

BRAWLEY

CALIPATRIA

HOLTVILLE

WESTMORLAND



CALEXICO

EL CENTRO

IMPERIAL

IMPERIAL COUNTY

AGENDA

WEDNESDAY, JUNE 27, 2018

5:30 PM or immediately after the ICTC meeting

**County Administration Building, 2nd Floor
Board of Supervisors Chambers
940 W. Main St.
El Centro, CA 92243**

CHAIRPERSON: LUIS PLANCARTE

EXECUTIVE DIRECTOR: MARK BAZA

Individuals wishing accessibility accommodations at this meeting, under the Americans with Disabilities Act (ADA), may request such accommodations to aid hearing, visual, or mobility impairment by contacting ICTC offices at (760) 592-4494. Please note that 48 hours advance notice will be necessary to honor your request.

I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

A. Discussion/Action of emergency items, if necessary.

III. PUBLIC COMMENTS

Any member of the public may address the Authority for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Authority. The Authority will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

IV. CONSENT CALENDAR

A. Approval of LTA Board Draft Minutes: March 28, 2018 Page 3

V. REPORTS

A. LTA Executive Director Report Page 4

VI. ACTION CALENDAR

A. Approval and Adoption of the 2018 Local Transportation Authority Bond Financing Page 6

The Executive Director forwards this item to the LTA Board for their review and approval after public comment, if any:

1. "Resolution Authorizing the issuance and sale of not to exceed \$17,400,000 Aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds in one or more series, approval of supplemental indentures, a purchase contract, a continuing disclosure agreement, pledge agreements and Preliminary Official Statement, and authorizing official actions and execution of documents related thereto"

**1503 N. Imperial Ave., Suite 104, El Centro, CA 92243
Phone: (760) 592-4494 Fax: (760) 592-4410**

B. Continuing Resolution for the FY 2017-18 Local Transportation Authority (LTA) Budget Page 261

The ICTC Management Committee met on June 13, 2018 and forwards this item to the LTA Board for review and approval after public comment, if any.

1. Authorize the Chairman to sign the continuing resolution in order to pay expenditures of the LTA prior to the adoption of the Budget for Fiscal Year 2018-19, at the levels set by the Budget for Fiscal Year 2017-18 (adopted on June 28, 2017).

C. LTA 1% Administrative Budget Resolution Amending the Measure D Expenditure Plan Page 264

The ICTC Management Committee met on June 13, 2018 and forwards this item to the LTA Board for review and approval after public comment, if any.

1. Direct staff to conduct the administrative requirements for a public hearing on July 25, 2018 at 6:00PM for the purpose of attaining public comment on the LTA 1% Administrative Budget Resolution Amending the Measure D Expenditure Plan.

D. Additional Fund Request to the Local Transportation Authority (LTA) – Traffic Control Assistance for Southbound Peak Traffic on State Route 111-Imperial Avenue to the Downtown Calexico West Port of Entry Page 269

The ICTC Management Committee met on June 13, 2018 and forwards this item to the LTA Board for review and approval after public comment, if any.

1. Approve the allocation for additional funding needed in the amount of \$150,000 for one additional year from the 5% Highway set-aside from the Measure D allocations.
2. Authorize the Chairman to sign a one-year extension for FY 2018-19 to the Memorandum of Understanding (MOU) between the City of Calexico and the Imperial County Local Transportation Authority.

E. Additional Fund Request to the Local Transportation Authority (LTA) – Security Services at the El Centro 7th and State Streets Bus Transfer Terminal Page 276

The ICTC Management Committee met on June 13, 2018 and forwards this item to the LTA Board for review and approval after public comment, if any.

1. Approve the allocation for funding needed in the amount of \$90,000 for one additional year for the City of El Centro for security services at the 7th an State Street transfer terminal, from the LTA 2% Transit set-aside from the Measure D allocations.
2. Authorize the Chairman to sign a one-year extension for FY 2018-19 to the Memorandum of Understanding (MOU) between the City of El Centro and the Imperial County Local Transportation Authority.

VII. ADJOURNMENT**A. Motion to Adjourn**



Local Transportation Authority

MINUTES FOR MARCH 28, 2018

VOTING MEMBERS PRESENT:

City of Brawley
City of Imperial
City of El Centro
City of Westmorland
County of Imperial

George Nava
Robert Amparano
Cheryl Viegas-Walker
Larry Ritchie
Ryan Kelley

Executive Director

Mark Baza (non-voting)

STAFF PRESENT: Vicky Hernandez, Michelle Bastidas**OTHERS PRESENT:** Eric Havens: ICTC Counsel; Marcelo Pinedo, Ann Fox, Jesus Vargas: Caltrans**I. CALL TO ORDER AND ROLL CALL**

Meeting was called to order by Vice Chair Amparano 7:40 p.m. and roll call was taken.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There was no public comment.

IV. CONSENT CALENDAR

- A. A motion was made by [Nava](#) and seconded by [Ritchie](#) to approve the Consent Calendar items A, **Motion Carried unanimously.**

V. REPORTS

- A. Executive Director Report

The Executive Report was located on page 4 of the agenda.

VI. ACTION CALENDER

- A. Adoption of the Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2017
1. Received, Approved and Filed the FY 2016-17 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calipatria, Calexico, El Centro, Holtville, Imperial, County of Imperial and the ICLTA.

A motion was made by [Viegas-Walker](#) and seconded by [Kelley](#), **Motion Carried unanimously.****VII. ADJOURNMENT**

- A. Meeting Adjourned at 8:08 p.m. Motion and second by [Kelley/Ritchie](#).

BRAWLEY

CALIPATRIA

HOLTVILLE

WESTMORLAND



CALEXICO

EL CENTRO

IMPERIAL

IMPERIAL COUNTY

Memorandum

Date: June 22, 2018

To: Local Transportation Authority

From: Mark Baza, Executive Director

Re: Executive Director's Report

The following is a summary of the Executive Director's Report for the LTA meeting of June 27, 2018:

1. LTA Bond Projects:

The following lists the remaining funds for the LTA 2012 Bond as of February 28, 2018.

- a. The City of Calexico has stated that they are working on a 2018 Street Improvement Project. Construction began May 2018 and is expected to be completed late October 2018. The remaining bond proceeds will be used for this project.
- b. The City of Brawley has stated that they are working on a Phase XI project that will conclude in September 2018. The remaining bond proceeds will be used for this project.

Original Bond Funds	
Brawley	\$8,155,000
Calexico	\$15,410,000
Calipatria	\$2,305,000
Imperial	\$6,170,000
County	\$21,935,000

Remaining Bond Funds*		% Spent
Brawley	\$2,005,529.35	75%
Calexico	\$3,203,298.67	79%
Calipatria	\$0	100%
Imperial	\$0	100%
County	\$0	100%

*Remaining Project Bond funds according to bank statements dated 2/28/2018

2. FY 2016-17 Audit - Member Agency Coordination and Documentation:

- a. The audit team is finalizing the draft audit for the City of Westmorland. A draft should be available on July 6th.
- b. ICTC staff is working on setting up an Oversight Committee meeting to review and discuss the Measure D audit for the City of Westmorland tentatively the week of July 9th.
- c. The draft audit will be presented by the auditor (VTD) to the ICLTA on July 25, 2018.

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VI. ACTION CALENDAR

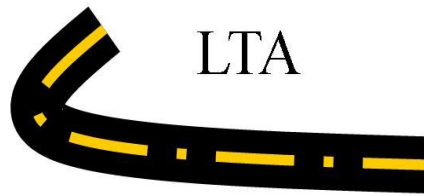
ACTION A

Brawley

Calipatria

Holtville

Westmorland



Local Transportation Authority

Calexico

El Centro

Imperial

County of Imperial

June 22, 2018

Luis Plancarte, Chairperson
Local Transportation Authority
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Approval and Adoption of the 2018 Local Transportation Authority Bond Financing

Dear Members of the Authority:

In 1989, the Imperial County Local Transportation Authority (the “Authority”) adopted an ordinance implementing a one-half cent retail transactions and use tax within the County of Imperial (the “County”) for a period of 20 years, which commenced on April 1, 1990 and expired on March 31, 2010 (the “Measure D Sales Tax”). A ballot measure relating to the implementation of the Measure D Sales Tax was passed by the voters of the County in November 1989. In 2008, the Authority adopted an ordinance to extend the Measure D Sales Tax for an additional 40 year term, commencing on April 1, 2010 and expiring on March 31, 2050. A measure regarding the extension of the Measure D Sales Tax was passed by the voters of the County in November 2008. In conjunction with the Measure D Sales Tax extension in 2008, the Authority also adopted an Expenditure Plan, which provides how the revenues from the Measure D Sales Tax (the “Measure D Sales Tax Revenues”) are allocated among the Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland and the County (each, a “Local Agency”).

Under California law, the Authority is permitted to issue bonds on behalf of a Local Agency that is payable from the Measure D Sales Tax Revenues that are allocable to such Local Agency. The Cities of Calexico, Calipatria, and Holtville (each, a “Participating Local Agency”) have identified certain street and highway projects that need to be undertaken and have requested that the Authority issue a series of bonds on its respective behalf of each Participating Local Agency that shall be payable solely from the portion of the Measure D Sales Tax Revenues allocable to that Participating Local Agency (the “Bonds”). In connection with the issuance of the Bonds, the Authority will enter into an agreement with each Participating Local Agency, whereby such Participating Local Agency pledges its share of the Measure D Sales Revenues (the “Pledged Measure D Sales Tax Revenues”) to the repayment of its Series of Bonds (the “Pledge Agreement”). The Authority, in turn, will enter into an agreement with the Trustee (defined below) that provides for the issuance of the Bonds and pledges the Pledged Measure D Sales Tax Revenues for the repayment of the Bonds (the “Indenture”). Further, to allow for each Participating Local Agency to have a Series of Bonds payable solely from its respective Pledged Measure D Sales Tax Revenues, the Authority will enter into a separate supplement indenture for each of the three Participating Local Agencies: the Cities of Calexico, Calipatria and Holtville (each, a “Supplemental Indenture”).

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Under each Supplemental Indenture, the Authority shall create a Series of Bonds on behalf of a specific Participating Local Agency that will be payable from that Participating Local Agency's Pledged Measure D Sales Tax Revenues. To ensure that the Trustee receives the Pledged Measure D Sales Tax Revenues, the Authority will enter into an Amended and Restated Agreement for the State Administration of Retail Transactions and Use Tax (the "Sales Tax Administration Agreement") with the State Board of Equalization, whereby the Authority will agree to have all Measure D Sales Tax Revenues sent directly to the Trustee.

The Authority shall sell the Bonds to Ramirez & Co., Inc., as underwriter (the "Underwriter") pursuant to a contract (the "Purchase Contract"). The Underwriter will then sell the Bonds to investors. To help facilitate the marketing and sale of the Bonds, Norton Rose Fulbright US LLP, as Disclosure Counsel, with the assistance of the Authority, will prepare a Preliminary Official Statement and a Final Official Statement, each of which provides information about the Bonds, the Authority, the Measure D Sales Tax and other pertinent information. The Authority shall also enter into a continuing disclosure agreement (the "Continuing Disclosure Agreement"), in which the Authority agrees to provide certain information to investors on an annual basis and to provide notice of the occurrence of certain events that are considered material to investors. The provision of annual operating information by the Authority required by the Continuing Disclosure Agreement allows the Underwriter to comply with United States Securities and Exchange Commission regulations.

A brief summary of the legal documents follows:

Pledge Agreement – The Pledge Agreement is an agreement between the Authority and each Participating Local Agency whereby such Participating Local Agency agrees to pledge its Measure D Sales Tax Revenues for repayment of the Bonds and assigns such Pledged Measure D Sales Tax Revenues to the bond trustee as long as the Bonds are outstanding.

Indenture and Supplemental Indentures – The purpose of the Indenture and each Supplemental Indenture (collectively, the "Indenture") is to assign certain duties to The Bank of New York Mellon Trust Company, N.A. (the "Trustee") and to establish the way in which persons owning the Bonds will be paid on their investment. Each Indenture is a contract between the Authority and the Trustee for the benefit of bond owners. The Authority appoints the Trustee as its agent to receive payments from the State Board of Equalization and to divide these payments among the registered owners of the Bonds, according to the interest and principal payments due to each of them. The Trustee will accept for deposit a portion of the amount equal to the net proceeds of sale of each Series of Bonds from the Underwriter at closing and will deposit such moneys in the respective Project accounts of each Participating Local Agency to implement the improvements being financed with the proceeds of the Bonds (each, a "Project"). The Bonds may be executed and delivered at a fixed rate of interest in accordance with the terms set forth in the Indenture. The Trustee administers the funds established under the Indenture and will provide regular reports regarding fund balances and disbursements to the respective Participating Local Agencies, including each Participating Local Agency's project account.

Purchase Contract - Under this document, which will be signed the day of the pricing of the Bonds (or the day following pricing); the Underwriter agrees to purchase all of the Bonds from the Authority at an established price and underwriting discount. Immediately prior to the Authority's executing the Purchase Contract, the Underwriter will "price" the Bonds in the public market — that is, to identify the interest rate which the Bonds will represent when sold to investors. A final underwriting discount (the Underwriter's fee) will be established at the same time and incorporated into the terms of the Purchase Contract.

Preliminary and Final Official Statement - There has also been submitted to the Authority a form of preliminary official statement for the Bonds, which contains information, statistics, and summaries regarding the Bonds and the Authority that prospective purchasers of the Bonds are likely to need in order to make an investment decision. Bond Counsel will prepare this document and the final form of the Preliminary Official Statement (a "Final Official Statement") once the pricing and sale of the Bonds is complete. The data included in the Official Statement needs to be reviewed by staff and the summaries and content are reviewed by us and by Underwriter's Counsel. Related to the Official Statement and appended thereto is a Continuing Disclosure Agreement which is a requirement of the United States Securities and Exchange Commission in long-term financings such as that for the Bonds. The Continuing Disclosure Agreement is an agreement between the Authority and the future owners of the Bonds regarding information to be made available to such owners during the term of the Bonds. The obligation of the Authority to supply material information continues until the Bonds are paid in full and can be met by certain annual and material event filings described in the Continuing Disclosure Agreement.

FISCAL IMPACT:

There should not be any significant fiscal impacts to the Authority due to the issuance of the Bonds.

The following documents are included in the back-up:

- Purchase Contract
- Authority Authorizing Resolution
- Form of Preliminary Official Statement (including form of Continuing Disclosure Agreement)
- Form of Seventh Supplemental Indenture
- Form of Eighth Supplemental Indenture
- Form of Ninth Supplemental Indenture
- Form of Calxico Pledge Agreement
- Form of Calipatria Pledge Agreement
- Form of Holtville Pledge Agreement

It is recommended that the LTA Board adopt the following Resolution entitled:

1. "Resolution Authorizing the issuance and sale of not to exceed \$17,400,000 Aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds in one or more series, approval of supplemental indentures, a purchase contract, a continuing disclosure agreement, pledge agreements and Preliminary Official Statement, and authorizing official actions and execution of documents related thereto"

Sincerely,



MARK BAZA
Executive Director

Attachment

MB/cl

\$[_____]

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

SALES TAX REVENUE BONDS (LIMITED TAX BONDS)

\$[_____]

Series 2018A

(City of Calexico)

\$[_____]

Series 2018B

(City of Calipatria)

\$[_____]

Series 2018C

(City of Holtville)

PURCHASE CONTRACT

[August 2], 2018

Imperial County Local Transportation Authority
 1503 North Imperial Avenue, Suite 104
 El Centro, CA 92243

Ladies and Gentlemen:

Ramirez & Co., Inc. (the “Underwriter”) offers to enter into this Purchase Contract (the “Purchase Contract”) with you, the Imperial County Local Transportation Authority (the “Authority”), for the purchase by the Underwriter of \$[_____] aggregate principal amount of the Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), consisting of \$[_____] aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (City of Calexico) (the “Series 2018A Bonds”), \$[_____] aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (City of Calipatria) (the “Series 2018B Bonds”), \$[_____] aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (City of Holtville) (the “Series 2018C Bonds”) (each a “Series of Bonds” and, collectively, the “Bonds”).

This offer is made subject to written acceptance by the Authority at or prior to 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Upon such acceptance this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriter.

Section 1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase, and the Authority hereby agrees to issue and direct The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) to authenticate and deliver to the Underwriter, all (but not less than all) of the following:

(1) \$[_____] aggregate principal amount of Series 2018A Bonds at the aggregate purchase price of \$[_____] (representing the aggregate principal amount of the Series

2018A Bonds, plus a net [reoffering] premium of \$[_____] and less an Underwriter's discount of \$[_____] (the "Series 2018A Purchase Price");

(2) \$[_____] aggregate principal amount of Series 2018B Bonds at the aggregate purchase price of \$[_____] (representing the aggregate principal amount of the Series 2018B Bonds, plus a net [reoffering] premium of \$[_____] and less an Underwriter's discount of \$[_____] (the "Series 2018B Purchase Price");

(3) \$[_____] aggregate principal amount of Series 2018C Bonds at the aggregate purchase price of \$[_____] (representing the aggregate principal amount of the Series 2018C Bonds, plus a net [reoffering] premium of \$[_____] and less an Underwriter's discount of \$[_____] (the "Series 2018C Purchase Price" and, together with the Series 2018A Purchase Price and Series 2018B Purchase Price, the "Aggregate Purchase Price");

The Bonds shall be as described in the Official Statement and the Indenture (each as herein defined) and shall be issued and secured under and pursuant to an Indenture, dated as of May 1, 2012 (the "Master Indenture"), and certain Supplemental Indentures, each dated as of August 1, 2018 (the "Supplemental Indentures" and, together with the Master Indenture, the "Indenture"), each by and between the Authority and the Trustee. The principal amounts, maturities and interest rates with respect to the Bonds are as set forth in Exhibit A hereto. The proceeds of the Bonds will be used to (i) finance the costs associated with certain transportation projects of the City of Calipatria, the City of Calexico and the City of Holtville (collectively, the "Participating Local Agencies"), (ii) fund bond reserves for each Series of Bonds, and (iii) pay costs of issuance of the Bonds.

Each of the Local Agencies will enter into a Pledge Agreement, dated as of August 1, 2018 (each a "Pledge Agreement" and, together, the "Pledge Agreements"), by and between such Local Agency and the Authority, pursuant to which the Local Agency will pledge and assign its Pledged Allocable Sales Tax Revenues (as defined in the Indenture) to the Trustee for payment of debt service on the Bonds to be issued on behalf of the Local Agency. The execution and delivery of the Pledge Agreement and the issuance of the Bonds, together with certain actions related thereto, have been authorized by a resolution of each of the Local Agencies (each a "Local Agency Resolution").

The execution and delivery of the Indenture, the Pledge Agreements, the Sales Tax Administration Agreement, the Continuing Disclosure Agreement, dated as of August 1, 2018 (the "Continuing Disclosure Agreement" and, together with this Purchase Contract, the Indenture, the Pledge Agreements and the Sales Tax Administration Agreement, the "Authority Legal Documents"), by and between the Authority and the Trustee, as dissemination thereunder, and this Purchase Contract, the issuance of the Bonds and certain matters relating thereto have been authorized by a resolution of the Authority dated [June 27], 2018 (the "Authority Resolution"). The Pledge Agreements and the Letters of Representations of the Local Agencies set forth in Exhibit B hereto and made a part of this Purchase Contract by this reference (the "Letter of Representations") are referred to collectively herein as the "Local Agencies Legal Documents". The Authority Legal Documents and the Local Agencies Legal Documents are referred to collectively herein as the "Legal Documents." Capitalized terms not otherwise defined herein shall have the meanings as defined in the Indenture.

Section 2. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except for the maturities set forth in Exhibit A attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Exhibit A attached hereto sets forth the maturities of the Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the “10% Test Maturities”) and the prices at which the Underwriters have sold such 10% Test Maturities to the public. [As shown on Exhibit A all of the maturities of the Bonds are 10% Test Maturities.]

(c) [The Underwriter confirms the Bonds have been offered to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the final official statement. Exhibit A sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority or the Authority’s municipal advisor when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been

satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to the Underwriter,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Purchase Contract by all parties.

Section 3. Delivery of the Official Statement and Other Documents.

(a) The Authority agrees to cause to be delivered to the Underwriter as many copies of the Official Statement relating to the Bonds, signed on behalf of the Authority by a duly authorized officer of the Authority, as the Underwriter shall reasonably request in an amount not to exceed 150 to comply with Rule 15c2-12(b)(4) promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Rule”), and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Authority agrees that within seven (7) business days from the date hereof and in any event not less than two days prior to the date of Closing (as defined below), it shall deliver to the Underwriter a final Official Statement, executed on behalf of the Authority by an authorized representative of the Authority and dated the date hereof, which shall be in the form of the Preliminary Official Statement (as defined herein) with only those changes necessary to reflect information permitted to be omitted by paragraph (b)(1) of Rule 15c2-12, and such other amendments or supplements as shall have been approved by the Authority and the Underwriter and such additional conformed copies thereof in “designated electronic format” (as defined in MSRB Rule G-32), as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12 and to meet potential customer requests for copies of the Official Statement. The Authority hereby ratifies and consent to the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement.

(b) The Authority hereby authorizes the approval of the Official Statement by execution thereof by a duly authorized officer of the Authority. By execution of this Purchase Contract, the Authority confirms that the Preliminary Official Statement dated [July 24], 2018 with respect to the Bonds, (together with the appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto, the “Preliminary Official Statement”) was deemed final for purposes of the Rule. The Authority represents that the information (excluding the statements and information under the caption “Book-Entry System,” and in APPENDIX E – “BOOK-ENTRY SYSTEM” and any information relating to the Underwriter provided by the Underwriter in writing for inclusion in the Preliminary Official Statement) contained in the Preliminary Official Statement was as of its date, and is as of the date hereof, true and correct in all material respects and such information did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Preliminary Official Statement, with such changes and amendments as are mutually agreed to by the Authority and the Underwriter, including the cover page, inside cover page, the appendices and all information incorporated therein by reference, is herein referred to as the “Official Statement”.

(c) The Underwriter agrees to (1) provide the Commission with final pricing information on the Bonds on a timely basis, (2) give notice to the Authority on the date after which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule, and (3) promptly file a copy of the final Official Statement, including any supplements prepared by the Authority, with the Municipal Securities Rulemaking Board.

