 (the “Indenture”), [as supplemented by the First Supplement to Indenture (together, the “Indenture”) dated as of _____, 2021], [each] by and among the City, the City of Oxnard Financing Authority (the “Authority”) and Wells Fargo Bank National Association, as trustee (the “Trustee”).

Capitalized terms not defined herein shall have the meaning set forth in the Indenture. The City covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as the foregoing capitalized terms are hereinafter defined).

Section 2. Definitions. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean _____, _____, California, or any successor Dissemination Agent designated in writing by the City, which has filed with the City a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2019, as amended or supplemented.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the

Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than March 1 after the end of the City's fiscal year (which currently ends on June 30), commencing with the report due for the fiscal year ending June 30, 20__, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 Agreement; provided that the audited financial statements of the City may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The City's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The City will promptly notify the MSRB of a change in the fiscal year dates.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if the Dissemination Agent is not the City). If by fifteen (15) Business Days prior to the date specified in (a) for the Annual Report, the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall notify the City of such failure to receive the report. If the Dissemination Agent is other than the City, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the City fails to provide an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice of such failure to file to the MSRB, in the form required by the MSRB.

Section 4. Content of Annual Report. The City's Annual Report shall contain or include by reference:

(a) Financial Statements. The audited financial statements of the City for the most recent fiscal year of the City then ended. If the City prepares audited financial statements and if the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law. Audited financial statements, if prepared by the City, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the City shall provide a notice of such modification to the MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Financial and Operating Data. Numerical and tabular information for the immediately preceding Fiscal Year of the type contained in Appendix A to the Official Statement, in the following charts and tables: Tables 1 through 3, 5, 7 and 9. With respect to Table 1, the adopted budget for the fiscal year in during which the Annual Report is filed need not be reported.

Financial information relating to the City referenced in Section 4(b) may be updated from time to time, and such updates may involve displaying data in a different format or table or eliminating data that is no longer

available.

The City has not undertaken in this Disclosure Certificate to provide all information an investor may want to have in making decisions to hold, sell or buy Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the Wells Fargo Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(d) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the City shall give notice of such termination in a filing with the MSRB.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in

law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Facility Lease, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 20__

CITY OF OXNARD, CALIFORNIA

By: _____
Alexander Nguyen, Executive Director

Acknowledged and Accepted:
_____, as Dissemination Agent

By: _____
Alexander Nguyen, Executive Director

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following information has been provided by DTC for use in securities offering documents, and the Authority and the City take no responsibility for the accuracy or completeness thereof. Neither the Authority nor the City can give or does give any assurances that DTC, DTC Direct Participants or DTC Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the 2019/2021 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the 2019/2021 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2019/2021 Bonds. The 2019/2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2019/2021 Bond certificate will be issued for each issue of the 2019/2021 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein.

3. Purchases of 2019/2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019/2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019/2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2019/2021

Bonds, except in the event that use of the book-entry system for the 2019/2021 Bonds is discontinued.

4. To facilitate subsequent transfers, all 2019/2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2019/2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019/2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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. None of the Authority, the City or the Trustee will have any responsibility or obligation to such Direct Participants and Indirect Participants or the persons for whom they act as nominees with respect to the 2019/2021 Bonds. Beneficial Owners of 2019/2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019/2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture and the Facility Lease. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2019/2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 2019/2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019/2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019/2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments with respect to the 2019/2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the 2019/2021 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2019/2021 Bond certificates are required to be printed and delivered.

10. The Authority may decide to discontinue use of the system of book-entry transfers through DTC

(or a successor securities depository). In that event, 2019/2021 Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the City believe to be reliable, but the Authority and the City take no responsibility for the accuracy thereof.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the 2019/2021 Bonds, payment of principal of and interest and other payments with respect to the 2019/2021 Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE 2019/2021 Bonds, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS TO ONLY DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE 2019/2021 Bonds CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

FORM OF DELAYED DELIVERY CONTRACT

_____, 2019

[Underwriter]
[Underwriter Address]
City, State, Zip

Re: \$3,725,000 City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2021A (Tax-Exempt) (the “Bonds”)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby agrees to purchase from _____ (the “Underwriter”), when, as and if issued and delivered to the Underwriter by the City of Oxnard Financing Authority (the “Authority”), and the Underwriter agrees to sell to the Purchaser:

<u>Par Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Yield</u>	<u>Price</u>
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of the above-referenced Bonds (the “Purchased Bonds”) offered by the Authority under the Preliminary Official Statement dated July 17, 2019 (the “Preliminary Official Statement”), and the Official Statement relating to the Bonds dated July 24, 2019 (the “Official Statement”), at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. Capitalized terms used but not defined herein have the meanings ascribed thereto in the Official Statement. The Bonds are being purchased by the Underwriter pursuant to the Forward Delivery Bond Purchase Agreement among the Authority, the City of Oxnard and the Underwriter (the “Forward Delivery Bond Purchase Agreement”).