(d) Prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 3(c) hereof that Official Statements are no longer required under the Rule or (ii) 25 days after the Closing (as hereinafter defined), but not thereafter, the Authority shall provide the

Underwriter with such information regarding the Authority, its current financial condition and the ongoing operations, including the Pledged Allocable Sales Tax Revenues and the projects to be financed with proceeds of the Bonds, as the Underwriter may reasonably request.

Section 4. The Closing. At 8:00 a.m., California Time, on [August 29], 2018, or at such other time or on such earlier or later date as the Authority and the Underwriter mutually agreed upon, the Authority and the Trustee will deliver or cause to be delivered to the Underwriter the Bonds in book-entry form through or otherwise in care of the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and authenticated, and the other documents hereinafter mentioned shall be delivered at the offices of Norton Rose Fulbright US LLP in Los Angeles, California (“Bond Counsel”), or at such other location as shall have been mutually agreed upon by the Authority and the Underwriter. Subject to the terms and conditions hereof, the Underwriter will accept delivery of the Bonds and pay the Aggregate Purchase Price thereof by federal funds to the order of the Trustee as set forth in Section 1 hereof (such delivery of and payment for the Bonds is herein called the “Closing”).

Section 5. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at their principal amount. The Underwriter reserves the right to change such initial public offering prices or yields as the Underwriter deems necessary following the initial public offering period in connection with the marketing of the Bonds. The Authority, on behalf of itself and the Local Agencies, hereby authorizes the Underwriter to use the forms or copies of the Legal Documents and the Official Statement and the information contained therein in connection with the public offering and sale of the Bonds. The Authority hereby ratifies and confirm their authorization of the distribution and use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Bonds.

Section 6. Authority Representations, Warranties and Agreements. The Authority represents and warrants to the Underwriter as follows:

(a) **Due Organization and Existence: Legal, Valid and Binding Obligations.** The Authority is a local transportation authority formed and existing under the Constitution and the laws of the State of California and has all necessary power and authority to adopt the Authority Resolution and enter into and perform its duties under the Authority Legal Documents, the Authority Resolution has been adopted and has not been rescinded, and the Authority Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the Authority in accordance with their respective terms except as enforcement against the Authority may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.

(b) **No Conflict.** The adoption of the Authority Resolution and the execution and delivery of the Authority Legal Documents and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Authority’s duties under the Authority Legal Documents, the Authority Resolution or any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the Authority is subject or by which it or any of its properly is bound.

(c) No Consents Required. Except as may be required under blue sky or other securities laws of any state, or except with respect to any permits or approvals heretofore received which are in full force and effect or the requirement for which is otherwise disclosed in the Official Statement, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Authority, required for the adoption of the Authority Resolution and the sale and issuance of the Bonds or the consummation by the Authority of the other transactions contemplated by the Official Statement, the Authority Resolution or the Authority Legal Documents.

(d) No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or to the knowledge of the Authority, threatened against the Authority to restrain or enjoin the delivery of the Bonds or in any way contesting or affecting the validity of the Authority Legal Documents, the Authority Resolution or the Bonds or contesting the powers of the Authority to enter into or perform its obligations under any of the foregoing.

(e) Official Statement Correct and Complete. The information contained in the Preliminary Official Statement is, and in the Official Statement will be as of its date and as of the Closing Date, true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Blue Sky Cooperation. The Authority agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; *provided, however*, that the Authority shall not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

(g) Due Approval of the Official Statement Distribution. By official action of the Authority prior to or concurrently with the execution hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the Official Statement, has duly adopted the Authority Resolution and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Authority Legal Documents and the consummation by it of all other transactions contemplated by the Official Statement, the Authority Resolution and the Authority Legal Documents.

(h) No Breach or Default. The Authority is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject which breach or default would have a material and adverse impact on the Authority's ability to perform its obligations under the Authority Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(i) Agreement to Notify Underwriter Regarding Official Statement. The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the consent of the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(j) Agreement to Amend Official Statement. If at any time from the date hereof to and including 25 days after the end of the underwriting period described below when, in the opinion of the Underwriter, an amendment or supplement to the Official Statement should be delivered in connection with the offer or sale of the Bonds, any event occurs, of which the Authority has knowledge, as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority will prepare an amendment or supplement to the Official Statement; provided, that all expenses thereby incurred (including printing expenses) will be paid for by the Authority.

(k) Amendments to Official Statement Correct and Complete. If the information contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date twenty-five days after the end of the underwriting period, the portions of the Official Statement so supplemented or amended will be true and correct in all material respects and such information will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the information therein, in the light of the circumstances under which it was made, not misleading.

(l) No Default. The Authority represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued or guaranteed by it.

(m) Agreement to Preserve Tax Exemption. The Authority covenants that it will not take any action which would cause interest with respect to the Bonds to be included in the gross income of Owners for federal income tax purposes or to be subject to federal income taxation or California personal income taxes (other than to the extent the Bonds will be subject to federal income taxation as described under the caption "Tax Matters" in the Official Statement).

(n) Authority Financial Statements. The financial statements of, and other financial information regarding, the Authority in the Official Statement fairly present the financial condition and results of the operations of the Authority as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles as consistently applied.

(o) Continuing Disclosure Compliance. Except as disclosed in the Preliminary Official Statement and the Official Statement, the Authority has not failed to comply in the last

five years, in any material respect, with any of its continuing disclosure undertakings pursuant to the Rule.

Section 7. Underwriter's Representations, Warranties and Agreements. The Underwriter represents, warrants to and agrees with the Authority that, as of the date of hereof and as of the Closing Date:

(a) The execution and delivery hereof and the consummation of the transactions contemplated hereby do not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the MSRB;

(b) All reports required to be submitted to the MSRB pursuant to Rule G-37 have been and will be submitted to the MSRB;

(c) The Underwriter has not paid or agreed to pay, nor will they pay or agree to pay, any entity, company, firm, or person, other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract; and

(d) Representatives of the Authority have responded fully to the Underwriter's requests for information and there are no pending or unanswered requests for information from the Authority.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the Authority contained herein and the Local Agencies contained in their respective Letters of Representations, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing, the performance by the Authority and the Local Agencies of their respective obligations hereunder and under the Letters of Representations, and the opinions of Bond Counsel, counsel to the Trustee, counsels to the Local Agencies, counsel to the Authority and counsel to the Underwriter described hereafter. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon and subject to (i) the performance by the Local Agencies, the Authority and the Trustee of their respective obligations to be performed hereunder and under such documents and instruments as shall reasonably be requested by the Underwriter or counsel to the Underwriter at or prior to the Closing and (ii) the accuracy in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the Authority herein and the Local Agencies in their respective Letters of Representations, and shall also be subject to the following additional conditions:

(a) **Bring-down of Representations.** The representations, warranties and agreements of the Authority contained herein and the Local Agencies contained in their respective Letters of Representations shall be true, complete and correct on the date hereof and on and as of the date of the Closing.

(b) **Authorization, Execution and Delivery of Documents.** At the Closing, the Legal Documents, the Bonds and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the

Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and said agreements shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and each shall be in full force and effect.

(c) No Amendment of Official Statement. At the Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(d) No Material Adverse Change. At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the operations of the Authority, from that set forth in the Official Statement, that makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated by the Official Statement.

(e) Marketability Adversely Affected. In the judgment of the Underwriter, between the date hereof and the Closing, the marketability of the Bonds at the initial offering prices set forth on Exhibit A attached hereto shall not have been materially adversely affected by reason of any of the following:

(1) Legislation, Judicial Decisions or Rulings. An amendment to the Constitution of the United States or the Constitution of the State of California shall have been passed or legislation enacted, introduced in the Congress or in the legislature of the State of California or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) Regarding Federal Tax Exemption – by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon payments of the general character of the Pledged Allocable Sales Tax Revenues as would be received by the Trustee or upon such interest as would be received by the Owners of the Bonds; or

(ii) Regarding State Tax Exemption – by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon payments of the general character of the Pledged Allocable Sales Tax Revenues as would be received by the Trustee or upon such interest as would be received by the Owners of the Bonds; or

(iii) Regarding Federal or State Tax Rates – by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of changing the federal or State of California income tax rates, respectively; or

(iv) Regarding Securities Registration Exemption – by or on behalf of the U.S. Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under the

Securities Act of 1933, as amended (the “Act”), or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) War. The United States’ engagement, alone or as a participant, in an outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis the effect of which in the Underwriter’s reasonable judgment makes it impracticable or impossible to proceed with the solicitation of offers to purchase the Bonds on the terms and in the manner contemplated by the Official Statement;

(3) Banking Moratorium. 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;

(4) Securities Exchange Restrictions. Trading generally shall have been suspended or materially limited on or by the New York Stock Exchange or other national securities exchange, or the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(5) Regarding Federal Securities Laws. An order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any federal securities law as amended and then in effect;

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

(7) Certain Amendments to the Official Statement. An event described in Section 6(j) hereof occurs prior to the Closing which, in the reasonable judgment of the Underwriter, requires or has required a supplement or amendment to the Official Statement; or

(8) Action by Rating Agencies. Any downgrading, suspension or withdrawal, or any official statement as to a possible downgrading, suspension or withdrawal, of any rating by Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”), or Fitch Ratings (“Fitch”) of any obligations of the Authority (excluding obligations for which the Authority acts merely as a conduit issuer), including the Bonds.

(f) At or prior to the Closing, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to them and their counsel:

(1) Opinions of Bond Counsel. The approving opinions of Bond Counsel in substantially the forms included as Appendix F to the Official Statement, dated the date of Closing, addressed to the Authority and the Underwriter (or a reliance letter to the Underwriter);

(2) Supplementary Opinion of Bond Counsel. A supplementary opinion of Bond Counsel, dated the date of Closing, addressed to the Authority and the Underwriter, substantially in the form attached as Exhibit C hereto;

(3) Opinion of Disclosure Counsel. An opinion of Norton Rose Fulbright US LLP, as Disclosure Counsel to the Authority, addressed to the Authority and the Underwriter, dated the date of Closing, to the effect that no information came to the attention of the attorneys in such firm rendering legal services in connection with such issuance which caused such attorneys to believe that the Preliminary Official Statement and the Official Statement as of its date and as of the Closing Date (excluding therefrom financial, engineering and statistical data; forecasts, projections, estimates, assumptions and expression of opinions; statements relating to DTC and its book-entry system; and the statements contained in APPENDIX A – “AUDITED FINANCIAL STATEMENTS OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2017,” APPENDIX E – “BOOK-ENTRY SYSTEM,” and APPENDIX G – “THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND EXPENDITURE PLAN,” as to all of which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(4) Opinions of Counsels to Local Agencies. Opinions of the respective counsels to each Local Agency, dated the date of Closing, in form and substance satisfactory to the Underwriter, addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(i) Due Organization and Existence – the Local Agency is a political subdivision of the State of California duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) Due Adoption – the Local Agency Resolution approving and authorizing the execution and delivery of the Local Agency Legal Documents and issuance of the Bonds on behalf of the Local Agency was duly adopted at a meeting of the governing board of the Local Agency, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) No Litigation – there is no action, suit or proceeding pending or, to the best knowledge of such counsel, threatened against the Local Agency to (i) restrain or enjoin the execution or delivery of the Bonds on behalf of the Local Agency or the Local Agency Legal Documents, (ii) in any way contesting or affecting the validity of the Bonds to be issued on behalf of the Local Agency, the Local Agency Legal Documents, the Local Agency Resolution or the authority of the Local Agency to enter into the Local Agency Legal Documents, or (iii) in any way contesting or affecting the powers of the Local Agency in connection with any action contemplated by the Local Agency Resolution or the Local Agency Legal Documents;

(iv) No Conflict – the execution and delivery of the Local Agency Legal Documents and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Local Agency a breach of or default under any agreement or other instrument to which the Local Agency is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Local Agency is subject;

(v) Due Authorization, Execution and Delivery; Legal, Valid and Binding Agreements – the Local Agency Legal Documents have been duly authorized, executed and delivered by the Local Agency, and, assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the Local Agency enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against public agencies in the State of California; and

(vi) No Consents Required – no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California other than the Local Agency governing board, is required for the valid authorization, execution and delivery of the Local Agency Legal Documents;

(5) Opinion of Counsel to the Authority. An opinion of counsel to the Authority, dated the date of Closing, in form and substance satisfactory to the Underwriter, addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(i) Due Organization and Existence – the Authority is a local transportation authority duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) Due Adoption – the Authority Resolution was duly adopted at a meeting of the Board of Directors of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) No Litigation – except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit or proceeding pending or, to the best of the undersigned's knowledge, threatened against the Authority to (i) restrain or enjoin the execution or delivery of any of the Bonds or the Authority Legal Documents, (ii) in any way contesting or affecting the validity of the Bonds, the Authority Legal Documents, the Authority Resolution or the authority of the Authority to enter into the Authority Legal Documents, or (iii) in any way contesting or affecting the powers of the Authority in connection with any action contemplated by the Preliminary Official Statement and the Official Statement, the Authority Resolution or the Authority Legal Documents;

(iv) No Conflict – the execution and delivery of the Authority Legal Documents, the approval of the Official Statement, and compliance with the provisions thereof

and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject;

(v) Due Authorization, Execution and Delivery; Legal, Valid and Binding Agreements – the Authority Legal Documents have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State of California;

(vi) No Consents Required – Official Statement, Authority Legal Documents – no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California other than the Board of Directors of the Authority, is required for the valid authorization, execution and delivery of the Authority Legal Documents and the approval of the Official Statement; and

(vii) Official Statement – based upon examinations which he has made and his discussions in conferences with certain officials of the Authority and others with respect to the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement (including the Appendices attached thereto), nothing has come to his attention which would lead him to believe that the Preliminary Official Statement and the Official Statement (other than financial and statistical data therein and incorporated therein by reference, and other than information relating to the DTC Book-Entry System, as to which no opinion need be expressed) as of the date of the Preliminary Official Statement and the Official Statement and as of the date of Closing, contained or contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that no opinion is expressed concerning statements and information relating to DTC and its book-entry system;

(6) Opinion of Trustee's Counsel. An opinion of counsel to the Trustee, dated the date of Closing, in form and substance satisfactory to the Underwriter, addressed to the Authority and the Underwriter, to the effect that:

(i) Due Organization and Existence – the Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture;

(ii) Due Authorization, Execution and Delivery – the Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the valid and

binding obligation of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(iii) No Conflict – the execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(iv) No Additional Approvals Required – all authorizations and approvals required by law and the articles and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Indenture have been obtained; and

(7) Opinion of Underwriter's Counsel. The opinion of Nixon Peabody LLP, Los Angeles, California, counsel for the Underwriter, dated the date of Closing and addressed to the Underwriter, satisfactory in form and substance to the Underwriter.

(8) Local Agency No Litigation Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of each Local Agency satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that no action, suit or proceeding is pending or, to the best of his or her knowledge, threatened against such Local Agency (a) to restrain or enjoin the execution or delivery of any of the Local Agency Legal Documents, (b) in any way contesting or affecting the validity of the Bonds to be issued on behalf of the Local Agency, the Local Agency Legal Documents, or the authority of the Local Agency to enter into the Legal Documents, or (c) in any way contesting or affecting the powers of the Local Agency in connection with any action contemplated by the Official Statement or this Purchase Contract.

(9) Authority No Litigation Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the Authority satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that no action, suit or proceeding is pending or, to the best of his or her knowledge, threatened against the Authority (a) to restrain or enjoin the execution or delivery of any of the Bonds or the Authority Legal Documents, (b) in any way contesting or affecting the validity of the Bonds, the Authority Legal Documents, or the authority of the Authority to enter into the Authority Legal Documents, or (c) in any way contesting or affecting the powers of the Authority in connection with any action contemplated by the Official Statement or this Purchase Contract;

(10) Legal Documents. Two copies of certified transcripts of the record of proceedings relating to the Bonds.

(11) Official Statement. Two (2) copies of the Official Statement.

(12) Trustee Resolution. Two (2) certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Bonds and the Indenture.

(13) Trustee's Representations, Warranties and Agreements. A certificate of the Trustee dated the date of Closing that as of the date of Closing:

(i) Due Organization and Existence – the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, in good standing under the laws of the State, and has the full power and authority to enter into and perform its duties under the Legal Documents to which the Trustee is a party and to execute and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture;

(ii) Due Authorization; Valid and Binding Obligations – the Trustee is duly authorized to enter into the Legal Documents to which it is a party;

(iii) No Conflict – the execution and delivery by the Trustee of the Legal Documents to which the Trustee is a party, and compliance with the terms thereof, will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, which conflict breach or default would materially adversely affect the ability of the Trustee to perform its obligations under the Legal Documents to which the Trustee is a party or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee;

(iv) Consents – exclusive of federal or state securities laws and regulations, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filing, to the best of the Trustee's knowledge, have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Legal Documents to which the Trustee is a party or the execution and delivery of the Bonds; and

(v) No Litigation – no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened against the Trustee or in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the Bonds and the Indenture, including the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(14) Resolutions. A certified copy of each Local Agency Resolution and a certified copy of the Authority Resolution;

(15) Local Agency Bring-Down Certificate. A certificate of an authorized officer of each Local Agency, dated the date of Closing, confirming as of such date the

representations and warranties of the Local Agency contained in Exhibit B to this Purchase Contract;

(16) Authority Bring-Down Certificate. A certificate of an authorized officer of the Authority, dated the date of Closing, confirming as of such date the representations and warranties of the Authority contained in this Purchase Contract;

(17) Ratings. Evidence from S&P that each Series of Bonds has been rated “[A+]” by such agency;

(18) Tax Certificate. Arbitrage certification by the Authority in form and substance acceptable to Bond Counsel;

(19) [Blue Sky Survey]. A copy of the Preliminary and Final Blue Sky Survey with respect to the Bonds;]

(20) CDIAC Notices. Evidence of required filings with the California Debt and Investment Advisory Commission;

(21) Miscellaneous. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel for the Underwriter may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties contained herein and in the Official Statement and the due performance or satisfaction by the Trustee, the Authority and the Local Agencies at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(g) All matters relating to this Purchase Contract, the Bonds and the sale thereof, the Official Statement, the Legal Documents and the consummation of the transactions contemplated by this Purchase Contract shall have been approved by the Underwriter and counsel for the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter’s obligations contained in this Purchase Contract are not satisfied or if the Underwriter’s obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Authority shall have any further obligations hereunder except that the respective obligations of the Authority and the Underwriter set forth in Section 9 and Section 10 hereof shall continue in full force and effect.

Section 9. Expenses.

(a) The Authority shall pay or reimburse all costs and expenses incident to the execution and delivery of the Bonds to the Underwriter, including, but not limited to: (i) the fees and expenses of the Authority and its counsel; (ii) the fees and expenses of Bond Counsel and Disclosure Counsel; (iii) all costs and expenses incurred in connection with the preparation, printing and delivery of the Bonds; (iv) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (v) the fees and expenses of the Trustee and its counsel;

(vi) rating fees; (vii) CUSIP Bureau fees; (viii) DTC and MSRB fees, (ix) the Underwriter's disbursements for telephone conference calls and travel and lodging undertaken at the request of the Underwriter and/or the Authority; and (x) expenses incurred on behalf of the employees of the Underwriter or the Authority which are incidental to the issuance of the Bonds, including, but not limited to, meals, transportation and lodging of those employees. All other fees and expenses of the Underwriter except as provided in paragraph (b) below.

(b) The Underwriter shall pay: (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the fees and expenses of counsel to the Underwriter, including their fees in connection with the qualification of the Bonds for sale under the Blue Sky or other securities laws and regulations of various jurisdictions; (iii) California Debt and Investment Advisory Commission fees; and (iv) all other expenses incurred by it in connection with its public offering and distribution of the Bonds.

Section 10. Indemnification

(a) To the extent permitted by law, the Authority agrees to indemnify and hold harmless the Underwriter and its officers and employees (collectively, the "Indemnified Persons," and individually, an "Indemnified Person") from and against any losses, claims, damages or liabilities to which any Indemnified Person may become subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or arise out of, or are based upon, the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, and will reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in investigating, defending or preparing to defend any such action or claim; provided, however, that the Authority shall not be liable in any such case as to any Indemnified Person to the extent that any such loss, claim, damage or liability arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Official Statement, in reliance upon and in conformity with written information furnished to the Authority by or on behalf of any Indemnified Person specifically for inclusion therein; and provided further, however, that the indemnity with respect to the Official Statement shall not inure to the benefit of the Underwriter on account of any loss, expense, liability or claim arising from the sale of the Bonds by the Underwriter to any person if a copy of the Official Statement (as amended or supplemented, or as proposed by the Authority to be amended or supplemented, if the Authority shall have furnished, or in the case of such proposed amendment or supplement, if the Authority shall have furnished, to the Underwriter at least one full business day prior to confirmation of such sale by the Underwriter an amended Official Statement or amendments or supplements to the Official Statement relating to the untrue statement or alleged untrue statement or omission or alleged omission for which indemnity is sought, as the case may be) shall not have been sent or given to such person at or prior to the confirmation of the sale of such Series of Bonds to such person.

(b) Promptly after receipt by an Indemnified Person under paragraph (a) of this Section of notice of the commencement of any action, such Indemnified Person shall, if a claim in respect thereof is to be made against the Authority under such paragraph, notify the Authority in writing of the commencement thereof. In case any such action shall be brought against any

Indemnified Person, and such Indemnified Person shall notify the Authority of the commencement thereof, the Authority shall be entitled to participate in and, to the extent that it wishes, to assume the defense of, with counsel satisfactory to such Indemnified Person, and after notice from the Authority to such Indemnified Person of its election so to assume the defense thereof, the Authority shall not be liable to such Indemnified Person under paragraph (a) of this Section for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof other than reasonable costs of any investigation; provided, however, that if the named parties to any such action (including any impleaded parties) include both the Indemnified Persons and the Underwriter, and the Indemnified Persons or the Authority shall have reasonably concluded that there may be one or more legal defenses available to it which are different from or additional to those available to the Authority, the Indemnified Persons shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of the Indemnified Persons; provided further, however, that the Authority shall not, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys at any point in time for the Indemnified Persons.

(c) To the extent permitted by law, the Underwriter agrees to indemnify and hold harmless the Authority and its officers and employees to the same extent as the indemnity from the Authority to the Indemnified Persons described in paragraph (a) of this Section but only with respect to information relating to the Underwriter furnished in writing by the Underwriter or on its behalf, which includes certain information furnished for the inside and outside of the cover of the Official Statement and under the caption "UNDERWRITING" as set forth in the Official Statement. In case any action shall be brought against the Authority in respect of which indemnity may be sought against the Underwriter, the Underwriter shall have the rights and duties given to the Authority and the Authority shall have the rights and duties given to the Underwriter by paragraph (b) of this Section and the term "Indemnified Person" shall include the Authority and its officers and employees.

Section 11. Notices.

(a) Trustee. Any notice or other communication to be given to the Trustee under this Purchase Contract may be given by delivering the same in writing to The Bank of New York Mellon Trust Company, N.A., 700 South Flower Street, Suite 500, Los Angeles, CA 90071, Attention: Teresa Fructuoso and Jacqueline Nowak.

(b) Underwriter. Any such notice or other communication to be given to the Underwriter may be given by delivering the same to Ramirez & Co., Inc. 445 S. Figueroa St., Suite 2310, Los Angeles, CA 90071, Attention: Carmen Vargas.

(c) Authority. Any notice or communication to be given to the Authority under this Purchase Contract may be given by delivering the same to the Imperial County Local Transportation Authority, 1405 North Imperial Avenue, Suite 1, El Centro, California 92243, Attention: Mark Baza, Executive Director.

All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Acknowledgment. The Authority and the Local Agencies each acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction among the Local Agencies, the Authority and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Local Agencies or the Authority, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Local Agencies or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Local Agencies or the Authority on other matters) and the Underwriter has no obligation to the Local Agencies or the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the Authority and each Local Agency has consulted their own legal, financial and other advisors to the extent they have deemed appropriate. Further, the Underwriter hereby informs the Authority and the Local Agencies and the Authority and the Local Agencies each hereby acknowledges that the Underwriter is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) to any Local Agency or the Authority in connection with the matters contemplated by this Purchase Contract.

Section 13. Counterparts. This Purchase Contract may be executed by anyone or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all of such counterparts shall together constitute one and the same instrument.

Section 14. Successors and Assigns. This Purchase Contract will inure to the benefit of and be binding upon the parties and their successors (including any successors or assigns of the Underwriter), and will not confer any rights upon any other person.

Section 15. Survival. The provisions of Section 9 and Section 10 hereof shall survive termination or cancellation of this Purchase Contract. All representations, warranties and agreements of the Authority, the Local Agencies or the Underwriter pursuant to this Purchase Contract shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; or (iii) termination of this Purchase Contract but only to the extent provided by the last paragraph of Paragraph 7 hereof, regarding preconditions of Closing.

Section 16. Governing Law. This Purchase Contract shall be governed by, and construed in accordance with, the laws of the State of California.

Section 17. No Personal Liability. No officer of any Local Agency, the Authority or designee thereof shall incur any personal liability for approving or executing this Purchase Contract, taking any action or omitting to take any action required or permitted hereunder or otherwise by reason of or in connection with the Bonds, the Legal Documents or any of the transactions or other matters contemplated by any of the foregoing.

Section 18. Headings. The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 19. Parties in Interest; Force and Effect. This Purchase Contract is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 20. Entire Agreement. This Purchase Contract when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof.

Section 21. Unenforceable Provisions. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatsoever.

Acceptance of the terms of this Purchase Contract shall be signified by execution below by an authorized officer of the Authority.

Very truly yours,

RAMIREZ & CO., INC.

By: _____

Name:

Title:

Accepted:

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

By: _____

Name:

Title:

EXHIBIT A

[BONDS WHICH MET THE 10% TEST]

\$[___]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018A
(City of Calexico)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
-----------------------------	--------------------------------------	----------------------------------	--------------------------	---------------------

*

\$_____ % Term Bonds due ____ 1, 20__ - Yield ____ % Price ____ %

* Priced to par call on ____ 1, 202__.

\$[____]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018B
(City of Calipatria)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
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*

\$_____ % Term Bonds due _____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on _____ 1, 202__.

\$[____]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018C
(City of Holtville)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
-----------------------------	--------------------------------------	----------------------------------	--------------------------	---------------------

*

\$_____ % Term Bonds due _____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202_.

[HOLD-THE-OFFERING-PRICE BONDS

\$[]

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018A
(City of Calexico)

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$	%	%	

*

\$_____ % Term Bonds due _____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202_.

\$[____]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018B
(City of Calipatria)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
-----------------------------	--------------------------------------	----------------------------------	--------------------------	---------------------

*

\$_____ % Term Bonds due _____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on _____ 1, 202__.

\$[____]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018C
(City of Holtville)**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$	%	%	

*

\$_____ % Term Bonds due ____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202_.]

EXHIBIT B

LETTER OF REPRESENTATIONS OF LOCAL AGENCY (City of Calexico)

[August 2], 2018

Ramirez & Co., Inc.
445 S. Figueroa St., Suite 2310
Los Angeles, CA 90071

Ladies and Gentlemen:

The City of Calexico (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (City of Calexico)(the “Local Agency Bonds”).

The Local Agency Bonds are being issued pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), and a Seventh Supplemental Indenture, dated as of August 1, 2018 (the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”). In connection with the issuance of the Local Agency Bonds, the Local Agency will enter into a Pledge Agreement, dated as of August 1, 2018 (the “Pledge Agreement”), by and between the Local Agency and the Authority, pursuant to which the Local Agency will pledge and assign its Pledged Allocable Sales Tax Revenues (as defined in the Indenture) to the Trustee for payment of debt service on the Local Agency Bonds. To facilitate payment of the Local Agency’s Pledged Allocable Sales Tax Revenues by the California State Board of Equalization (the “Board of Equalization”) to the Trustee, the Authority has entered into an Agreement for State Administration of Retail Transactions and Use Tax (the “Sales Tax Administration Agreement”) with the Board of Equalization. The execution and delivery of the Indenture, the Pledge Agreement, the Sales Tax Administration Agreement, the Continuing Disclosure Agreement, dated as of August 1, 2018 (the “Continuing Disclosure Agreement”), by and between the Authority and the Trustee, as dissemination thereunder, and this Purchase Contract, the issuance of the Local Agency Bonds and certain matters relating thereto have been authorized by a resolution of the Authority -(the “Authority Resolution”). The execution and delivery of the Pledge Agreement and issuance of the Local Agency Bonds, together with certain actions related thereto, have been authorized by a resolution of the Local Agency (the “Local Agency Resolution”).

The Pledge Agreement and this Letter of Representations (this “Letter of Representations”) are referred to collectively herein as the “Local Agency Legal Documents”. Capitalized terms not otherwise defined herein shall have the meanings as defined in the Indenture.

The Local Agency Bonds are to be sold by the Authority pursuant to the Purchase Contract, dated [August 2], 2018 (the “Purchase Contract”), by and between the Authority and Ramirez & Co., Inc.(the “Underwriter”).

To facilitate your entering into the Purchase Contract and to induce you to purchase the Local Agency Bonds as contemplated therein, the Local Agency hereby represents, warrants and agrees with you as follows:

- (a) Due Organization and Operation; Legal, Valid and Binding Obligations. The Local Agency is a political subdivision of the State of California duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Local Agency Resolution, execute, deliver and perform its obligations under the Local Agency Bonds, and to enter into and perform its duties under the Local Agency Legal Documents. The Local Agency Resolution has been adopted and has not been rescinded, and the Local Agency Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the Local Agency enforceable against the Local Agency in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.
- (b) No Conflict. The adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency’s duties under the Local Agency Legal Documents, the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (c) No Consents Required. After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Local Agency, other than the approval and authorization of the governing board of the Local Agency, required for the adoption of the Local Agency Resolution and execution and delivery of the Local Agency Legal Documents or the consummation by the Local Agency of the other transactions contemplated by the Local Agency Bonds, the Local Agency Resolution or the Local Agency Legal Documents.
- (d) No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Local Agency, threatened against the Local Agency to restrain or enjoin the delivery of the Local Agency Bonds, or in any way contesting or

affecting the validity of the Local Agency Legal Documents, the Local Agency Resolution or the Local Agency Bonds, or contesting the powers of the Local Agency to enter into or perform its obligations under any of the foregoing.

- (e) No Breach or Default. The Local Agency is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution agreement or other instrument to which the Local Agency is a party or is otherwise subject which breach or default would have a material and adverse impact on the Local Agency's ability to perform its obligations under the Local Agency Bonds or the Local Agency Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument. Also, the adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions hereof and thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency's duties under the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (f) No Default. The Local Agency represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued on its behalf or guaranteed by it.
- (g) Agreement to Preserve Tax Exemption. The Local Agency covenants that it will not take any action which would cause interest with respect to the Local Agency Bonds to be subject to federal income taxation or California personal income taxes (other than to the extent, the Local Agency Bonds will be subject to federal income taxation as described under the caption "Tax Matters" in the Official Statement).

Very truly yours,

City of Calexico

By: _____
Name:
Title:

**LETTER OF REPRESENTATIONS OF
LOCAL AGENCY
(City of Calipatria)**

[August 2], 2018

Ramirez & Co., Inc.
445 S. Figueroa St., Suite 2310
Los Angeles, CA 90071

Ladies and Gentlemen:

The City of Calipatria (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (City of Calipatria)(the “Local Agency Bonds”).

The Local Agency Bonds are being issued pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), and an Eighth Supplemental Indenture, dated as of August 1, 2018 (the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”). In connection with the issuance of the Local Agency Bonds, the Local Agency will enter into a Pledge Agreement, dated as of August 1, 2018 (the “Pledge Agreement”), by and between the Local Agency and the Authority, pursuant to which the Local Agency will pledge and assign its Pledged Allocable Sales Tax Revenues (as defined in the Indenture) to the Trustee for payment of debt service on the Local Agency Bonds. To facilitate payment of the Local Agency’s Pledged Allocable Sales Tax Revenues by the California State Board of Equalization (the “Board of Equalization”) to the Trustee, the Authority has entered into an Agreement for State Administration of Retail Transactions and Use Tax (the “Sales Tax Administration Agreement”) with the Board of Equalization. The execution and delivery of the Indenture, the Pledge Agreement, the Sales Tax Administration Agreement, the Continuing Disclosure Agreement, dated as of August 1, 2018 (the “Continuing Disclosure Agreement”), by and between the Authority and the Trustee, as dissemination thereunder, and this Purchase Contract, the issuance of the Local Agency Bonds and certain matters relating thereto have been authorized by a resolution of the Authority (the “Authority Resolution”). The execution and delivery of the Pledge Agreement and issuance of the Local Agency Bonds, together with certain actions related thereto, have been authorized by a resolution of the Local Agency (the “Local Agency Resolution”).

The Pledge Agreement and this Letter of Representations (this “Letter of Representations”) are referred to collectively herein as the “Local Agency Legal Documents”. Capitalized terms not otherwise defined herein shall have the meanings as defined in the Indenture.

The Local Agency Bonds are to be sold by the Authority pursuant to the Purchase Contract, dated [August 2], 2018 (the “Purchase Contract”), by and between the Authority and Ramirez & Co., Inc. (the “Underwriter”).

To facilitate your entering into the Purchase Contract and to induce you to purchase the Local Agency Bonds as contemplated therein, the Local Agency hereby represents, warrants and agrees with you as follows:

- (a) Due Organization and Operation; Legal, Valid and Binding Obligations. The Local Agency is a political subdivision of the State of California duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Local Agency Resolution, execute, deliver and perform its obligations under the Local Agency Bonds, and to enter into and perform its duties under the Local Agency Legal Documents. The Local Agency Resolution has been adopted and has not been rescinded, and the Local Agency Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the Local Agency enforceable against the Local Agency in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.
- (b) No Conflict. The adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency's duties under the Local Agency Legal Documents, the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (c) No Consents Required. After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Local Agency, other than the approval and authorization of the governing board of the Local Agency, required for the adoption of the Local Agency Resolution and execution and delivery of the Local Agency Legal Documents or the consummation by the Local Agency of the other transactions contemplated by the Local Agency Bonds, the Local Agency Resolution or the Local Agency Legal Documents.
- (d) No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Local Agency; threatened against the Local Agency to restrain or enjoin the delivery of the Local Agency Bonds, or in any way contesting or affecting the validity of the Local Agency Legal Documents, the Local Agency Resolution or the Local Agency Bonds, or contesting the powers of the Local Agency to enter into or perform its obligations under any of the foregoing.

- (e) No Breach or Default. The Local Agency is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution agreement or other instrument to which the Local Agency is a party or is otherwise subject which breach or default would have a material and adverse impact on the Local Agency's ability to perform its obligations under the Local Agency Bonds or the Local Agency Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument. Also, the adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions hereof and thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency's duties under the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (f) No Default. The Local Agency represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued on its behalf or guaranteed by it.
- (g) Agreement to Preserve Tax Exemption. The Local Agency covenants that it will not take any action which would cause interest with respect to the Local Agency Bonds to be subject to federal income taxation or California personal income taxes (other than to the extent the Local Agency Bonds will be subject to federal income taxation as described under the caption "Tax Matters" in the Official Statement).

Very truly yours,

City of Calipatria

By: _____
Name:
Title:

**LETTER OF REPRESENTATIONS OF
LOCAL AGENCY
(City of Holtville)**

[August 2], 2018

Ramirez & Co., Inc.
445 S. Figueroa St., Suite 2310
Los Angeles, CA 90071

Ladies and Gentlemen:

The City of Holtville (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (City of Holtville)(the “Local Agency Bonds”).

The Local Agency Bonds are being issued pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), and a Ninth Supplemental Indenture, dated as of August 1, 2018 (the “Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”). In connection with the issuance of the Local Agency Bonds, the Local Agency will enter into a Pledge Agreement, dated as of August 1, 2018 (the “Pledge Agreement”), by and between the Local Agency and the Authority, pursuant to which the Local Agency will pledge and assign its Pledged Allocable Sales Tax Revenues (as defined in the Indenture) to the Trustee for payment of debt service on the Local Agency Bonds. To facilitate payment of the Local Agency’s Pledged Allocable Sales Tax Revenues by the California State Board of Equalization (the “Board of Equalization”) to the Trustee, the Authority has entered into an Agreement for State Administration of Retail Transactions and Use Tax (the “Sales Tax Administration Agreement”) with the Board of Equalization. The execution and delivery of the Indenture, the Pledge Agreement, the Sales Tax Administration Agreement, the Continuing Disclosure Agreement, dated as of August 1, 2018 (the “Continuing Disclosure Agreement”), by and between the Authority and the Trustee, as dissemination thereunder, and this Purchase Contract, the issuance of the Local Agency Bonds and certain matters relating thereto have been authorized by a resolution of the Authority (the “Authority Resolution”). The execution and delivery of the Pledge Agreement and issuance of the Local Agency Bonds, together with certain actions related thereto, have been authorized by a resolution of the Local Agency (the “Local Agency Resolution”).

The Pledge Agreement and this Letter of Representations (this “Letter of Representations”) are referred to collectively herein as the “Local Agency Legal Documents”. Capitalized terms not otherwise defined herein shall have the meanings as defined in the Indenture.

The Local Agency Bonds are to be sold by the Authority pursuant to the Purchase Contract, dated [August 2], 2018 (the “Purchase Contract”), by and between the Authority and Ramirez & Co., Inc. (the “Underwriter”).

To facilitate your entering into the Purchase Contract and to induce you to purchase the Local Agency Bonds as contemplated therein, the Local Agency hereby represents, warrants and agrees with you as follows:

- (a) Due Organization and Operation; Legal, Valid and Binding Obligations. The Local Agency is a political subdivision of the State of California duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Local Agency Resolution, execute, deliver and perform its obligations under the Local Agency Bonds, and to enter into and perform its duties under the Local Agency Legal Documents. The Local Agency Resolution has been adopted and has not been rescinded, and the Local Agency Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the Local Agency enforceable against the Local Agency in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.
- (b) No Conflict. The adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency's duties under the Local Agency Legal Documents, the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (c) No Consents Required. After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Local Agency, other than the approval and authorization of the governing board of the Local Agency, required for the adoption of the Local Agency Resolution and execution and delivery of the Local Agency Legal Documents or the consummation by the Local Agency of the other transactions contemplated by the Local Agency Bonds, the Local Agency Resolution or the Local Agency Legal Documents.
- (d) No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Local Agency, threatened against the Local Agency to restrain or enjoin the delivery of the Local Agency Bonds, or in any way contesting or affecting the validity of the Local Agency Legal Documents, the Local Agency Resolution or the Local Agency Bonds, or contesting the powers of the Local Agency to enter into or perform its obligations under any of the foregoing.

- (e) No Breach or Default. The Local Agency is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution agreement or other instrument to which the Local Agency is a party or is otherwise subject which breach or default would have a material and adverse impact on the Local Agency's ability to perform its obligations under the Local Agency Bonds or the Local Agency Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument. Also, the adoption of the Local Agency Resolution and the execution and delivery of the Local Agency Legal Documents, and compliance with the provisions hereof and thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Local Agency's duties under the Local Agency Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Local Agency is subject or by which it or any of its property is bound.
- (f) No Default. The Local Agency represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued on its behalf or guaranteed by it.
- (g) Agreement to Preserve Tax Exemption. The Local Agency covenants that it will not take any action which would cause interest with respect to the Local Agency Bonds to be subject to federal income taxation or California personal income taxes (other than to the extent the Local Agency Bonds will be subject to federal income taxation as described under the caption "Tax Matters" in the Official Statement).

Very truly yours,

City of Hotlville

By: _____
Name:
Title:

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[August 29], 2018

Imperial County Local Transportation Authority
1503 North Imperial Avenue, Suite 104
El Centro, CA 92243

Ramirez & Co., Inc.
445 S. Figueroa St., Suite 2310
Los Angeles, CA 90071

Ladies and Gentlemen:

This opinion is addressed to you pursuant to Section 8(f)(2) of the Purchase Contract (together with the Letter of Representations attached thereto), dated [August 2], 2018 (the “Purchase Contract”), by and between Ramirez & Co., Inc. (the “Underwriter”) and the Imperial County Local Transportation Authority (the “Authority”) providing for the purchase and sale of the \$[_____] aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the “Bonds”). The Bonds are being issued and secured pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), and certain Supplemental Indentures, each dated as of August 1, 2018 (the “Supplemental Indentures” and, together with the Master Indenture, the “Indenture”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A. Capitalized terms used and otherwise not defined herein shall have the meanings set forth in the Purchase Contract.

We deliver herewith a copy of our approving opinion, dated the date hereof and addressed to the Authority, as to the validity of the Bonds. This will confirm that you may rely on such opinion as though the same were addressed to you.

We are the opinion that:

1. The statements contained in the Official Statement under the captions “THE BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” (except for any information relating to DTC and its book-entry system), and “TAX MATTERS,” APPENDIX C – “SUMMARY OF THE INDENTURE” and in “APPENDIX F – FORMS OF OPINIONS OF BOND COUNSEL” insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and the opinion of such counsel concerning certain federal tax matters relating to the Bonds, are accurate in all material respects.

2. The Purchase Contract has been duly executed and delivered by the Authority and (assuming due authorization, execution and delivery against the other parties thereto) is a valid and binding agreement of the Authority, except as limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California, and except for any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained therein.

3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

This letter is delivered to you and is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person.

Respectfully submitted,

EXHIBIT D

FORM OF ISSUE PRICE CERTIFICATE

\$[]

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018

The undersigned, on behalf of Ramirez & Co., Inc. (“Ramirez”), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

(a) ***General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

(b) ***Hold-the-Offering-Price Maturities.*** The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the Initial Offering Prices on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

As set forth in the Purchase Contract for the Bonds, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) unsold Bonds of the Hold-the-Offering-Price Maturities shall be retained by the Underwriter. Pursuant to such agreement, the Underwriter has not offered or sold any unsold Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(d) ***Establishment of Reserve Fund.*** The establishment of the Reserve Fund (as defined in the hereinafter defined Tax Compliance Certificate), at the level of funding described in Section ____ of the Tax Compliance Certificate, in the best judgment of the undersigned, was reasonably required to market the Bonds at the prices and yields listed in Schedule A attached hereto and is reasonable and customary in marketing obligations of the same general type as the Bonds.

(e) ***Defined Terms***

- i. Authority means the Imperial County Local Transportation Authority.
- ii. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

- iii. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule 1 hereto as the “Hold-the-Offering-Price Maturities.”
- iv. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
- v. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- vi. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- vii. Related Party. A purchaser of any Bonds is a “Related Party” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- viii. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [August 2], 2018.
- ix. Tax Compliance Certificate means the Tax Compliance Certificate, dated [August 29], 2018, executed and delivered by the Authority in connection with the issuance of the Bonds.
- x. Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with Ramirez to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Ramirez’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form

8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Dated:

RAMIREZ & CO., INC.

By: _____

Name:

Title:

SCHEDULE A

\$[____]
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018A
(City of Calexico)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
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*

\$_____ % Term Bonds due ____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202__.

\$[____]
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018B
(City of Calipatria)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
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\$_____ % Term Bonds due ____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202__.

\$[____]

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018C
(City of Holtville)**

<u>Maturity Date</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %	<u>Price</u>
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*

\$_____ % Term Bonds due ____ 1, 20__ - Yield ____% Price ____%

* Priced to par call on ____ 1, 202__.