The Purchaser hereby confirms that it has received and reviewed the Preliminary Official Statement and the Official Statement (including, without limitation, the section entitled “FORWARD DELIVERY OF THE SERIES 2021A Bonds”), has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a “forward” basis, and the Purchaser hereby purchases and agrees to accept delivery of the Purchased Bonds from the Underwriter on or about March 4, 2020 (the “Settlement Date”), as they may be issued and delivered in accordance with the Forward Delivery Bond Purchase Agreement.

Payment for the Purchased Bonds on the Settlement Date shall be made to the Underwriter or upon its order on the Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, that the Purchaser may suffer in the event the Authority does not for any reason issue and deliver the Bonds.

Upon issuance by the Authority of the Bonds and purchase thereof by the Underwriter, the obligation of

the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional, except in the event that between the date of this Delayed Delivery Contract and the Settlement Date one of the following events shall have occurred:

1. There is a Change in Law (defined below);
2. As a result of any legislation, regulation, rule, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action that continues to be proposed as of the Settlement Date), or for any other reason, Bond Counsel cannot issue the respective opinion substantially in the form attached to the Official Statement as Appendix D to the effect that (a) the interest on the Bonds is not subject to federal income tax under Section 103 of the Code (or comparable provisions of any successor federal tax laws), and (b) the interest on the Bonds is exempt from State of California income taxation;
3. The Official Statement, including as supplemented, as of the date of Closing (as defined in the Forward Delivery Bond Purchase Agreement), which is expected to occur on or about July 24, 2019, or the Updated Official Statement to be provided by the Authority and the City pursuant to the terms of the Forward Delivery Bond Purchase Agreement as of the Settlement Date, contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect;
4. Legislation is enacted, or a decision by a court of the United States is rendered, or any action is taken by, or on behalf of, the Securities Exchange Commission that, in the reasonable opinion of the Underwriter, following consultation with the Authority and the City, has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or an event occurs that would cause the sale of the Bonds to be in violation of any provision of the federal or State of California securities laws; or
5. As of the Settlement Date, the Bonds are no longer rated investment grade by S&P Global Ratings.

The Underwriter shall notify the Purchaser promptly in the event that the Underwriter becomes aware of the occurrence of any of the events described in clauses 1 through 5 above.

A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date that is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule, or regulation has an effective date that is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body that in any such case would, (A) as to the Underwriter, prohibit the Underwriter from completing the underwriting of the Bonds or selling the Bonds or the beneficial ownership interests therein to the public or, (B) as to the Authority or the City, make the completion of the issuance, sale, or delivery of the Bonds illegal.

If the Change of Law eliminates the exclusion from gross income for federal income tax purposes of interest payable on “state or local bonds,” the Underwriter would not be obligated to purchase the Bonds from the Authority, and the Purchaser would not be required to accept delivery of the Purchased Bonds from the Underwriter.

The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a “forward” or “delayed delivery” basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and

pay for the Purchased Bonds on the Settlement Date unless one of the events described above occurs. The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to (a) except for the rating change described in event number 5 above, changes in the rating assigned to the Bonds between the date of Closing and the Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the Authority or the City from the date hereof to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Purchased Bonds following the date hereof, unless the Purchaser sells the Purchased Bonds to another institution with the prior written consent of the Underwriter and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. Each of the undersigned parties represents and warrants that it has the power and authority to enter into this Delayed Delivery Contract and to perform its obligations hereunder.

The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 431 of the New York Governors of the Federal Reserve System, Rule 4210 of the Financial Industry Regulatory Authority and any other margin regulations applicable to the Underwriter.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into the Forward Delivery Bond Purchase Agreement with the Authority to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriter of any Delayed Delivery Contract (including this one) is in the Underwriter's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Underwriter, it is requested that the Underwriter sign the form of acceptance below and mail, e-mail, or otherwise deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter and the Purchaser when such counterpart is so mailed, e-mailed or otherwise delivered by the Underwriter. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

[PURCHASER]

By: _____
Name: _____
Title: _____
Address: _____
Telephone: _____

Accepted:

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: _____
Title: _____