SCHEDULE B

Pricing Wire

RESOLUTION NO. ____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$17,400,000 AGGREGATE PRINCIPAL AMOUNT OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS IN ONE OR MORE SERIES, APPROVAL OF SUPPLEMENTAL INDENTURES, A PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT, PLEDGE AGREEMENTS AND A PRELIMINARY OFFICIAL STATEMENT, AND AUTHORIZING OFFICIAL ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, the Imperial County Local Transportation Authority (“Authority”) is a local transportation authority duly organized and existing pursuant to the Local Transportation Authority and Improvement Act (constituting Division 19 of the Public Utilities Code of the State of California) (the “Act”);

WHEREAS, pursuant to the provisions of the Act, the Authority adopted Ordinance No. 1-89, known as the Imperial County Retail Transactions and Use Tax Ordinance (hereinafter referred to as the “Measure D Ordinance”) on July 26, 1989;

WHEREAS, the Measure D Ordinance provided for the imposition of a retail transactions and use tax (the “Measure D Sales Tax”) at the rate of one-half of one percent (1/2%) for a period not to exceed 20 years from the date of commencement of collection of the Measure D Sales Tax, such Measure D Sales Tax to be applicable in the incorporated and unincorporated territory of the County of Imperial (the “County”);

WHEREAS, the Measure D Sales Tax was approved by more than two-thirds of the voters of the County voting on the Measure D Sales Tax at the general election held in the County on November 7, 1989, and such Measure D Sales Tax became effective on April 1, 1990 and expired on March 31, 2010;

WHEREAS, pursuant to the provisions of the Act, the Authority adopted Ordinance No. 1-2008 on July 28, 2008 (hereinafter referred to as the “Ordinance”), which provided for the extension of the Measure D Sales Tax for a period not to exceed forty (40) years, commencing on April 1, 2010;

WHEREAS, in conjunction with the adoption of the Ordinance, the Authority adopted an expenditure plan providing for the expenditure of the proceeds of the Measure D Sales Tax (such expenditure plan, as supplemented and amended from time to time pursuant to its terms, being hereinafter referred to as the “Expenditure Plan”);

WHEREAS, the extension of the Measure D Sales Tax was approved by more than two-thirds of the voters of the County voting on the Measure D Sales Tax at the general election held in the County on November 4, 2008;

WHEREAS, pursuant to the Ordinance, extension of the period of collection of the Measure D Sales Tax commenced on April 1, 2010 and will expire on March 31, 2050;

WHEREAS, pursuant to the provisions of the Act and the Ordinance, the Authority is authorized to issue limited tax bonds secured by and payable from the proceeds of a portion of the Measure D Sales Tax allocable to each Participating Local Agency (defined below), net of administrative fees deducted by the State of California Board of Equalization for the collection of the Measure D Sales Tax (generally, the “Allocable Sales Tax Revenues”);

WHEREAS, in 2012, the Authority issued the following series of bonds at the request of, and for the benefit of, the City of Brawley, the City of Calexico, (“Calexico”), the City of the City of Calipatria (“Calipatria”), the City of Imperial and the County, respectively, to finance, among other things, costs of projects authorized under the Expenditure Plan: (i) \$8,155,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012A (City of Brawley), (ii) \$15,410,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico), (iii) \$2,305,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria), (iv) \$6,170,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial) and (v) \$21,935,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E (County of Imperial) (collectively, the “2012 Bonds”);

WHEREAS, the 2012 Bonds were issued pursuant to the terms of an Indenture, dated as of May 1, 2012 (the “Master Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as supplemented and amended pursuant to the terms of a First Supplemental Indenture, a Second Supplemental Indenture, a Third Supplemental Indenture, a Fourth Supplemental Indenture and a Fifth Supplemental Indenture, each dated as of May 1, 2012 (the Master Indenture as supplemented and amended to the date hereof, shall be referred to herein as the “Indenture”), each by and between the Authority and the Trustee;

WHEREAS, the Authority hereby determines to issue and deliver at the request of, and for the benefit of, each of Calexico, Calipatria and the City of Holtville (“Holtville”) (each, a “Participating Agency”), one or more series of bonds entitled “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds)” with such series designations and other additions and modifications as may be appropriate, to finance (i) the cost of projects authorized in the Expenditure Plan, (ii) a bond reserve fund for each series of the 2018 Bonds (as hereinafter defined), and (iii) the costs of issuance incurred in connection with the 2018 Bonds;

WHEREAS, the Authority has determined to issue a separate series of 2018 Bonds for each Participating Agency, with each such series of 2018 Bonds payable solely from the Allocable Sales Tax Revenues of such Participating Agency;

WHEREAS, the Authority has determined to issue, on behalf of Calxico, a series of 2018 Bonds in the aggregate principal amount not to exceed Ten Million Eight Hundred Thousand Dollars (\$10,800,000) (the “Calxico 2018 Bonds”);

WHEREAS, the Authority has determined to issue, on behalf of Calipatria, a series of Bonds in the aggregate principal amount not to exceed One Million Six Hundred Thousand Dollars (\$1,600,000) (the “Calipatria 2018 Bonds”);

WHEREAS, the Authority has determined to issue, on behalf of Holtville, a series of Bonds in the aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) (the “Holtville 2018 Bonds” and, together with the Calxico 2018 Bonds and the Calipatria 2018 Bonds, the “2018 Bonds”);

WHEREAS, in furtherance of the issuance of the 2018 Bonds, the Authority proposes to enter into separate Pledge Agreements for each series of 2018 Bonds with each Participating Local Agency (each, a “Pledge Agreement”), which commits such Participating Local Agency’s Allocable Sales Tax Revenues to the repayment of a series of 2018 Bonds;

WHEREAS, the Authority hereby further determines that the 2018 Bonds shall be issued pursuant to the Indenture, and such Supplemental Indentures as necessary to issue the 2018 Bonds of each series, each supplementing the Indenture (each, a “Supplemental Indenture”), each by and between the Authority and the Trustee;

WHEREAS, to set forth the terms of the sale of the 2018 Bonds, the Authority proposes to enter into one or more Bond Purchase Contracts (the “Purchase Contract”) with Samuel A. Ramirez & Co., Inc., as underwriter for the 2018 Bonds (the “Underwriter”);

WHEREAS, to provide information about the 2018 Bonds, the Authority will prepare a Preliminary Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”);

WHEREAS, in connection with the sale of the 2018 Bonds, Securities and Exchange Commission Rule 15c2-12 (the “Rule”) requires the Underwriter to confirm that the Authority will undertake certain continuing disclosure obligations as set forth in the Continuing Disclosure Agreement relating to the 2018 Bonds (the “Continuing Disclosure Agreement”);

WHEREAS, the Authority desires to authorize the execution and delivery of certain documents and the performance of such acts as may be necessary to effect the issuance and sale of the 2018 Bonds; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the governing body of a public body obtain from an underwriter, financial advisor or private lender and disclose, prior to authorizing the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt

service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RESOLVES:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct.

Section 2. The issuance by the Authority of not to exceed \$17,400,000 aggregate principal amount of the 2018 Bonds, in accordance with the provisions set forth in the Indenture and each Supplemental Indenture, in one or more series, is hereby authorized and approved.

Section 3. The proposed forms of Supplemental Indentures, in substantially the forms on file with the Clerk of the Board of Directors of the Imperial County Local Transportation Authority (the “Board”) and made a part hereof as though set forth in full, are hereby approved. The structure, dated date, maturity date or dates (not to exceed June 1, 2038), tax-exempt fixed interest rate or rates (true interest cost not to exceed 5.25%) or methods of determining the same, interest payment dates, forms, registration privileges, place or places of payment, terms of redemption, provisions for reserve funds, if any, additional series designation and number thereof and other terms of the 2018 Bonds shall be (subject to the foregoing limitations) as provided in the Indenture and each Supplemental Indenture as finally executed and delivered.

Each of the Chairperson of the Board, the Executive Director or the designee of any of them (each, an “Authorized Officer”) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver each Supplemental Indenture, in substantially such forms, with such changes therein, as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Purchase Contract, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full, is hereby approved. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to sell the 2018 Bonds to the Underwriter pursuant to the Purchase Contract with the Underwriter’s discount or compensation not to exceed 0.9% of the principal amount of the 2018 Bonds sold thereunder and to execute and deliver the Purchase Contract, in substantially such form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Preliminary Official Statement, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver to the Underwriter a certificate deeming the Preliminary Official Statement final within the meaning of the Rule. The Underwriter is hereby authorized to distribute the Preliminary Official Statement in the form so deemed final and the Official Statement referenced below. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to cause the preparation of the Official Statement, in final form, and to execute

and deliver the Official Statement, in substantially the form of the Preliminary Official Statement, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of Continuing Disclosure Agreement, in substantially the form on file with the Clerk of the Board and made a part hereof as though set forth in full, is hereby approved. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Continuing Disclosure Agreement in substantially such form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed forms of Pledge Agreements, in substantially the forms on file with the Clerk of the Board and made a part hereof as though set forth in full, are hereby approved. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver each Pledge Agreement in substantially such form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the 2018 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2018 Bonds, (c) the amount of proceeds of the 2018 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the 2018 Bonds, and (d) the sum total of all debt service payments on the 2018 Bonds calculated to the final maturity of the 2018 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the 2018 Bonds.

Section 9. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including procurement of a municipal bond insurance policy, if any, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable to consummate the lawful issuance and sale of the 2018 Bonds and the consummation of the transactions as described herein.

Section 10. All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the 2018 Bonds, including, without limitation, any of the foregoing that may be necessary or desirable in connection with any investment of proceeds of the 2018 Bonds, or any agreements with paying agents or the Trustee or any similar action may be given or taken by any Authorized Officer without further authorization or direction by the Authority, and each Authorized Officer is hereby authorized and directed to give any such approval, consent, direction, notice, order, request, or other action and to execute such documents and take any such action which such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 11. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the 2018 Bonds are hereby ratified, confirmed and approved. The officers, employees and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to do any and all things and to take any and all actions and to execute and deliver any and all agreements, certificates and documents, including, without limitation, any tax certificates or agreements, any agreements for depository services, and any agreements for rebate compliance services, which they, or any of them, may deem necessary or advisable in connection with the issuance and sale of the 2018 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of the Act, the Ordinance, this Resolution, the 2018 Bonds and the documents approved hereby.

Section 12. The Authority hereby confirms, ratifies and approves the appointment of Norton Rose Fulbright US LLP as bond counsel and disclosure counsel to the Authority in connection with the issuance and sale of the 2018 Bonds in accordance with an engagement letter on file with the Executive Director of the Authority.

Section 13. The effective date of this Resolution shall be the date of its adoption.

PASSED AND ADOPTED at a regular meeting of the Imperial County Local Transportation Authority, held on the ____ day of June 2018.

Chairperson of the Board of the Imperial
County Local Transportation Authority

ATTEST:

Clerk of the Board of the Imperial
County Local Transportation Authority

EXHIBIT A

GOOD FAITH ESTIMATES

Calexico 2018 Bonds

The following information was obtained from the Underwriter with respect to the Calexico 2018 Bonds approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Calexico 2018 Bonds:

1. *True Interest Cost of the Calexico 2018 Bonds.* Assuming the maximum aggregate principal amount of the Calexico 2018 Bonds authorized (\$10,800,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Calexico 2018 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Calexico 2018 Bonds, is 3.81%.

2. *Finance Charge of the Calexico 2018 Bonds.* Assuming the maximum aggregate principal amount of the Calexico 2018 Bonds authorized (\$10,800,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Calexico 2018 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Calexico 2018 Bonds), is \$326,200, as follows:

<u>Cost of Issuance</u>	<u>Amount</u>
Underwriter's Discount	\$97,200
Bond and Disclosure Counsel	72,000
Municipal Advisor	25,000
Trustee	12,500
Miscellaneous	6,000
Printing	6,000
Rating	12,500
Credit Enhancement	60,000
Surety Bond	35,000
Total	\$326,200

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Calexico 2018 Bonds authorized (\$10,800,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Calexico 2018 Bonds less the finance charge of the Calexico 2018 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Calexico 2018 Bonds, is \$10,550,000.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Calexico 2018 Bonds authorized (\$10,800,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Calexico 2018 Bonds plus the finance charge of the Calexico 2018 Bonds described in paragraph 2 above not paid with the proceeds of the Calexico 2018 Bonds, calculated to the final maturity of the Calexico 2018 Bonds, is \$17,124,480.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Calexico 2018 Bonds sales, the amount of Calexico 2018 Bonds sold, the amortization of the Calexico 2018 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Calexico 2018 Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Calexico 2018 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Calexico 2018 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Calexico's and the Authority's control.

Calipatria 2018 Bonds

The following information was obtained from Samuel A. Ramirez & Co., Inc., as underwriter for Calipatria 2018 Bonds, with respect to the Calipatria 2018 Bonds, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Calipatria 2018 Bonds:

1. *True Interest Cost of the Calipatria 2018 Bonds.* Assuming the maximum aggregate principal amount of the Calipatria 2018 Bonds authorized (\$1,600,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Calipatria 2018 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Calipatria 2018 Bonds, is 3.83%.

2. *Finance Charge of the Calipatria 2018 Bonds.* Assuming the maximum aggregate principal amount of the Calipatria 2018 Bonds authorized (\$1,600,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Calipatria 2018 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Calipatria 2018 Bonds), is \$81,400, as follows:

<u>Cost of Issuance</u>	<u>Amount</u>
Underwriter's Discount	\$14,400
Bond and Disclosure Counsel	38,000
Trustee	2,000
Printing	1,000
Credit Enhancement	9,000
Rating	2,000
Surety	5,000
Miscellaneous	10,000
Total	\$81,400

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Calipatria 2018 Bonds authorized (\$1,600,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Calipatria 2018 Bonds less the finance charge of the Calipatria 2018 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Calipatria 2018 Bonds, is \$1,550,000.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Calipatria 2018 Bonds authorized (\$1,600,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Calipatria 2018 Bonds plus the finance charge of the Calipatria 2018 Bonds

described in paragraph 2 above not paid with the proceeds of the Calipatria 2018 Bonds, calculated to the final maturity of the Calipatria 2018 Bonds, is \$2,539,360.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Calipatria 2018 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Calipatria 2018 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Calipatria 2018 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Calipatria's and the Authority's control.

Holtville 2018 Bonds

The following information was obtained from Samuel A. Ramirez & Co., Inc., as underwriter for Holtville 2018 Bonds, with respect to the Holtville 2018 Bonds, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Holtville 2018 Bonds:

1. *True Interest Cost of the Holtville 2018 Bonds.* Assuming the maximum aggregate principal amount of the Holtville 2018 Bonds authorized (\$5,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Holtville 2018 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Holtville 2018 Bonds, is 3.49%.

2. *Finance Charge of the Holtville 2018 Bonds.* Assuming the maximum aggregate principal amount of the Holtville 2018 Bonds authorized (\$5,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Holtville 2018 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Holtville 2018 Bonds), is \$175,000, as follows:

<u>Cost of Issuance</u>	<u>Amount</u>
Underwriter's Discount	\$45,000
Bond and Disclosure Counsel	54,000
Trustee	5,500
Printing	3,000
Credit Enhancement	27,000
Rating	5,500
Surety	15,000
Miscellaneous	20,000
Total	\$175,000

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Holtville 2018 Bonds authorized (\$5,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Holtville 2018 Bonds less the finance charge of the Holtville 2018 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Holtville 2018 Bonds, is \$4,815,000.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Holtville 2018 Bonds authorized (\$5,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Holtville 2018 Bonds plus the finance charge of the Holtville 2018 Bonds described in paragraph 2 above not paid with the proceeds of the Holtville 2018 Bonds, calculated to the final maturity of the Holtville 2018 Bonds, is \$6,847,090.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Holtville 2018 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Holtville 2018 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Holtville 2018 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the Holtville's and the Authority's control.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE—BOOK-ENTRY ONLY

S&P Ratings: Series 2018A: “ ”
 Series 2018B: “ ”
 Series 2018C: “ ”

See “RATINGS” herein

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in “TAX MATTERS” herein, interest on the Series 2018 Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in the federal alternative minimum tax for individuals or, except as described herein, corporations. See “TAX MATTERS” herein. It is also the opinion of Bond Counsel that under existing law interest on the Bonds is exempt from personal income taxes of the State of California.

\$ _____
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)

\$ _____
Series 2018A
(City of Calexico)

\$ _____
Series 2018B
(City of Calipatria)

\$ _____
Series 2018C
(City of Holtville)

Dated: Date of Delivery**Due: as shown on the inside cover**

The bonds of each Series set forth above (collectively, the “Series 2018 Bonds”) are being issued by the Imperial County Local Transportation Authority (the “Authority”) pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including as supplemented by separate Supplemental Indentures for each Series, each dated as of August 1, 2018 (each, a “Supplemental Indenture” and, together with the Master Indenture, as so supplemented and amended, the “Indenture”). Proceeds of the Series 2018 Bonds will be applied to: (i) finance a portion of the costs associated with certain transportation projects for the Participating Agencies (as defined herein), as described herein, (ii) fund separate bond reserve funds for each Series of Bonds, and (iii) pay costs of issuance of each Series of Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE” herein.

Interest on the Series 2018 Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2018. The Series 2018 Bonds will be issued as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2018 Bonds will be registered in the name of Cede & Co., as Owner of the Series 2018 Bonds and nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers will not receive certificates representing their interest in the Series 2018 Bonds purchased. The principal or redemption price of and interest on the Series 2018 Bonds is payable by wire transfer to DTC which, in turn, will remit such principal, redemption price and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2018 Bonds.

The Series 2018 Bonds are subject to redemption prior to maturity as described herein*. See “THE SERIES 2018 BONDS – Redemption” herein.

Each Series of Bonds is a limited obligation of the Authority secured solely by a pledge of the Pledged Allocable Sales Tax Revenues (as defined herein) of the Participating Agency (as defined herein) of the applicable Series of Bonds and certain amounts held by the Trustee in certain funds and accounts established under the Indenture. The Measure D Sales Tax (as defined herein) to which the Pledged Allocable Sales Tax Revenues relate was approved by more than two-thirds of the electorate of the County of Imperial voting on the ballot measure on November 4, 2008. The Measure D Sales Tax expires on March 31, 2050. The Pledged Allocable Sales Tax Revenues pledged to a Series of Bonds will not be available for the payment of principal of, redemption price or interest on any other Series of Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS” herein. The Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2018A will be issued on a parity with certain outstanding bonds issued by the Authority that are payable from the Pledged Allocable Sales Tax Revenues of the City of Calexico, and the Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2018B will be issued on a parity with certain outstanding bonds issued by the Authority that are payable from the Pledged Allocable Sales Tax Revenues of the City of Calipatria.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF IMPERIAL, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OTHER THAN THE AUTHORITY, TO THE EXTENT OF THE PLEDGE OF THE PLEDGED ALLOCABLE SALES TAX REVENUES AND OTHER AMOUNTS HELD UNDER THE INDENTURE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE OR INTEREST ON THE SERIES 2018 BONDS.

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to make an informed investment decision with respect to the Series 2018 Bonds.

The Series 2018 Bonds are offered by the Underwriter when, as and if issued by the Authority, subject to approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority by County Counsel and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Authority, and for the Underwriter by its counsel Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Series 2018 Bonds will be available for delivery through the book-entry facilities of DTC on or about August __, 2018.

* Preliminary, subject to change.

Dated: ____, 2018

Ramirez & Co., Inc.

\$ _____ *

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018A
(City of Calexico)**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP (Base No. 45272E)[†]
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\$ _____ % Term Bonds due June 1, 20__ – Yield __% (CUSIP 45272E__)[†]

* Preliminary; subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriter, any Participating Agency or the Authority is responsible for the selection or correctness of the CUSIP numbers set forth herein.[‡]

\$ _____ *

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018B
(City of Calipatria)**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP (Base No. 45272E)[†]
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\$ _____ % Term Bonds due June 1, 20__ – Yield __% (CUSIP 45272E__)[†]

* Preliminary; subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriter, any Participating Agency or the Authority is responsible for the selection or correctness of the CUSIP numbers set forth herein.[‡]

\$ _____ *

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018C
(City of Holtville)**

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP (Base No. 45272E)†
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\$ _____ % Term Bonds due June 1, 20__ – Yield __%* (CUSIP 45272E__)†

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Underwriter, any Participating Agency or the Authority is responsible for the selection or correctness of the CUSIP numbers set forth herein. ¹

No dealer, salesman or any other person has been authorized by the Imperial County Local Transportation Authority (the “Authority”) or Samuel A. Ramirez & Co., Inc., underwriter of the Series 2018 Bonds (the “Underwriter”), to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter.

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 Series 2018 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 of the Series 2018 Bonds. Neither the delivery of this Official Statement nor the sale of any of the Series 2018 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The information set forth herein has been obtained from the Authority and other sources believed to be reliable. All summaries contained herein of the Indenture (as defined herein) or other documents are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All statements made herein are made as of the date of this document by the Authority except statistical information or other statements where some other date is indicated in the text.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2018 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. 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. No assurance is given that actual results will meet the forecasts of the Authority in any way, regardless of the level of optimism communicated in the information. Such forward-looking statements include, but are not limited to, the projections of any future operating results of the Authority included herein.

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 AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

BOARD OF DIRECTORS

Luis Plancarte, Chairperson	County of Imperial
Robert Amparano, Vice Chairperson	City of Imperial
George Nava	City of Brawley
Bill Hodge	City of Calexico
Maria Nava-Froelich	City of Calipatria
Cheryl Viegas-Walker	City of El Centro
James Predmore	City of Holtville
Larry Ritchie	City of Westmorland
Ryan Kelley	County of Imperial

ADMINISTRATIVE STAFF

Mark Baza, Executive Director
Kathi Williams, Programs Manager

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Underwriter

Samuel A. Ramirez & Co., Inc.
Los Angeles, California

Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

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OFFICIAL STATEMENT

\$ _____¹

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2018

\$ _____^{*}
Series 2018A
(City of Brawley)

\$ _____^{*}
Series 2018B
(City of Calexico)

\$ _____^{*}
Series 2018C
(City of Calipatria)

INTRODUCTION

General

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering by the Imperial County Local Transportation Authority (the “Authority”) of the respective Series (as defined herein) of sales tax revenue bonds identified above (collectively, the “Series 2018 Bonds”). Each Series of Bonds is payable solely from the Pledged Allocable Sales Tax Revenues (as defined herein) of the applicable Participating Agency (as defined herein). The Series 2018A Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Calexico (“Calexico”). The Series 2018B Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Calipatria (“Calipatria”). The Series 2018C Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Holtville (“Holtville”).

The Series 2018 Bonds of each Series are being issued pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including as supplemented by a separate Supplemental Indenture for each Series of Bonds, each dated as of August 1, 2018 (each, a “Supplemental Indenture” and, as so supplemented and amended, the Master Indenture, shall be referred to as the “Indenture”), each between the Authority and the Trustee.

Authority for Issuance

The Series 2018 Bonds are being issued by the Authority under and pursuant to the Local Transportation Authority and Improvement Act, Division 19 (Section 180000 *et seq.*) of the Public Utilities Code of the State of California (the “State”), as amended or supplemented (the “Act”), the Ordinance (as defined herein) and Measure D (as defined herein).

Purpose and Application of Proceeds

The proceeds of the Series 2018 Bonds will be used to: (i) finance a portion of the costs associated with certain transportation projects for the Participating Agencies, (ii) fund a bond reserve fund for each Series of Bonds, and (iii) pay certain costs of issuance for each Series of Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS,” “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE” herein.

¹ Preliminary, subject to change.

Security

Each Series of Bonds is a limited obligation of the Authority secured solely by a pledge of Pledged Allocable Sales Tax Revenues of the applicable Participating Agency for such Series. Each Series of the Series 2018 Bonds are further secured by a pledge of amounts held by the Trustee on deposit in certain funds and the respective accounts of each Participating Agency under the Indenture and each Supplemental Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS” herein.

Parity Bonds

Pursuant to the Indenture, the Authority has previously issued the following Series of Bonds: (i) \$8,155,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012A (City of Brawley), currently outstanding in the amount of \$_____; (ii) \$15,410,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico), currently outstanding in the amount of \$_____, (the “Series 2012B Bonds”); (iii) \$2,305,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria), currently outstanding in the amount of \$_____, (the “Series 2012C Bonds”); (iv) \$6,170,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial), currently outstanding in the amount of \$_____; and (v) \$21,935,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E (County of Imperial), currently outstanding in the amount of \$_____, (collectively, the “Series 2012 Bonds”).

The Pledged Allocable Sales Tax Revenues of Calexico (the “Calexico Pledged Allocable Sales Tax Revenues”) are pledged to the payment of the Series 2012B Bonds, and the Pledged Allocable Sales Tax Revenues of Calipatria (the “Calipatria Pledged Allocable Sales Tax Revenues”) are pledged to the payment of the Series 2012C Bonds. Accordingly, the Series 2018A Bonds will be issued on a parity with the Series 2012B Bonds, and the Series 2018B Bonds will be issued on a parity with the Series 2012C Bonds. Except as provided in this paragraph, the Pledged Allocable Sales Tax Revenues pledged to the payment of a Series of Bonds will not be available for the principal of, redemption price and interest on any other Series of Bonds.

Additional Bonds and other obligations secured by a pledge of the Pledged Allocable Sales Tax Revenues on parity with a Series of the Bonds may hereafter be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS – Additional Bonds and Parity Obligations” herein.

Definitions

For the purposes of the forepart of this Official Statement, the following terms shall have the meanings ascribed below. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C – “SUMMARY OF LEGAL DOCUMENTS - Definitions” or, if not defined therein, in the Indenture.

“Allocable Sales Tax Revenues” means the portion of Measure D Sales Tax Revenues allocable under the Ordinance to each Local Agency.

“Bonds” means, collectively, the Series 2018 Bonds, Series 2012 Bonds and any additional bonds hereafter authorized by, and at any time Outstanding under the Indenture.

“Excess Pledged Allocable Sales Tax Revenues” means Pledged Allocable Sales Tax Revenues in excess of the amount required to be transferred to the Funds and Accounts established pursuant to a Supplemental Indenture for the repayment of a Series of Bonds.

“Expenditure Plan Program Allocations” means amounts allocated from the Measure D Sales Tax Revenues to administrative expenses of the Authority, state highway improvements within the County and transit projects prior to the allocation of Measure D Sales Tax Revenues to each Local Agency pursuant to the Expenditure Plan.

“Local Agency” means, any or each of, the City of Brawley (“Brawley”), Calexico, Calipatria, the City of El Centro (“El Centro”), Holtville, the City of Imperial (“Imperial”), the City of Westmorland (the “Westmorland”) or the County of Imperial (the “County”).

“Measure D” means the ballot measure imposing the Measure D Sales Tax that was approved by more than two-thirds of the electorate of the County voting on such ballot measure in November 2008.

“Measure D Sales Tax” means the retail transactions and use tax applicable in the incorporated and unincorporated territory of the County in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, at the rate of one-half of one percent for a period not to exceed forty (40) years, commencing on April 1, 2010, and expiring on March 31, 2050, pursuant to the Ordinance.

“Measure D Sales Tax Revenues” means the amounts available for distribution to the Authority after the date of issuance of the Bonds on account of the Measure D Sales Tax after deducting amounts payable by the Authority to the California Department of Tax and Fee Administration (the “CDTFA”), as statutorily created and authorized successor to the former California State Board of Equalization (the “Board of Equalization”), for costs and expenses for its services in connection with the Measure D Sales Tax imposed pursuant to the Section 180201 of the Act and the Ordinance.

“Non-Participating Agency” means each Local Agency not pledging and assigning its Allocable Sales Tax Revenue in connection with the issuance of a Series of Bonds. Following the issuance of the Series 2018 Bonds, each of El Centro and Westmorland will be a Non-Participating Agency.

“Non-Pledged Measure D Sales Tax Revenues” means the Expenditure Plan Program Allocation and the Measure D Sales Tax Revenues attributable to each Non-Participating Agency pursuant to the Expenditure Plan.

“Ordinance” means Ordinance 1-2008 “The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan,” adopted by the Authority on July 28, 2008.

“Participating Agency” means, each Local Agency that has pledged its Allocable Sales Tax Revenues in connection with the issuance of a Series of Bonds. Following the issuance of the Series 2018 Bonds, each of Brawley, Calexico, Calipatria, Holtville, Imperial and the County will be a Participating Agency.

“Pledged Allocable Sales Tax Revenues” means the portion of the Measure D Sales Tax Revenues allocable under the Ordinance to the applicable Participating Agency pledged pursuant to a Supplemental Indenture to the repayment of a Series.

Depending upon the context, Pledged Allocable Sales Tax Revenues means either the Pledged Allocable Sales Tax Revenues pledged to the repayment of a Series of Bonds, or, collectively, the Pledged Allocable Sales Tax Revenues of all of the Participating Agencies.

“Series²,” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Indenture.

Limited Obligations

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OTHER THAN THE AUTHORITY, TO THE EXTENT OF THE PLEDGE OF THE PLEDGED ALLOCABLE SALES TAX REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE OR INTEREST ON THE BONDS.

References

The descriptions and summaries of various documents hereinafter set forth, including the Master Indenture and the Supplemental Indentures, do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document, copies of which are available for inspection at the offices of the Authority.

THE SERIES 2018 BONDS

General

Each Series will be dated their date of delivery, will bear interest at the rates and will mature on the dates set forth on the inside cover of this Official Statement. Interest on each Series of the Series 2018 Bonds will be payable on December 1, 2018 and semiannually thereafter on each June 1 and December 1 (each an “Interest Payment Date”). Interest on each Series will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2018 Bonds will be issued in fully registered form and will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, the securities depository for the Series 2018 Bonds. Purchases of the Series 2018 Bonds are to be made in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. See APPENDIX E – “BOOK-ENTRY SYSTEM.”

Redemption²

Optional Redemption. Each Series of the Series 2018 Bonds maturing on or prior to June 1, 20__ shall not be subject to redemption prior to their respective stated maturities. Each Series of the Series 2018 Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as the Authority shall specify and within a maturity by lot or by such other method as the Authority may direct and in Authorized Denominations), on or after June 1, 20__, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

² Preliminary, subject to change

Mandatory Redemption.

Series 2018A Bonds. The Series 2018A Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1 in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

**Redemption Date
(June 1)**

Principal

*

*Final Maturity

Series 2018B Bonds. The Series 2018B Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1 in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

**Redemption Date
(June 1)**

Principal

*

*Final Maturity

Series 2018C Bonds. The Series 2018C Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1st in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

**Redemption Date
(June 1)**

Principal

*

*Final Maturity

Notice of Redemption; Conditional Notice. Notice of redemption shall be mailed by the Trustee, not less than 30 nor more than 60 days prior to the redemption date, (i) to the respective Owners of any Series of the Series 2018 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee by first class mail, and (ii) to each of the Repositories by first class mail; provided, however, that failure to give such notice to any Repository or the failure of any Owner or Repository to receive such notice or any defect in any such notice, will not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of a Series, unless, upon the giving of such notice, such Series (or portions thereof) shall be deemed to have been paid in accordance with the provisions of the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Series (or portions thereof) to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Series (or portions thereof). In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall no later than ten (10) Business Days thereafter give notice to the Owners to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice given pursuant to the provisions of the Indenture may be rescinded by written notice given to the Trustee by the Authority and the Trustee shall give notice of such rescission no later than ten (10) Business Days thereafter in the same manner, and to the same Persons, as notice of such redemption was given.

Effect of Redemption. Notice of redemption having been duly given as described above, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series of the Series 2018 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, so called for redemption shall become due and payable at the Redemption Price specified in such notice, together with interest accrued thereon to the date fixed for redemption, interest on the Series of the Series 2018 Bonds so called for redemption shall cease to accrue, said Series of the Series 2018 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Series of the Series 2018 Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the redemption date from funds held by the Trustee for such payment.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

Limited Obligations

Each Series is a limited obligation of the Authority secured by a pledge of Pledged Allocable Sales Tax Revenues of the Participating Agency pledged to the payment of such Series pursuant to the applicable Supplemental Indenture and amounts held by the Trustee in certain funds and accounts established under the Indenture and the applicable Supplemental Indenture, excluding the Rebate Fund. The Authority shall not be required to advance any moneys derived from any source other than Pledged Allocable Sales Tax Revenues and the amounts held by the Trustee in the funds and accounts established under the Indenture, excluding amounts in the Rebate Fund and any Purchase Fund, and pledged under the Indenture, including interest earnings on such amounts, whether for the payment of the principal or Redemption Price of or interest on the applicable Series of the Bonds or for any other purpose of the Indenture.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OTHER THAN THE AUTHORITY, TO THE EXTENT OF THE PLEDGED ALLOCABLE SALES TAX REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE OR INTEREST ON, THE BONDS.

Pledge of Pledged Allocable Sales Tax Revenues and Certain Funds Held by Trustee

Pursuant to the Indenture, each Series of Bonds shall be secured by Pledged Allocable Sales Tax Revenues and otherwise as provided in the applicable Supplemental Indenture, subject to the terms and conditions set forth therein. Specifically, the Series 2018A Bonds shall be secured by the Calexico Pledged Allocable Sales Tax Revenues, the Series 2018B Bonds shall be secured by the Calipatria Pledged Allocable Sales Tax Revenues, and the Series 2018C Bonds shall be secured by the Pledged Allocable Sales Tax Revenues of Holtville (the “Holtville Allocable Sales Tax Revenues”). The Series 2018A Bonds will be issued on a parity with the Series 2012B Bonds, and the Series 2018B Bonds will be issued on a parity with the Series 2012C Bonds.

The Authority has agreed in the Indenture to punctually pay or cause to be paid the principal or Redemption Price of and interest on all Bonds, in strict conformity with the terms of the applicable Series of Bonds and of the Indenture and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but in each case only out of Pledged Allocable Sales Tax Revenues pledged to the applicable Series of Bonds and the other assets pledged for the applicable Series of Bonds or Mandatory Sinking Account Payments as provided in the Indenture. Pursuant to the applicable Supplemental Indenture for each Series of Bonds, the pledge of the applicable Pledged Allocable Sales Tax Revenues constitutes a first lien on such Pledged Allocable Sales Tax Revenues to secure the applicable Series of Bonds and Parity Obligations. The pledge of Pledged Allocable Sales Tax Revenues of a Participating Agency to the payment of a Series of Bonds is irrevocable until all Bonds of that Series issued under the Indenture, and all Parity Obligations payable from such Pledged Allocable Sales Tax Revenues are no longer Outstanding. The Pledged Allocable Sales Tax Revenues pledged to the payment of an applicable Series of Bonds and Parity Obligations shall be applied without priority or distinction of one over the other and the Pledged Allocable Sales Tax Revenues shall constitute a trust fund for the security and payment of such Series and Parity Obligations. For a more detailed description of the Measure D Sales Tax, see “THE MEASURE D SALES TAX” herein. The Measure D Sales Tax Revenues allocable to Local Agencies other than the Participating Agencies are not pledged to, and will not be available for payment of, the Bonds.

Each Participating Agency having a Series of Series 2018 Bonds issued on its behalf will enter into a pledge agreement, dated as of August 1, 2018 (each, a “Pledge Agreement”), with the Authority under which the applicable Participating Agency has pledged and assigned its Pledged Allocable Sales Tax Revenues on a first priority basis to the Trustee for the payment of debt service on the Series payable from such Pledged Allocable Sales Tax Revenues and any Parity Obligations. Under the Pledge Agreement, each Participating Agency has made certain representations and covenants to the Authority. A form of the Pledge Agreement is attached hereto as APPENDIX H – “FORM OF PLEDGE AGREEMENT.”

Measure D Sales Tax Revenue Fund; Allocation of Measure D Sales Tax Revenues

As long as any Bonds are Outstanding or any Parity Obligations remain unpaid pursuant to the Indenture, the Authority hereby assigns and shall cause Measure D Sales Tax Revenues to be transmitted by the CDTFE directly to the Trustee. The Trustee shall deposit in a fund, designated as the “Measure D Sales Tax Revenue Fund,” which fund the Trustee shall establish and maintain, all Measure D Sales Tax Revenues, when and as received by the Trustee. Non-Pledged Measure D Sales Tax Revenues shall

remain in the Measure D Sales Tax Revenue Fund and shall not be subject to the lien created under the Indenture.

Within one Business Day of receipt of the Measure D Sales Tax Revenues, the Trustee shall provide the Authority with the Notice of Receipt. Within two Business Days of receiving the Notice of Receipt, the Authority shall submit the Monthly Allocation Certificate, and shall instruct the Trustee to deposit such amounts in a trust fund, designated as the “Pledged Allocable Sales Tax Revenue Fund,” which fund the Trustee shall establish and maintain, all Pledged Allocable Sales Tax Revenues, when and as received by the Trustee. Within one Business Day of receiving the Monthly Allocation Certificate, the Trustee shall deposit the Pledged Allocable Sales Tax Revenues into the Pledged Allocable Sales Tax Revenue Fund in accordance with the Monthly Allocation Certificate, and on the same Business Day, shall deposit the Pledged Allocable Sales Tax Revenues into the applicable Participating Agency Sales Tax Revenue Account for the applicable Participating Agency.

If within five Business Days following the transmission of the Notice of Receipt by the Trustee to the Authority, the Trustee has not received the Monthly Allocation Certificate, the Trustee shall deposit from the Measure D Sales Tax Revenue Fund to the Pledged Allocable Sales Tax Revenue Fund an amount sufficient to make the deposits into the respective accounts of the Participating Agencies as required under the Supplemental Indenture or Supplemental Indentures associated with the applicable Series of Bonds Outstanding to the payment of which such Pledged Allocable Sales Tax Revenues are pledged. Not later than five Business Days following the transmission of the Notice of Receipt by the Trustee, all Non-Pledged Measure D Sales Tax Revenues and all Excess Allocable Sales Tax Revenues not required for deposit under a Supplemental Indenture for the repayment of the Bonds will be transferred to the Treasurer-Tax Collector of the County, where it shall be distributed to the Local Agencies in accordance with the Ordinance as directed by the Authority. Following the determination by the Trustee that the Pledged Allocable Sales Tax Revenues were sufficient to make the required deposits identified in the Monthly Allocation Certificate, the Trustee shall confirm in writing, in substantially the form attached to the Indenture, that such amounts were sufficient and that such deposits and transfers have been made.

The Pledged Allocable Sales Tax Revenues shall be received and held in trust by the Trustee for the benefit of the Owners of the applicable Series and Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Investment income on Pledged Allocable Sales Tax Revenues of any Participating Agency held by the Trustee under the Indenture (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, are provided in a Supplemental Indenture), shall also be deposited in the applicable Participating Agency Sales Tax Revenue Account. All moneys at any time held in a Participating Agency Sales Tax Revenue Account shall be held in trust for the benefit of the Owners of the applicable Series of Bonds and the holders of applicable Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture and the applicable Supplemental Indenture. All Pledged Allocable Sales Tax Revenues released to the Authority or any Local Agency shall no longer be pledged for the repayment of the Bonds and shall be released from and no longer subject to the lien created under the Indenture. See APPENDIX C – “SUMMARY OF THE INDENTURE – Allocation of Pledged Allocable Sales Tax Revenues.”

So long as any Bonds remain Outstanding, following receipt and deposit of the Pledged Allocable Sales Tax Revenues in the applicable Participating Agency Sales Tax Revenue Account in each month (or as soon as possible following the receipt of Pledged Allocable Sales Tax Revenues), the Trustee is required to set aside such Pledged Allocable Sales Tax Revenues in the following respective accounts, amounts and order of priority (provided that deficiencies in any previously required deposit shall be made up prior to the deposit to a fund subsequent in priority and further provided that set asides

or transfers required with respect to outstanding Parity Obligations shall be made on a parity basis as provided in the Indenture):

1. Interest Accounts. The Indenture requires the Trustee to make monthly deposits in the applicable Participating Agency Interest Account in an amount equal to (a) the amount of interest becoming due and payable on Outstanding Current Interest Bonds of each Series of Bonds until the requisite yearly amount ending each June 1 of interest becoming due and payable on such Outstanding Current Interest Bonds of that Series is on deposit in such account, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by the Authority, or if the Authority has not specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus one hundred (100) basis points (provided, however, that the amount of that deposit into that Participating Agency Interest Account for any month may be reduced by the amount by which the deposit therein in the prior month by reason of this clause (b) exceeded the actual amount of interest accrued and paid during that month on such Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into that Interest Account for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on such Outstanding Variable Rate Indebtedness); provided further, that if sufficient Pledged Allocable Sales Tax Revenues are not on deposit in the applicable Participating Agency Sales Tax Revenue Account to permit the Trustee to make the full deposit required by the Indenture, the Trustee shall deposit as soon as possible thereafter the amount of Pledged Allocable Sales Tax Revenues required for the period from the last deposit for which sufficient Pledged Allocable Sales Tax Revenues were actually deposited to the date of such late deposit.

No deposit need be made into any Participating Agency Interest Account if the amount contained therein is at least equal to the interest to become due and payable therefrom on the Interest Payment Dates falling within each year ending June 1 upon all of the Bonds of the applicable Series then Outstanding and there are no unpaid interest amounts for prior years. On June 1 of each year, any excess amounts in the applicable Participating Agency Interest Account not needed to pay interest on such date (and not held to pay interest on the applicable Bonds having Interest Payment Dates other than June 1 and December 1) shall be released to the Participating Agency (but excluding, in each case, any moneys on deposit in the Participating Agency Interest Account from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates).

2. Principal Accounts; Sinking Accounts. The Indenture also requires the Trustee to make monthly deposits (for each month during each annual period ending on June 1) in the applicable Participating Agency Principal Account until an amount equal to (a) the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Bonds of the applicable Series that are Serial Bonds having annual maturity dates within each annual period ending of June 1, plus (b) the aggregate of the Mandatory Sinking Account Payments to be paid during the 12-month period ending on June 1 into the applicable Sinking Accounts for the Bonds that are Term Bonds of a Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that if sufficient Pledged Allocable Sales Tax Revenues are not on deposit in the applicable Participating Agency Sales Tax Revenue Account for the Trustee to make the full deposit required by the Indenture, the Trustee shall deposit as soon as possible thereafter the amount of Pledged Allocable Sales Tax Revenues required for the period from the last deposit for which Pledged Allocable Sales Tax Revenues were actually deposited to the date of such late deposit.

All deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment with respect to a Series of Bonds secured on a parity from such Pledged Allocable Sales Tax Revenues.

No deposit need be made into Participating Agency Principal Account or the Participating Agency Sinking Account so long as there are in such account (i) moneys sufficient to pay the Bond Obligations of all Bonds secured on a parity by the applicable Participating Agency Pledged Allocable Sales Tax Revenues that are Serial Bonds then Outstanding and maturing by their terms within the next twelve (12) months, plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the applicable Participating Agency Principal Account during such 12-month period and theretofore paid from the applicable Participating Agency Principal Account to redeem or purchase Term Bonds of a Series during such 12-month period. At the beginning of each fiscal year and in any event not later than June 1 of each year, the Trustee shall request a certificate of the Authority setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On June 1 of each year or as soon as practicable thereafter, any excess amounts in the applicable Participating Agency Principal Account not needed to pay principal on such date (and not held to pay principal on the Bonds of a Series having principal payment dates other than June 1) shall be released to the Participating Agency. See APPENDIX C – “SUMMARY OF THE INDENTURE – Allocation of Pledged Allocable Sales Tax Revenues.”

3. Bond Reserve Funds. The Indenture also requires the Trustee to make deposits to any of the Bond Reserve Funds. See “–Bond Reserve Funds” below and APPENDIX C – “SUMMARY OF THE INDENTURE – Establishment and Application of Funds; Reserve Funds– Funding and Application of Bond Reserve Funds.”

4. Subordinate Obligations Fund. If the Authority issues Subordinate Obligations, the Authority may direct the Trustee to establish a Subordinate Obligations Fund. The Trustee shall deposit in the Subordinate Obligations Fund in each month such amount as the Authority shall specify in writing is necessary to pay principal of and interest due and payable during the following month with respect to Subordinate Obligations then outstanding.

5. Fees and Expenses Fund. If the Authority has directed the Trustee to establish the Fees and Expenses account for the applicable Participating Agency, after the transfers described above have been made, the Trustee shall deposit as soon as practicable in each month in the applicable Fees and Expenses account amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Authority in connection with the applicable Series of Bonds or any Parity Obligation (excluding termination payments on Interest Rate Swap Agreements).

Any Pledged Allocable Sales Tax Revenues remaining in Participating Agency Sales Tax Revenue Account after the foregoing transfers described in (1), (2), (3), (4) and (5) above, except as the Authority shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred to the Participating Agency on the same Business Day or as soon as practicable thereafter. The Authority shall distribute all such remaining portions of the excess amounts of Pledged Allocable Sales Tax Revenues when received by it to the applicable Participating Agency.

If five (5) days prior to any principal payment date, Interest Payment Date or mandatory redemption date the amounts on deposit in the applicable Participating Agency Interest Account,

the applicable Participating Agency Principal Account, including the Sinking Accounts therein, and, as and to the extent applicable, any Bond Reserve Fund established in connection with a Series of Bonds with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Trustee shall immediately notify the Authority, in writing, of such deficiency and direct that the Authority transfer the amount of such deficiency to the Trustee on or prior to such payment date. The Authority agrees to transfer to the Trustee from any available Pledged Allocable Sales Tax Revenues in its possession the amount of such deficiency on or prior to the principal payment date, Interest Payment Date or mandatory redemption date referenced in such notice.

See APPENDIX C – “SUMMARY OF THE INDENTURE – Allocation of Pledged Allocable Sales Tax Revenues” for a more complete discussion.

Bond Reserve Funds

Each Supplemental Indenture establishes a separate Bond Reserve Fund, which will secure the applicable Series of Bonds and will be funded from proceeds of the applicable Series of Bonds in the following amounts: \$ _____, the Series 2018A Bond Reserve Requirement; \$ _____, the Series 2018B Bond Reserve Requirement; \$ _____, the Series 2018C Bond Reserve Requirement. “Bond Reserve Requirement” means, as of any date of calculation for the applicable Series of Bonds, an amount equal to the least of (i) ten percent (10%) of the proceeds of the applicable Series of Bonds (or if the amount of original issue discount or original issue premium applicable to the applicable Series of Bonds exceeds two (2%) percent, ten (10%) percent of the initial principal amount of the applicable Series of Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the applicable Series of the Bonds, and (iii) Maximum Annual Debt Service on the applicable Series of Bonds. Pursuant to the provisions of the Indenture, the Authority may satisfy any Series 2018 Bond Reserve Requirement with cash, a letter of credit, a surety bond, or an insurance policy. **Amounts held in the Bond Reserve Fund for a specific Series will be available for payment of debt service relating to that specific Series and that specific Series alone and will not be available for payment of debt service of any other Series.** Amounts held in a Bond Reserve Fund established for a Series of Series 2018 Bonds will not be available for the payment of debt service on any Series of Series 2012 Bonds. Similarly, amounts held in a Bond Reserve Fund established for a Series of Series 2012 Bonds will not be available for the payment of debt service on any Series of Series 2018 Bonds. For a more complete discussion of the Bond Reserve Fund provisions of the Indenture, see APPENDIX C – “SUMMARY OF THE INDENTURE – Establishment and Application of Funds; Reserve Funds– Funding and Application of Bond Reserve Funds.”

Additional Bonds and Parity Obligations

The Series 2018 Bonds are the sixth, seventh and eighth Series of Bonds issued under the Indenture. The Series 2018A Bonds and the Series 2012B Bonds are payable from the Callexico Pledged Allocable Sales Tax Revenues and will be on a parity with each other. The Series 2018B Bonds and the Series 2012C Bonds are payable from the Calipatria Pledged Allocable Sales Tax Revenues and will be on a parity with each other. The Authority may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of Pledged Allocable Sales Tax Revenues of a Participating Agency on a parity with the Series of Bonds secured by a pledge of Pledged Allocable Sales Tax Revenues of such Participating Agency, subject to compliance with the terms and provisions set forth in the Indenture. See APPENDIX C – “SUMMARY OF THE INDENTURE – Requirements for Issuance of Additional Series of a Participating Agency.”

Issuance of Additional Series of Bonds. Subsequent to the issuance of a Series of Bonds, the Authority may in accordance with the terms of the applicable Supplemental Indenture establish one or

more additional Series of Bonds payable by the Authority from and secured by Pledged Allocable Sales Tax Revenues equally and ratably with any other Series of Bonds payable from and secured by the same Pledged Allocable Sales Tax Revenues, but only upon compliance by the Authority with the provisions of the Indenture.

Certain of the applicable provisions of the Indenture are described below:

(a) No Event of Default relating to any Series payable from the applicable Pledged Allocable Sales Tax Revenues to be pledged to such additional Series shall have occurred and then be continuing.

(b) If a Bond Reserve Fund is required in connection with the issuance of an additional Series of Bonds, the Supplemental Indenture providing for the issuance of such Series of additional Bonds may require either (i) a Bond Reserve Fund is established to provide additional security for that Series of Bonds or (ii) the balance on deposit in an existing Bond Reserve Fund is increased to an amount at least equal to the Bond Reserve Requirement with respect to such Series and all other Series secured by that Bond Reserve Fund and then Outstanding upon the issuance of such additional Series of Bonds. Said deposit may be made from the proceeds of the sale of such additional Series or from other funds and may be satisfied in whole or in part through the provision of a letter of credit or surety bond or insurance policy as described under APPENDIX C – “SUMMARY OF THE INDENTURE – Establishment and Application of Funds; Reserve Funds– Funding and Application of Bond Reserve Funds.”

(c) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by law or by any Supplemental Indenture.

(d) The Authority shall place on file with the Trustee a Certificate of the Authority certifying that the amount of Pledged Allocable Sales Tax Revenues of the applicable Participating Agency for a period of twelve (12) consecutive months (selected by the Authority) during the eighteen (18) months immediately preceding the date on which such additional Series will become Outstanding would have been at least equal to 1.3 times Maximum Annual Debt Service, on all Series of Bonds payable from the Pledged Allocable Sales Tax Revenues of the applicable Participating Agency and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued that are payable from the Pledged Allocable Sales Tax Revenues of the applicable Participating Agency, which Certificate shall also set forth the computations upon which such Certificate is based; provided, however, that for purposes of calculation of Maximum Annual Debt Service, Interest Rate Swap Agreements that constitute Parity Obligations shall not be included in such calculation.

(e) Principal payments of each additional Series of Bonds shall be due on June 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Bond to be issued, and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on June 1 and December 1 in each year to the extent desired by the Authority with regard to the type of Bond to be issued.

Nothing in the Indenture shall prevent or be construed to prevent the Authority through a Supplemental Indenture providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such additional Series of Bonds or any portion thereof.

Issuance of Refunding Bonds. Refunding Bonds may be authorized and issued by the Authority without compliance with the provisions of the Indenture summarized under subcaption (d) above under the caption “Issuance of Additional Series of Bonds”; provided, that Maximum Annual Debt Service on all Outstanding Bonds and Parity Obligations secured by the same Pledged Allocable Sales Tax Revenues following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Outstanding Bonds and Parity Obligations secured by the same Pledged Allocable Sales Tax Revenues prior to the issuance of such Refunding Bonds. See APPENDIX C – “SUMMARY OF THE INDENTURE – Issuance of Refunding Bonds.”

Parity Obligations. As defined in the Indenture, “Parity Obligations” means any indebtedness, installment sale obligation, lease obligation or other obligation of the Authority for borrowed money or any Interest Rate Swap Agreement (excluding fees and expenses and termination payments on Interest Rate Swap Agreements, which fees and expenses and termination payments shall be secured by a lien and charge on the Pledged Allocable Sales Tax Revenues of a Participating Agency subordinate to the lien and charge upon the Pledged Allocable Sales Tax Revenues that secures the applicable Series of Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the provisions of the Indenture described herein and having an equal lien and charge upon the Pledged Allocable Sales Tax Revenues of the applicable Participating Agency and therefore payable on a parity with the applicable Series of Bonds (whether or not any Bonds are Outstanding). The Authority may issue or incur Parity Obligations which will have, when issued, an equal lien and charge upon the Pledged Allocable Sales Tax Revenues of the applicable Participating Agency, provided that the conditions to the issuance of such Parity Obligations set forth in the Indenture are satisfied, including satisfaction of the coverage test described in subsection (d) above under the caption “Issuance of Additional Series of Bonds,” unless such Parity Obligations are being issued for refunding purposes or constitute an Interest Rate Swap Agreement, in which case the coverage test shall not apply.

Subordinate Obligations

The Authority may issue obligations which will be payable as to principal, redemption premium, if any, interest and reserve fund requirements, if any, only out of Pledged Allocable Sales Tax Revenues after the prior payment of all amounts then required to be paid from Pledged Allocable Sales Tax Revenues for principal, redemption premium, if any, interest and reserve fund requirements for the Bonds and Parity Obligations secured or payable from such Pledged Allocable Sales Tax Revenue, as the same become due and payable.

Investments

All amounts held under the Indenture will be invested at the direction of the Authority in Investment Securities, as defined in the Indenture, and are subject to certain limitations contained therein. See APPENDIX C – “SUMMARY OF THE INDENTURE – Definitions.”

PLAN OF FINANCE

A portion of the proceeds of each Series of Bonds will be deposited in the Project Fund of the applicable Participating Agency to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each Participating Agency in accordance with the Ordinance, as briefly described below (collectively, the “Project”).

Calexico Project

Calexico will [undertake roadway repair and rehabilitation projects, including the asphalt resurfacing of certain city streets and roadways and several street and roadway reconstruction projects, as well as sidewalk rehabilitation and streetscape improvement projects.]

Calipatria Project

Calipatria will [undertake roadway repair and rehabilitation projects, including the asphalt resurfacing of certain city streets and roadways and several street and roadway reconstruction projects].

Holtville Project

Holtville will undertake roadway repair and rehabilitation projects, including the resurfacing of certain city streets and roadways and the sealing of certain street and road segments.

The Authority will not be responsible for the design, construction or implementation of any of the Projects.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the funds are as follows:

	2018A (City of Calexico)	2018B (City of Calipatria)	2018C (City of Holtville)
<u>Sources of Funds:</u>			
Principal Amount of Bonds	\$	\$	\$
[Plus:] [Net] Original Issue [Premium/Discount]			
Total Sources:			
<u>Uses of Funds:</u>			
Deposit to Project Fund			
Deposit to Bond Reserve Fund			
Costs of Issuance ⁽¹⁾			
Total Uses:	\$	\$	\$

⁽¹⁾ Includes underwriter's discount, rating agency, trustee, bond counsel, disclosure counsel, and trustee's counsel fees and other miscellaneous costs of issuance.

DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service requirements for the Series 2012B Bonds and the Series 2018A Bonds, assuming no optional redemptions.

Fiscal Year Ending June 30	Series 2012B Bonds		Series 2018A (City of Callexico)		Total
	Annual Debt Service	Principal	Interest ⁽¹⁾	Annual Debt Service ⁽¹⁾	
2019	\$1,130,900.00 <u>1,130,900</u>	-			
2020	1,129,500.00 <u>1,129,500</u>				
2021	1,127,100.00 <u>1,127,100</u>				
2022	1,130,800.00 <u>1,130,800</u>				
2023	1,128,750.00 <u>1,128,750</u>				
2024	1,131,000.00 <u>1,131,000</u>				
2025	1,129,200.00 <u>1,129,200</u>				
2026	1,131,200.00 <u>1,131,200</u>				
2027	1,126,800.00 <u>1,126,800</u>				
2028	1,131,200.00 <u>1,131,200</u>				
2029	1,129,000.00 <u>1,129,000</u>				
2030	1,130,400.00 <u>1,130,400</u>				
2031	1,130,200.00 <u>1,130,200</u>				
2032	1,128,400.00 <u>1,128,400</u>				
Total	\$15,814,450.00 <u>15,814,450</u>				

⁽¹⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2012C Bonds and the Series 2018B Bonds, assuming no optional redemptions.

Fiscal Year Ending June 30	Series 2012C Bonds		Series 2018B (City of Calipatria)		Total
	Annual Debt Service	Principal	Interest ⁽¹⁾	Annual Debt Service ⁽¹⁾	
2019	\$178,875.00 <u>178,875</u>				
2020	175,875.00 <u>175,875</u>				
2021	177,875.00 <u>177,875</u>				
2022	174,725.00 <u>174,725</u>				
2023	176,575.00 <u>176,575</u>				
2024	178,000.00 <u>178,000</u>				
2025	177,250.00 <u>177,250</u>				
2026	176,250.00 <u>176,250</u>				
2027	175,000.00 <u>175,000</u>				

2028	178,500.00	<u>178,500</u>
2029	179,250.00	<u>179,250</u>
2030	179,250.00	<u>179,250</u>
2031	176,500.00	<u>176,500</u>
2032	178,500.00	<u>178,500</u>
Total	\$2,482,425.00	<u>2,482,425</u>

⁽¹⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2018C Bonds, [assuming no optional redemptions](#).

Fiscal Year Ending <u>June 30</u>	Series 2018C (City of Holtville)		Annual Debt Service ⁽¹⁾
	<u>Principal</u>	<u>Interest</u> ⁽¹⁾	
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
Total			

⁽¹⁾ Totals may not add due to rounding.

THE MEASURE D SALES TAX

Authorization and Application of the Measure D Sales Tax

In November 1989, more than two-thirds of the voters in the County voting on a ballot measure approved implementing the Measure D Sales Tax, a retail transactions and use tax of one-half of one percent (0.50%) of the gross receipts of retailers from the retail sale of all tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain exceptions. In November 2008, more than two-thirds of the voters in the County voting on a ballot measure approved extending the imposition of the Measure D Sales Tax for an additional 40 years, commencing on April 1, 2010 and expiring on March 31, 2050. Revenues from the Measure D Sales Tax may be used to finance the transportation programs and projects authorized pursuant to the Ordinance and described in the Authority's Expenditure Plan. See "THE MEASURE D PROGRAM – Expenditure Plan" herein.

The Measure D Sales Tax imposed by the Authority is in addition to the seven and one-quarter percent (7-1/4%) sales and use currently levied statewide (the "State Sales Tax"). In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property and the statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. The statewide use tax does not apply to cases where the sale of the property is subject to the sales tax, therefore the application of the statewide use tax is generally applied to purchases made outside of the State for use within the State.

The Measure D Sales Tax is generally imposed upon the same transactions and items subject to the State Sales Tax, with generally the same exceptions. Several categories of transactions are exempt from the State Sales Tax and the Measure D Sales Tax. Significant exemptions include: sales of food products for human consumption (this exemption does not include hot prepared foods and food consumed on the premises where purchased), prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity and water when delivering to consumers through mains, lines and pipes. In addition, "occasional sales" (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the State Sales Tax and from the Measure D Sales Tax; however, the "occasional sales" exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee at such point, are exempt from the State Sales Tax and from the Measure D Sales Tax.

Action by the State legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure D Sales Tax are imposed. Such changes or amendments could have either an adverse or a beneficial effect on Sales Tax Revenues. The Authority is not currently aware of any proposed legislative change which would have a material adverse effect on Measure D Sales Tax Revenues. See "RISK FACTORS—Proposition 218."

Other Sales Taxes Imposed in the County

In addition to the State Sales Tax and the Measure D Sales Tax, the following sales and use taxes are imposed in certain cities within the County. No portion of the State Sales Tax or the following taxes imposed in certain cities within the County are pledged to the repayment of the Bonds.

<u>Sales and Use Tax</u>	<u>Tax Rate</u>	<u>Effective Date</u>	<u>Termination Date</u>
City of Calexico Transactions and Use Tax	0.50%	10/01/2010	10/01/2030
City of El Centro Transactions and Use Tax	0.50	04/01/2017	06/30/204

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Source: *California City and County Sales and Use Tax Rates* (April 1, 2018), CDTFA.

For information concerning historical taxable sales in the County, see the table entitled “County of Imperial, Taxable Retail Sales Number of Permits and Valuation of Taxable Transactions” in APPENDIX B – “Economic and Demographic Information Regarding the County of Imperial.”

Collection of Measure D Sales Tax Revenues

Collection of the Measure D Sales Tax is administered by the CDTFA. The Taxpayer Transparency and Fairness Act of 2017 restructured the Board of Equalization into three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the Board of Equalization, including, as of July 1, 2017, the Measure D Sales Tax. The Authority has authorized the CDTFA to make payment of Pledged Allocable Sales Tax Revenues directly to the Trustee.

The Authority and the CDTFA have entered into an Amended and Restated Agreement for State Administration of a Retail Transactions and Use Tax (the “Administrative Agreement”) to authorize the payment of Measure D Sales Tax Revenues directly to the Trustee, after the CDTFA deducts amounts payable to itself.

The amount retained by the CDTFA may not exceed the lesser of the percentage retained for the fiscal year ended June 30, 1999 and 1.5% of the receipts of the Measure D Sales Tax. The amount retained by the CDTFA for the fiscal year ended June 30, 2017 was \$~~135,300.00~~ 170,490. The Authority estimates that the amount retained by the CDTFA for the fiscal year ending June 30, 2018 is \$~~149,870~~ 149,870. The Authority has been advised by the CDTFA that the estimated amount to be retained by the CDTFA for the fiscal year ending June 30, 2019 will be \$ 155,510.

Pursuant to its procedures, the CDTFA projects receipts of the Measure D Sales Tax on a quarterly basis and historically has remitted an advance of the receipts of the Measure D Sales Tax to the Authority on a monthly basis. The amount of each monthly advance is based upon the CDTFA’s quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the Measure D Sales Tax for the previous quarter. Pursuant to the Administrative Agreement however, the CDTFA is only obligated to transmit Measure D Sales Tax not less often than twice each calendar quarter.

Pledged Allocable Sales Tax Revenues

Pursuant to the Expenditure Plan, after the deduction of amounts payable to the CDTFA and the administrative expenses of the Authority of a maximum of one percent (1%), the balance of the Measure D Sales Tax Revenues are allocated as follows:

- (i) Up to five percent (5%) for state highway improvements within the County; except that the Authority, with the affirmative vote of at least two-thirds (2/3) of its members, may allocate funds in excess of the five percent (5%) limitation for state highway improvement projects if that action would result in the allocation of state or federal

matching funds in an amount equal to or greater than the amount allocated in accordance with the Ordinance³;

- (ii) A minimum of two percent (2%) of each member agency's share of the annual Measure D's half-cent sales tax revenue shall be set aside for transit projects. The minimum two percent (2%) set aside requirement is not intended to prohibit expenditure of a larger percentage for transit projects that may be proposed by the individual agencies or by a combination of agencies. The Ordinance indicates that expenditures should be compatible and coordinated with the regions' transit planning process, programs and services⁴;
- (iii) The balance for local street and road purposes, with each Local Agency receiving an annual base sum of \$150,000, adjusted annually for inflation; and
- (iv) The remaining revenues after the base sum distribution are distributed to each Local Agency, with 80% based on the total population within the jurisdiction of each Local Agency, and 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

The amounts allocable to Calexico, Calipatria and Holtville pursuant to (iii) and (iv), above, constitute Calexico Pledged Allocable Sales Tax Revenues, Calipatria Pledged Allocable Sales Tax Revenues, and Holtville Pledged Allocable Sales Tax Revenues, respectively. The Calexico Pledged Allocable Sales Tax Revenues are pledged to the payment of the Series 2012B Bonds and the Series 2018A Bonds. The Calipatria Pledged Allocable Sales Tax Revenues are pledged to the payment of the Series 2012C Bonds and the Series 2018B Bonds. The Holtville Pledged Allocable Sales Tax Revenues are pledged to the payment of the 2018C Bonds.

As of the date of this Official Statement, the Authority is deducting 1% of the Measure D Sales Tax Revenues for administrative expenses, 5% of the Measure D Sales Tax Revenues for state highway improvements and 2% of each Participating Agency's share of annual Measure D Sales Tax Revenues for transit projects.

On ~~June~~July 25, 2018, the Authority is holding a public hearing to consider an amendment to the Ordinance that would permit the Authority to deduct amounts of Measure D Sales Tax Revenues for the purpose of paying expenses of the Authority that would be in addition to the 1% deduction for administrative expenses that is currently in place. If the amendment is adopted, the 1% cap on amounts that can be deducted from Measure D Sales Tax Revenues for the payment of Authority expenses would apply only to amounts that are to be used for the payment of salaries and benefits of Authority staff. The Authority would be permitted to deduct amounts from Measure D Sales Tax Revenues for costs due to rents, publications of legal notices and agendas, membership fees, office expenses, utilities and other overhead, and technical, auditing, legal and other services, including contractual services necessary to administer the Ordinance, without a cap on the amount or percentage of Measure D Sales Tax Revenues that can be deducted for these purposes. If the amendment is approved, Authority staff would send

³ The Authority has covenanted in the Indenture not to increase the amount of Sales Tax Revenues allocated to state highway improvement projects in an amount that would result in the estimated Allocable Sales Tax Revenues for the next succeeding Fiscal Year to decline below an amount that is at least equal to 1.3 times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding.

⁴ The Authority has covenanted in the Indenture not to increase the amount of Sales Tax Revenues allocated to transit projects above the two percent (2%) allocation required by the Ordinance to an amount that would result in the estimated Allocable Sales Tax Revenues for the upcoming Fiscal Year to decline below an amount that is at least equal to 1.3 times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding.

notification to the Board of Supervisors and the city council of each Local Agency, providing them with a copy of the amendment, which would become effective 45 days after the notice is given. The Authority estimates that if the amendment is approved, there would be an approximately \$41,000 decrease in the annual Measure D Sales Tax Revenues available to be allocated among the Local Agencies.

Historical Measure D Sales Tax Allocations and Pledged Allocable Sales Tax Revenues

The table below provides the (i) annual amounts received from CDFTA, (ii) annual administration fees, (iii) annual amounts set aside for transit projects, (iv) annual amounts set aside for state highway projects and (v) annual amounts distributed to the Local Agencies for the last five fiscal years.

Historical Measure D Sales Tax Receipts, Fees, Set-Asides and Distributions					
<u>Fiscal Year</u>	<u>(A) Revenue Received from CDFTA</u>	<u>(B) 1% Maximum Administration Fee</u>	<u>(C) 2% Transit Reserve</u>	<u>(D) Up to 5% Maximum for Imperial County State Highways</u>	<u>(A)-(B)-(C)-(D) = (E) Total Distribution including Flat Amount to Each Local Agency</u>
2012-13	\$15,087,295	\$150,873	\$301,746	\$754,365	\$13,880,311
2013-14	19,067,834	190,678	381,357	953,392	17,542,407
2014-15	14,986,953	149,870	299,739	749,348	13,787,996
2015-16	14,724,674	147,247	294,493	736,234	13,546,700
2016-17	13,858,092	138,581	277,162	692,905	12,749,444

Source: The Authority.

The tables below provide Measure D Sales Tax Revenue allocations, which constitute Pledged Allocable Sales Tax Revenues, to Calexico, Calipatria and Holtville, respectively, calculated as provided in (iii) and (iv) in “Pledged Allocable Sales Tax Revenues” above, for the last five fiscal years.

Calexico Pledged Allocable Sales Tax Revenues					
<u>Fiscal Year</u>	<u>Flat Allocation⁽¹⁾</u>	<u>Total Population⁽²⁾</u>	<u>Maintain Mileage</u>	<u>Allocation for Local Street and Road Improvements</u>	<u>Calexico Pledged Allocable Sales Tax Revenues</u>
2012-13	\$150,000	39,433	83.53	\$2,460,314	\$2,610,314
2013-14	150,000	40,393	97.43	3,187,274	3,337,274
2014-15	150,000	40,464	97.43	2,458,076	2,608,076
2015-16	150,000	40,933	97.43	2,402,876	2,552,876
2016-17	150,000	40,111	97.43	2,180,617	2,330,617

⁽¹⁾ \$150,000 Individual Allocation for each Local Agency pursuant to LTA Ordinance 1-2008, adopted by the Authority on July 28, 2008.

⁽²⁾ Population counts are based on State of California Department of Finance population estimates available to the Authority as of January 1 of each year. The Department of Finance adjusts its population estimates on an annual basis. As a result, the population estimates used to calculate the allocation of Measure D Sales Tax Revenues may not be consistent with the population data provided in APPENDIX B – “ECONOMIC AND DEMOGRAPHIC

INFORMATION REGARDING THE COUNTY OF IMPERIAL.” For purposes of calculating the allocation of Measure D Sales Tax, the Authority excludes the populations of prisons from its calculations.

Source: The Authority.

Calipatria Pledged Allocable Sales Tax Revenues					
<u>Fiscal Year</u>	<u>Flat Allocation⁽¹⁾</u>	<u>Total Population⁽²⁾</u>	<u>Maintain Mileage</u>	<u>Allocation for Local Street and Road Improvements</u>	<u>Calipatria Pledged Allocable Sales Tax Revenues</u>
2012-13	\$150,000	3,608	23.30	\$238,605	\$388,695 <u>\$388,605</u>
2013-14	150,000	3,670	23.30	305,291	455,291
2014-15	150,000	3,667	23.30	223,604	373,604
2015-16	150,000	3,719	23.30	218,882	368,882
2016-17	150,000	3,631	23.30	208,648	358,648

⁽¹⁾ \$150,000 Individual Allocation for each Local Agency pursuant to LTA Ordinance 1-2008, adopted by the Authority on July 28, 2008.

⁽²⁾ ~~(2)~~ Population counts are based on State of California Department of Finance population estimates available to the Authority as of January 1 of each year. The Department of Finance adjusts its population estimates on an annual basis. As a result, the population estimates used to calculate the allocation of Measure D Sales Tax Revenues may not be consistent with the population data provided in APPENDIX B – “ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF IMPERIAL.” For purposes of calculating the allocation of Measure D Sales Tax, the Authority excludes the populations of prisons from its calculations.

Source: The Authority.

Holtville Pledged Allocable Sales Tax Revenues					
<u>Fiscal Year</u>	<u>Flat Allocation⁽¹⁾</u>	<u>Total Population⁽²⁾</u>	<u>Maintain Mileage</u>	<u>Allocation for Local Street and Road Improvements</u>	<u>Holtville Pledged Allocable Sales Tax Revenues</u>
2012-13	\$150,000	6,049	23.77	\$386,853	\$536,854 <u>\$536,853</u>
2013-14	150,000	6,151	23.77	495,065	645,065
2014-15	150,000	6,154	23.77	370,795	520,794
2015-16	150,000	6,246	23.77	363,371	513,371
2016-17	150,000	6,093	23.77	338,398	488,398

⁽¹⁾ \$150,000 Individual Allocation for each Local Agency pursuant to LTA Ordinance 1-2008, adopted by the Authority on July 28, 2008.

⁽²⁾ ~~(2)~~ Population counts are based on State of California Department of Finance population estimates available to the Authority as of January 1 of each year. The Department of Finance adjusts its population estimates on an annual basis. As a result, the population estimates used to calculate the allocation of Measure D Sales Tax Revenues may not be consistent with the population data provided in APPENDIX B – “ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF IMPERIAL.” For purposes of calculating the allocation of Measure D Sales Tax, the Authority excludes the populations of prisons from its calculations.

Source: The Authority.

PLEDGED ALLOCABLE SALES TAX REVENUES COVERAGE

As described in this Official Statement, the Series 2012B Bonds are payable from the Callexico Pledged Allocable Sales Tax Revenues and the Series 2012C Bonds are payable from the Calipatria Pledged Allocable Sales Tax Revenues. The tables below provide the maximum annual debt service coverage for the Series 2012B Bonds and the Series 2012C Bonds for the last five fiscal years.

2012B Bonds			
Historical Maximum Annual Debt Service Coverage			
Fiscal Year	Callexico Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2012-13	\$2,610,314		
2013-14	3,337,274		
2014-15	2,608,076		
2015-16	2,552,876		
2016-17	2,330,617		

Source: The Authority.

2012C Bonds			
Historical Maximum Annual Debt Service Coverage			
Fiscal Year	Calipatria Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2012-13	\$388,695		
2013-14	455,291		
2014-15	373,604		
2015-16	368,882		
2016-17	358,648		

Source: The Authority.

Assuming no increase in the amount of Callexico Pledged Allocable Sales Tax Revenues, Calipatria Pledged Allocable Sales Tax Revenues and Holtville Pledged Allocable Sales Tax Revenues from the respective amounts received for the Fiscal Year 2016-17 as set forth above, based on the annual debt service requirements of the Series 2012B Bonds, the 2012C Bonds and the Series 2018 Bonds set forth above under the caption "Debt Service Schedule," maximum annual debt service coverage for the bonds payable from (i) Callexico Pledged Allocable Sales Tax Revenues, (ii) Calipatria Pledged Allocable Sales Tax Revenues and (iii) Holtville Pledged Allocable Sales Tax Revenues is presented in the table below. The information presented is based upon past receipt of Measure D Sales Tax Revenues and as such, is not an indication of future results, as the amount of Measure D Sales Tax Revenues received in any given year may fluctuate.

Pledged Allocable Sales Tax Revenues of:	Pledged Allocable Sales Tax Revenues Fiscal Year 2016-17	Maximum Annual Debt Service ("MADS")	MADS Coverage
Calexico	\$2,330,617		
Calipatria	358,648		
Holtville	488,398		

Source: The Authority.

Each Series of the Bonds is payable from the Pledged Allocable Sales Tax Revenues of the applicable Participating Agency, which is only a portion of the Measure D Sales Tax Revenues. The portion of the Measure D Sales Tax Revenues not constituting Pledged Allocable Sales Tax Revenues is not pledged to, and will not be available to the payment of, any Series of Bonds.

THE MEASURE D PROGRAM

General

On July 28, 2008, the Board of Directors of the Authority (the "Board of Directors") adopted the Expenditure Plan that prioritizes project implementation within the framework of projected Measure D Sales Tax. Proceeds of the Measure D Sales Tax may be used to finance the transportation projects and programs listed in the Ordinance and the Expenditure Plan.

Ordinance

The purpose of the Ordinance is, in part, to establish a source of funding for traffic relief goals and to fund improvements set out in the Expenditure Plan, including the following:

- To improve state highways
- To finance transit projects
- To repair and rehabilitate existing roadways
- To reduce congestion and improve safety
- To provide for the construction of needed facilities

Expenditure Plan

On November 4, 2008, the voters of the County approved a ballot measure, implementing the provisions of the Ordinance. With the passage of the ballot measure, the voters authorized the extension of the Measure D Sales Tax and the implementation of a County-wide transportation improvement program. ~~Pursuant to the ordinance, the Authority is to provide each Local Agency with an annual estimate of Measure D Sales Tax Revenues for the succeeding five years.~~ Each Local Agency is required on an annual basis to develop a five-year list of projects to be funded with Allocable Sales Tax Revenues for the next succeeding five years, and is then required to notify the Authority of its policy body's official action approving the list.

The Authority is required to annually approve a five-year list of projects for each Local Agency based on each Local Agency's submittals to be funded during the succeeding fiscal year. A public hearing is held prior to the Authority's approval of the annual program of projects. No major projects may be funded with the Measure D Sales Tax Revenues unless the projects are in the approved program of projects.

Projects under the Expenditure Plan

Under the Ordinance, the Authority is authorized to allocate Measure D Sales Tax Revenues to transportation improvements, which include: (i) the repair and rehabilitation of existing roadways, reduction of congestion and safety improvement, and the construction of needed facilities; (ii) the improvement or rehabilitation of state highways; and (iii) the financing of transit projects and services.

Maintenance of Effort

Pursuant to the Expenditure Plan, each Local Agency is required to annually maintain as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State of Controller's Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, or, if the Local Agency had extraordinary local discretionary fund expenditures during Fiscal Year 2005-2006, such Local Agency may use, as a base for determining the minimum level of local discretionary funds, the average amount of such funds reported to the State Controller for the three-year period from Fiscal Year 2002-2003 through 2005-06 (the "Maintenance of Effort"). The Maintenance of Effort is adjusted annually for inflation as described in the Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, U.S. City Average, "All Items," using the "Annual" column. **Failure by a Local Agency to budget for its Maintenance of Effort or to expend its Maintenance of effort in a Fiscal Year will result in a decrease in the amount of Allocable Sales Tax Revenues received by such Local Agency. See "RISK FACTORS - Minimum Maintenance of Effort Requirement."**

Administration

One percent (1%) of Measure D Sales Tax Revenues are provided for administration expenses, which consist of miscellaneous administrative costs including, but not limited to, audits and the preparation of annual estimates. [The Authority has proposed an amendment to the Ordinance that would expand the types of costs that the Authority would be permitted to apply Measure D Sales Tax Revenues. In addition, the one percent \(1%\) limitation discussed above would only apply to Measure D Sales Tax Revenues that would be used for the payment of salary and benefits of Authority staff. For more information on this amendment, see "THE MEASURE D SALES TAX – Pledged Allocable Sales Tax Revenue."](#)

Local Taxpayer Supervising Committee

Pursuant to the Ordinance, the Authority has created a Local Taxpayer Supervising Committee (the "LTSC"). The LTSC's responsibilities include reviewing the fiscal performance of the sales tax transportation program through an annual audit to ensure that all transportation sales tax funds are spent by the Authority in accordance with the Expenditure Plan and the Ordinance. In addition, the LTSC's other mission is to provide positive, constructive advice to the Authority on how to improve implementation over the forty-year course of the program for the benefit of the residents and businesses of the County, and to study and report on other issues related to the current or future use of the Measure D Sales Tax Revenues that may be expressly authorized by the Authority.

The LTSC has three voting members serving staggered four year terms. The LTSC members must be residents of the County possessing following professional and/or community credentials:

One member who is a professional, active or retired, in the field of municipal audit, finance and/or budgeting with at least five years in a relevant and senior decision-making position in the public or private sector.

One member who is licensed civil engineer or trained transportation planner – active or retired- with at least five years of demonstrated experience in the field of transportation in government and/or the private sector.

One member who is a current or retired manager of major public and/or privately financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues involved in building large scale infrastructure improvements.

In addition to the voting members, the Chair of the Authority Governing Board, the Executive Director of the Authority and the County Auditor-Controller will serve as ex-officio, non-voting, members of the LTSC.

The LTSC is required to hold publicly-noticed meetings to consider and discuss the audit mentioned above.

THE AUTHORITY

General

The Authority is a local transportation authority organized under the provisions of the Act and created by action of the Board of Supervisors of the County in 1989. The Authority is governed by a nine member Board of Directors. The membership is comprised of a city council member from each incorporated city within the County and two members of the County Board of Supervisors.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY BOARD OF DIRECTORS

Director

Luis Plancarte, Chairperson
Robert Amparano, Vice Chairperson
George Nava
Bill Hodge
Maria Nava-Froelich
Cheryl Viegas-Walker
James Predmore
Larry Ritchie
Ryan Kelley

Local Agency

County of Imperial
City of Imperial
City of Brawley
City of Calexico
City of Calipatria
City of El Centro
City of Holtville
City of Westmorland
County of Imperial

Executive Director, Mark Baza. Since June 2010, Mr. Baza has served as the Executive Director for the Authority and the Imperial County Transportation Commission (the “ICTC”). For the Authority, Mr. Baza is responsible for the management and administration of the County’s Measure D Sales Tax Program. For the ICTC, Mr. Baza’s responsibilities include the regional transportation planning, programming and administration of state and federal transportation funds in partnership with the multi-county Metropolitan Planning Organization, the Southern California Association of Governments, the California Department of Transportation, the Federal Transit Administration and Federal Highway Administration. Additionally, Mr. Baza is responsible for the administration and oversight of the region’s transit operations (Imperial Valley Transit), which includes fixed-route and paratransit services throughout the County, and other local demand response transit services.

Prior to his appointment as Executive Director for ICTC and the Authority, Mr. Baza had worked for the California Department of Transportation (“Caltrans”) District 11 for 21 years. At Caltrans, Mr. Baza had worked in the District Division’s of Planning, Program/Project Management, and the Proposition 1B – Trade Corridor Improvement Fund (“TCIF”) Divisions. As a Senior Transportation Planner/Project Manager, Mr. Baza was responsible for short and long-range transportation planning for San Diego and Imperial counties. Mr. Baza also managed the planning and development for a portfolio of innovative financing (Public-Private Partnership) projects to improve goods movement and ground access at California’s seven land ports of entry with Mexico and the Port of San Diego’s seaport terminals. Mr. Baza earned a Bachelors of Arts degree, from the University of California, San Diego in Urban/Rural Studies and Planning, and completed a Certificate Program in Transportation Planning and Air Quality, from the University of California, Riverside.

Programs Manager, Kathi Williams. [Ms. Williams serves as the Programs Manager for the Authority. As Programs Manager, Ms. Williams is responsible for oversight and processing all financial management and transactions of the Measure D Sales Tax Program. For the ICTC, Ms. Williams is responsible for development of the Commission’s annual Overall Work Plan and Budget and overseeing all staff support administering the financial and budget transactions of the Commission. Additionally, Ms. Williams oversees the daily management and operations of the fixed route, paratransit and demand response transit services performed under service contract to the ICTC.]

Prior to joining the Authority, Ms. Williams served as an Administrative Analyst III for the County of Imperial’s Executive Office and the Imperial Valley Association of Governments. During her 20 Years with the County, Ms. Williams had comparable responsibilities for managing the Regional Transit planning and operations, and the development of finance and budget programs for the County’s Public Works Department. Ms. Williams earned a Bachelors and Master of Arts degrees in Public Administration, from San Diego State University.

Employees. The Authority employs four staff members. The Imperial County Transportation Commission provides the daily staff support for the Authority for administration of receipts and disbursements the Measure D Sales Tax Revenues as allocated by the CDFTA.

INVESTMENT POLICY

Pursuant to its existing policy, the Authority has deposited all of its funds in the County’s investment pool (the “County Pool”). The Treasurer-Tax Collector manages the County Pool in which certain funds of the County and certain funds of other participating entities are invested pending disbursement.

As of _____, the County Pool had approximately ____% of its assets invested in Federal Agency Issues. Approximately ____% of the Pool’s assets were invested in Certificates of Deposit. Approximately ____% of the County Pool were invested in LAIF/Highmark Capital/ZBA. Approximately ____% of the pool is held uninvested in cash. The detailed composition of the Pool, as of _____, 2018, was as follows (all dollar amounts in thousands):

<u>Type of Investment</u>	<u>Book Basis</u>	<u>Market Value</u>	<u>Par Amount</u>
Cash			
LAIF/HIGHMARK CAPITAL/ZBA			
Certificates of Deposit			
Federal Agency Issues			
Total			

Source: County Treasurer-Tax Collector.

Amounts pledged to the payment of the Bonds are transferred to the Trustee and deposited in the funds and accounts established under the Indenture. Amounts held in these funds and accounts are invested pursuant to the terms of the Indenture. See APPENDIX C – “SUMMARY OF THE INDENTURE.”

RISK FACTORS

Economy of the County and the State

The Series 2018 Bonds are secured by a pledge of Pledged Allocable Sales Tax Revenues, which consist of a portion of the Measure D Sales Tax Revenues allocable to Calexico, Calipatria and Holtville after certain distributions are made pursuant to the Ordinance and less an administrative fee retained by the CDFTA. The level of Measure D Sales Taxes collected at any time is dependent upon the level of retail sales within the County, which level of retail sales is, in turn, dependent upon the level of economic activity in the County and in the State generally. As a result, any substantial deterioration in the level of economic activity within the County or in the State could have a material adverse impact upon the level of Measure D Sales Tax Revenues and therefore on the Pledged Allocable Sales Tax Revenues and upon the ability of the Authority to pay the principal of and interest on the Bonds. For information relating to current economic conditions within the County, see APPENDIX B – “ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF IMPERIAL.”

Other Sales Taxes

With limited exceptions, the Measure D Sales Tax is imposed upon the same transactions and items subject to the 7.25% State Sales Tax. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Measure D Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Measure D Sales Tax Revenues collected. In addition, the Measure D Sales Tax is imposed generally on the same transactions and items subject to sales and use taxes levied by certain cities within the County. See “THE MEASURE D SALES TAX – Other Sales Taxes Imposed in the County.”

Minimum Maintenance of Effort Requirement

Pursuant to the Expenditure Plan, each Local Agency is required to annually maintain as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State of Controller’s Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, or, if the Local Agency had extraordinary local discretionary fund expenditures during Fiscal Year 2005-2006, such Local Agency may use, as a base for determining the level of local discretionary funds, the average amount of such funds reported to the State Controller for the three-year Fiscal Year 2002-2003 through 2005-06. The Maintenance of Effort is adjusted annually for inflation. The Authority shall not allocate any portion of a Local Agency’s Measure D Sales Tax Revenues to such

Local Agency until that Local Agency has certified to the Authority the extent to which the Maintenance of Effort requirement shall be included in such Local Agency's budget. If the Local Agency does not certify that it will meet its entire Maintenance of Effort requirement in any given year, such Local Agency will have its portion of Measure D Sales Tax Revenues reduced in that year by the shortfall between the amount the Local Agency is required to budget and expend on Maintenance of Effort and the amount actually budgeted for Maintenance of Effort.

Further, if any audit indicates that any Local Agency did not meet its certified level of Maintenance of Effort in any given year, it shall have its portion of Measure D Sales Tax Revenues reduced in the following year by the amount which such Local Agency did not meet its certified level of Maintenance of Effort. Amounts not allocated to a Local Agency due to failure to budget for or expend its Maintenance of Effort requirements are reallocated among the other Local Agencies pursuant to the allocation methodology prescribed in the Expenditure Plan. **Failure of a Participating Agency to budget for or expend its minimum Maintenance of Effort will result in a decrease in the amount of Pledged Allocable Sales Tax Revenues received by such Participating Agency, which may affect the ability of the Authority to pay the principal of and interest on the Series of Bonds payable from that Participating Agency's Pledged Allocable Sales Tax Revenues.** For the text of this provision see "APPENDIX G – THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND EXPENDITURE PLAN."

Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure D Sales Tax Revenues. Internet sales of physical products by businesses located in the State, and Internet sales of physical products delivered to the State by businesses located outside of the State are generally subject to the Measure D Sales Tax. However, the Authority believes that many of these transactions may avoid taxation either through error or deliberate non-reporting and this potentially reduces the amount of Measure D Sales Tax Revenues. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such Internet purchases, the more that the Commission may experience reductions of Measure D Sales Tax Revenues. On September 23, 2011, Governor Jerry Brown signed into law a settlement with Amazon.com Inc., one of the largest internet retailers in the State. As a result, beginning in September 2012, Amazon started collecting taxes from its on-line sales in the State, to remit to the CDTFA.

Proposition 218 and Further Initiatives

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Authority. The Measure D Sales Tax received the approval of more than two-thirds of the voters as required by Article XIIC. However, Article XIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. In the opinion of the Authority, however, any attempt by the voters to use the initiative provisions under Proposition 218 to rescind or reduce the levy and collection of the Measure D Sales Tax in a manner which would prevent the payment of debt service on the Series 2018 Bonds would violate the Contracts Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, which may affect the Authority's ability to levy and collect the Measure D Sales Tax.

No Acceleration Provision

The Indenture does not contain a provision allowing for the acceleration of the Series 2018 Bonds in the event of a default in the payment of principal and interest on the Series 2018 Bonds when due. In the event of a default by the Authority, each Owner of a Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C – "SUMMARY OF THE INDENTURE – Events of Default and Remedies."

Impact of Bankruptcy of the Authority

The Authority may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should the Authority file for bankruptcy, there could be adverse effects on the holders of the Series 2018 Bonds.

If the Measure D Sales Tax Revenues are "special revenues" under the Bankruptcy Code, then Measure D Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. "Special revenues" are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Measure D Sales Tax was levied to finance the Expenditure Plan, which includes a number of projects (collectively referred to herein as the "Expenditure Plan Projects"), and some of these Expenditure Plan Projects are described in broad terms. If a court determined that the Measure D Sales Tax was levied to finance the general purposes of the Authority, rather than specific projects, then Measure D Sales Tax Revenues would not be special revenues. No assurance can be given that a court would not hold that the Measure D Sales Tax Revenues are not special revenues. Were the Measure D Sales Tax Revenues determined not to be "special revenues," then Measure D Sales Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the Bonds may not be able to assert a claim against any property of the Authority other than the Measure D Sales Tax Revenues, and were these amounts no longer subject to the lien of the Indenture following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is not clear as to whether, or to what extent, Measure D Sales Tax Revenues would be considered to be "derived" from the Expenditure Plan Projects. To the extent that Sales Tax Revenues are determined to be both special revenues and derived from the Expenditure Plan Projects, the Authority may be able to use Measure D Sales Tax Revenues to pay necessary operating expenses of the Expenditure Plan Projects, before the remaining Measure D Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2018 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If the Authority is in bankruptcy, the parties (including the holders of the Series 2018 Bonds) may be prohibited from taking any action to collect any amount from the Authority or to enforce any obligation of the Authority, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2018 Bonds from funds in the Trustee's possession. The procedure pursuant to which Measure D Sales Tax Revenues are paid

directly by the CDTFA to the Trustee may no longer be enforceable, and the Authority may be able to require the CDTFA to pay Measure D Sales Tax Revenues directly to the Authority.

The Authority as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Measure D Sales Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Measure D Sales Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2018 Bonds will be adequately protected. The Authority may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2018 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2018 Bonds, provided that the bankruptcy court determines that the alterations are “fair and equitable.”

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments on the Series 2018 Bonds, or result in losses to the holders of the Series 2018 Bonds. Regardless of any specific adverse determinations in a Authority bankruptcy proceeding, the fact of a Authority bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2018 Bonds.

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the Series 2018 Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2018 Bonds, as a result of acts or omissions of the Authority subsequent to the issuance of the Series 2018 Bonds. Should interest become includable in federal gross income, the Series 2018 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier redemption.

FINANCIAL STATEMENTS

The financial statements of the Authority for the Fiscal Year ended June 30, 2017, included in APPENDIX A of this Official Statement have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants and Consultants. Vavrinek, Trine, Day & Co., LLP was not requested to consent to the inclusion of its reports regarding the Authority in APPENDIX A, nor have they undertaken to update their reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Vavrinek, Trine, Day & Co., LLP with respect to any event subsequent to the date of their reports. The Authority represents that there has been no material adverse change in its financial position since June 30, 2017.

LITIGATION

There is not now pending or, to the best knowledge of the Authority, threatened, any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued or the levy, collection and pledge of Pledged Allocable Sales Tax Revenues. Neither the creation, organization or existence of the Authority, nor the title of the present members of the Authority to their respective offices is being contested.

~~[In 2008, Calipatria sued the Authority and the County, alleging that the Authority did not apply the correct population statistics to the apportionment formula set forth in the 1989 Expenditure Plan, incorporated as part of LTA ORD 1-89, adopted by the Authority on July 31, 1989 (the “Prior~~

~~Ordinance”), because the statistics did not include people housed in the Calipatria State Prison. The Authority and the County have denied each of the allegations in the lawsuit. The Authority and its counsel for the lawsuit do not believe that Calipatria will prevail on the merits. The Authority believes that if Calipatria does prevail on the merits, any judgment will not materially and adversely impact Pledged Allocable Sales Tax Revenues. The Ordinance under which the Bonds are being issued expressly does not include people housed in any prison for purposes of the current apportionment formula.]~~

TAX MATTERS

General

The delivery of the Series 2018 Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Series 2018 Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Series 2018 Bonds (the “Code”), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. The delivery of the Series 2018 Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State that interest on the Series 2018 Bonds is exempt from personal income taxes of the State. Forms of Bond Counsel’s anticipated opinions are included as Appendix F. The statutes, regulations, rulings, and court decisions on which such opinion will be based are subject to change.

For taxable years that began before January 1, 2018, interest on the Series 2018 Bonds owned by a corporation will be included in such corporation’s adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the Authority made in a certificate of even date with the initial delivery of the Series 2018 Bonds pertaining to the use, expenditure and investment of the proceeds of the Series 2018 Bonds and will assume continuing compliance with the provisions of the Indenture by the Authority subsequent to the issuance of the Series 2018 Bonds. The Indenture and the Tax Certificate contain covenants by the Authority with respect to, among other matters, the use of the proceeds of the Series 2018 Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Series 2018 Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any “arbitrage profits” and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Series 2018 Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should be aware that the ownership of tax-exempt obligations such as the Series 2018 Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying

for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Authority described above. No ruling has been sought from the Internal Revenue Service (the "Service") or the State with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Series 2018 Bonds is commenced, under current procedures, the Service is likely to treat the Authority as the "taxpayer," and the owners of the Series 2018 Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2018 Bonds, the County may have different or conflicting interests from the owners of the Series 2018 Bonds. Public awareness of any future audit of the Series 2018 Bonds could adversely affect the value and liquidity of the Series 2018 Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to Owners of the exclusion of interest on the Series 2018 Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2018 Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering of certain of the Series 2018 Bonds (the "Discount Bonds") may be less than the amount payable on such Series 2018 Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum tax on corporations for taxable years that began before January 1, 2018, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who

have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued original issue discount on Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Series 2018 Bonds (the “Premium Bonds”) may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the Authority. Complete copies of the proposed forms of opinions of Bond Counsel are attached hereto as APPENDIX F. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Authority by County Counsel and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Authority, and for the Underwriter by their counsel Nixon Peabody LLP, Los Angeles, California.

RATING

S&P Global Ratings (“S&P”), has issued its rating of “__” with respect to the Series 2018A Bonds (City of Calexico), “__” with respect to the Series 2018B Bonds (City of Calipatria), “__” with respect to the Series 2018C Bonds (City of Holtville). These ratings reflect only the views of S&P, and do not constitute a recommendation to buy, sell or hold securities. Any desired explanation of the significance of such rating should be obtained from the rating agency furnishing same at the following address: Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212) 208-8000. The Authority has furnished to S&P certain information respecting the Bonds and the Authority. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. The ratings with respect to the Bonds are subject to revision or withdrawal at any time by S&P, and there is no assurance that the ratings will continue for any period of time or that it will not be lowered or withdrawn. Any reduction or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by Samuel A. Ramirez & Co., Inc., as underwriter (the “Underwriter”), at a purchase price of \$ _____ (representing \$ _____ aggregate principal amount of the Bonds, [plus/minus] original issue [premium/discount] of \$ _____, less Underwriter’s discount of \$ _____). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Bonds may be offered and sold by the Underwriter to certain dealers and others at yields lower than the public offering yield indicated on the inside cover hereof, and such public offering yield may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The Authority will covenant for the benefit of the owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Authority by not later than March 15 after the end of the Authority’s Fiscal Year (presently June 30), commencing with March 15, 2019 (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the dissemination agent, if any, on behalf of the Authority with the Municipal Standards Rulemaking Board (the “MSRB”). The notices of listed events will be filed by the Dissemination Agent on behalf of the Authority with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report and the notices of certain enumerated events is set forth in the Continuing Disclosure Agreement. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants are being made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-~~12~~12, as amended (the “Rule”) of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

~~[Update to come]~~In the last five years, the Successor Agency did not timely file annual reports in connection with the 2012 Bonds for Fiscal Years 2012-13, 2013-14, 2014-15 and 2016-17. With the exception of the notice of failure to file relating to the annual report for Fiscal Year 2014-15, notices of failure to file were not filed in in connection with the above late filings.

MISCELLANEOUS

The references herein to the Act and the Indenture are brief summaries of certain provisions thereof. Such summaries do not purport to be complete or definitive. For full and complete statements of such provisions reference is made to the Act or said documents, as the case may be. Copies of the Master Indenture and the Supplemental Indentures are available for inspection at the Authority and following delivery of the Bonds will be on file at the offices of the Trustee.

Any statement 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 and the purchasers or Owners of any of the Bonds.

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

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

By: _____
Executive Director

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF IMPERIAL

General Information

The County of Imperial (the “County”), located in Southern California, on the Mexican border, was established by an act of the State Legislature on August 7, 1907, forming the County from the eastern part of San Diego County. The County is a general law county divided in to five supervisorial districts on the basis of registered population. The county encompasses an area of over 4,597 miles and includes seven incorporated cities and a number of unincorporated communities. Three-fourths of the area is desert sand and rugged mountains.

The County is one of the State’s major agricultural producers, ranking as one of the top ten agricultural counties in California. Farming is concentrated in the Imperial Valley, an approximately one thousand square mile area that extends from the Mexican border north of the Salton Sea. Much of this farmland is owned by large farmers. Because the average annual rainfall in the County is less than three inches, an extensive irrigation system has been developed which provides adequate water from the Colorado River through the All America Canal and the Imperial Irrigation District (the “District”). Average monthly temperatures range between 55 and 92 degrees and allow for a year-round growing season.

Power and water are supplied to the County through the District. The District supplies approximately 500,000 acres of County farmland with Colorado River water to support irrigation. In addition to providing irrigation, the District also supplies electrical energy to the Imperial Valley. The District maintains over 3,000 miles of canals and drains are used to transport water from the Colorado River to the County’s municipalities and cultivated areas.

The County has the largest known geothermal reserve in the nation which represents a power magnitude equal to an electrical potential of about 3,000 megawatts. Currently, the County has geothermal power facilities consisting of 10 generating plants in the Salton Sea Known Geothermal Resource Area. The combined capacity at of the facilities is approximately 327 net megawatts (nominal).

There are some minerals and metals located in the County. Gold is mined on the eastern border of the County and gypsum on the western border. There are also quantities of semiprecious stones such as emeralds and aquamarine.

Mesquite Landfill, located in the County, is slated to be Southern California’s first operating landfill that is permitted to receive waste by rail. The landfill is located next to the Mesquite Gold Mine, east of Glamis and near the Union Pacific Railroad mainline. The landfill is designed to have a capacity of approximately 600 million tons and a project life of approximately 100 years and is expected to become operational as soon as it becomes economical to use the site.

As required by State and federal mandate, the County is responsible at the local level for activities involving public welfare, health and justice (courts and jails) and for the maintenance of public records. The County also maintains roads and other public facilities and operates recreational and cultural facilities serving the unincorporated areas of the County.

County Government

The County is governed by a five-member Board of Supervisors elected to four-year terms. The County Administrator, appointed by the Board of Supervisors, administers County affairs. Other elected officials include the Assessor, Auditor-Controller, County Clerk/Recorder, District Attorney, Public Administrator, Sheriff/Coroner, Tax Collector, and Treasurer. The amount of population in the unincorporated area is approximately equal to that of the county seat. The County provides a variety of services, which are mostly provided regionally with a few only for the benefit of the unincorporated area.

Community Services

The County provides services in six broad categories: Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education and General Government. Public Protection is provided in five areas: judicial, police protection, detention and correction, fire protection, and protective inspection. Public ways and facilities include road and airport activities. Health services encompass a variety of services to protect public health as well as solid waste disposal, hazardous waste issues, and air pollution control.

The County does not have a county hospital but has an arrangement with the local hospitals for indigent care. Members of the Board of Supervisors serve as members of the Air Pollution Control District Board. Public Assistance is the costliest sector, providing social services, direct categorical assistance, job training, burial, park projects, economic development, aging programs, and other special projects. Education includes a County Library system, cooperative Agricultural Extension and tobacco education.

Transportation

The County's location and transportation network have played a significant part in the County's growth. The County is situated on the US-Mexican border with three strategic Ports of Entry: Calexico, Calexico East, and Algodones. The main east-west route is Interstate 8. The two north-south routes are Route 86 and Route 111, which are both part of the State's expressway system. These routes serve as the southwest NAFTA corridor, bringing goods from the industrial center of Baja, California to major markets on the west coast of the US and Canada. State Route 7 connects the Calexico East with Interstate 8.

Rail service includes feeder Union Pacific lines connecting Calexico-Mexicali to the southern mainline in Niland passing through Heber, El Centro, Imperial, Brawley, and Calipatria. A short portion of the SDIV line from Plaster City to El Centro is also operated by Union Pacific. There is no passenger rail service.

Imperial County Airport is located in the City of Imperial and provides passenger service to and from Los Angeles International Airport. There are four additional airports in the county that provide general aviation activities; Holtville Airport (operated by the County), Calexico International Airport, Brawley Municipal Airport and Calipatria Airport.

Population Characteristics

As of January 1, 2018, the County's population was estimated at 190,624. In percentage terms, the County's population grew by 4.7% during the period from 2013 to 2017. The following table sets forth the County's population from 2014 through 2018.

POPULATION OF IMPERIAL COUNTY AND INCORPORATED CITIES (As of January 1) ⁽¹⁾

<u>Area</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Brawley	26,181	26,526	26,837	27,116	27,417
Calexico	40,218	40,329	40,436	40,732	41,199
Calipatria	7,483	7,387	7,486	7,537	7,488
El Centro	44,494	44,941	45,221	45,413	46,315
Holtville	6,116	6,211	6,228	6,349	6,501
Imperial	16,665	17,267	17,897	18,341	19,372
Westmorland	2,260	2,256	2,257	2,279	2,325
Unincorporated Communities	<u>38,589</u>	<u>39,652</u>	<u>39,657</u>	<u>40,154</u>	<u>40,007</u>
Total County ⁽¹⁾	182,006	184,569	186,019	187,921	190,624

⁽¹⁾ Estimated.

Source: State of California, Department of Finance, Demographic Research Unit.

Employment

The following chart compares labor force, employment, civilian employment and the unemployment rate in the County, the State of California and the United States during the years 2013 through 2017.

COUNTY OF IMPERIAL
LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Yearly Average for Years 2013 through 2017

<u>Year and Area</u>	<u>Labor Force</u>	<u>Civilian Employment</u>	<u>Civilian Unemployment</u>	<u>Unemployment Rate (%)</u>
<u>2013</u>				
Imperial County	78,300	58,700	19,600	25.0%
California	18,625,000	16,958,400	1,666,600	8.9
United States	245,679,000	143,929,000	11,460,000	7.4
<u>2014</u>				
Imperial County	78,400	59,600	18,800	24.0%
California	18,758,400	17,351,300	1,407,100	7.5
United States	247,947,000	146,305,000	9,617,000	6.2
<u>2015</u>				
Imperial County	78,200	59,400	18,800	24.1%
California	18,896,500	17,724,800	1,171,700	6.2
United States	250,801,000	148,834,000	8,296,000	5.3
<u>2016</u>				
Imperial County	77,000	59,600	18,200	23.6%
California	10,093,700	18,048,800	1,044,800	5.5
United States	253,538,000	151,436,000	7,751,000	4.9
<u>2017</u>				
Imperial County	74,000	58,700	14,100	19.1%
California	19,312,000	18,393,100	918,900	4.8
United States	255,079,000	153,337,000	6,982,000	4.4

Source: State of California Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

The following table shows employment by industry group in the County from March 2014 through 2018.

COUNTY OF IMPERIAL
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP
For Years March 2014 through 2018

<u>Industry Group</u> ⁽¹⁾	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Wage and Salary	65,700	63,700	64,100	64,800	64,800
Total Nonfarm:	53,700	51,100	52,400	54,300	54,100
Service Providing	48,100	47,800	48,900	50,700	50,500
Total Private	35,500	32,800	33,800	35,300	35,200
Government	18,200	18,300	18,600	19,000	18,900
Trade, Transportation and Utilities	11,500	11,900	12,100	12,600	12,000
Total Farm	12,000	12,600	11,700	10,500	10,700
Retail Trade	7,700	8,100	7,900	7,700	7,800
Wholesale Trade	1,800	1,800	1,800	2,000	3,600
Manufacturing	2,400	1,100	1,700	1,800	1,600
Financial Activities	1,500	1,500	1,400	1,300	1,200

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest employers within the County as of January 2018, listed alphabetically.

COUNTY OF IMPERIAL Major Employers As of January 2018

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
8A Packing Llc	El Centro	Labor Organizations
Academic Services	Imperial	Schools-Universities & Colleges Academic
Allstar Seed Co	El Centro	Seeds & Bulbs-Wholesale
Calipatria State Prison	Calipatria	Government Offices-State
Centinela State Prison	Imperial	Government Offices-State
Central Union High School	El Centro	Schools
Clinicas De Salud Del Pueblo	Brawley	Clinics
El Centro Naval Air Facility	El Centro	Federal Government-National Security
El Centro Regional Medical Ctr	El Centro	Hospitals
Imperial County Bhvrl Health	El Centro	Government Offices-County
Imperial County Coroner	El Centro	Government
Imperial County Sheriff	El Centro	Government Offices-County
Imperial Date Gardens	Winterhaven	Nurserymen
Imperial Irrigation District	El Centro	Distribution Services
Imperial Irrigation District	Imperial	Distribution Services
Jjall Llc	Calexico	Labor Contractors
Paradise Casino	Winterhaven	Casinos
Pioneers Memorial Healthcare	Brawley	Health Care Management
Spreckels Sugar Co Inc	Brawley	Sugar Refiners (Mfrs)
United States Gypsum Co	Imperial	Gypsum & Gypsum Products (Mfrs)
US Border Patrol	El Centro	Government Offices-Us
Walmart Supercenter	El Centro	Department Stores
Walmart Supercenter	Calexico	Department Stores
Walmart Supercenter	Brawley	Department Stores

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2018 1st Edition.

Commercial Activity

A summary of historic taxable sales within the County during the past five years for which data is available is shown in the following table. Annual figures for 2017 are not yet available. Total taxable sales during calendar year 2016 in the County were reported to be \$2.46 billion, a 7.3% decrease over the total taxable sales of \$2.65 billion reported during calendar year 2015.

IMPERIAL COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

<u>Year</u>	Retail Stores		Total All Outlets	
	<u>Number of</u> <u>Permits</u>	<u>Taxable</u> <u>Transactions</u>	<u>Number of</u> <u>Permits</u>	<u>Taxable</u> <u>Transactions</u>
2012	2,258	\$1,482,810	3,288	\$2,356,313
2013	2,222	1,561,647	3,239	3,661,582
2014	2,293	1,615,754	3,266	2,893,261
2015 ⁽¹⁾	1,153	1,612,423	3,509	2,652,906
2016	N/A	1,600,491	N/A	2,458,984

⁽¹⁾ Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2012 through 2016. Annual figures are not yet available for calendar year 2017.

IMPERIAL COUNTY Total Building Permit Valuations (Valuations in Thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Permit Valuation					
New Single-family	\$40,512.5	\$67,396.6	\$33,809.0	\$26,492.3	\$48,224.3
New Multi-family	8,101.5	0.0	9,582.3	20,797.8	7,761.8
Res. Alterations/Additions	<u>6000.9</u>	<u>4389.1</u>	<u>4,211.5</u>	<u>6,386.9</u>	<u>10,004.3</u>
Total Residential ⁽¹⁾	54,614.9	71,785.7	47,602.8	53,677.0	65,990.4
 New Commercial	 34,032.3	 44,242.9	 6,833.1	 18,009.0	 22,447.5
New Industrial	468,597.8	17,735.4	10,009.0	2,000.0	1,239.2
New Other	37,896.0	507,195.9	3,971.0	13,405.1	48,814.3
Com. Alterations/Additions	<u>18,415.5</u>	<u>22,475.6</u>	<u>12,257.6</u>	<u>13,616.3</u>	<u>18,720.0</u>
Total Nonresidential ⁽¹⁾	558,941.6	591,649.8	33,070.7	47,030.4	91,221.0
 New Dwelling Units					
Single Family	215	334	179	125	230
Multiple Family	<u>124</u>	<u>0</u>	<u>59</u>	<u>133</u>	<u>41</u>
TOTAL	339	334	238	258	271

⁽¹⁾ Totals may not add due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

Agricultural Production

The County Department of Agriculture estimates that agricultural production totaled \$2,081,214,000 in 2017. The following table provides an agricultural production summary from 2013 through 2017.

COUNTY OF IMPERIAL TOTAL AGRICULTURAL PRODUCTION For Years 2013 through 2017

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Livestock	\$ 617,371,000	\$ 410,512,000	\$ 502,065,000	\$ 468,176,000	\$ 486,176,000
Field Crops	470,461,000	530,849,000	422,319,000	381,181,000	381,181,000
Vegetables & Melon Crops	865,401,000	723,260,000	805,021,000	1,006,345,000	1,006,345,000
Fruit & Nut Crops	100,019,000	95,909,000	83,277,000	80,098,000	80,098,000
Seed & Nursery Crops	100,557,000	93,818,000	107,673,000	123,057,000	123,057,000
Apiary Products	<u>4,708,000</u>	<u>4,441,000</u>	<u>4,779,000</u>	<u>4,357,000</u>	<u>4,357,000</u>
TOTAL	\$2,158,517,000	\$1,858,789,000	\$1,925,134,000	\$2,063,214,000	\$2,081,214,000

Source: Imperial County Department of Agriculture.

APPENDIX C

SUMMARY OF THE INDENTURE

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A, \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B and \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (collectively, the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), as supplemented and amended, including as supplemented by a Seventh Supplemental Indenture, an Eighth Supplemental Indenture and a Ninth Supplemental Indenture, each dated as of August 1, 2018 (the Master Indenture, as so supplemented and as it may hereafter be further supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Issuer and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined herein).

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

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” means the audited financial results of the Authority for the applicable fiscal year.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than (a) Saturday or Sunday, (b) a day on which banking institutions in the city in which the Principal Office of the Trustee is located are authorized or required by law to be closed, and (c) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

“Disclosure Representative” shall mean the Executive Director of the Authority or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Dissemination Agent (if other than the Authority) from time to time.

“Dissemination Agent” means an entity selected and retained by the Authority, or any successor thereto selected by the Authority. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for Municipal Securities disclosures, maintained on the internet at <http://emma.msrb.org>.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 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 EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

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

“Repository” shall mean, until otherwise designated by the SEC, EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

“State” shall mean the State of California.

“SEC” shall mean the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than March 15 after the end of each fiscal year, commencing with March 15, 2019, provide to the Repository and the Participating Underwriter 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. If the Authority’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Authority shall provide, or cause the preparer of the Annual Report to provide, a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished to it hereunder. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Report.

(c) If the Authority is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Authority shall send a notice to the Repository or to the MSRB, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the electronic filing address of, and then-current procedures for submitting Annual Reports to, the MSRB each year prior to the date for providing the Annual Report; and

(ii) file a report with the Authority and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The Authority Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, dated ____, 2018 relating to the Bonds (the “Official Statement”) and the Audited Financial Statements shall be filed in the same manner as the Annual Report when such Audited Financial Statements become available.

(b) The debt service schedule for the Bonds, if there have been any unscheduled redemptions, retirements or defeasances, and the debt service on any additional parity bonds issued, in each case during the prior Fiscal Year.

(c) The Pledged Allocable Sales Tax Revenues for the prior Fiscal Year.

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 Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Authority 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 more than ten (10) Business Days after the event:

(1) principal and interest payment delinquencies;

(2) defeasances;

(3) tender offers;

(4) rating changes;

(5) adverse tax opinions or the issuance by the Internal Revenue Service of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);

- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform; or
- (9) bankruptcy, insolvency, receivership or similar proceedings.

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

(b) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) consummation of a merger, consolidation or acquisition involving the Authority or the sale of all or substantially all of the assets of the obligated persons, 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;
- (2) appointment of a successor or additional trustee or the change of the name of a trustee;
- (3) non-payment related defaults;
- (4) modifications to the rights of Owners;
- (5) optional, unscheduled or contingent Bond calls;
- (6) release, substitution or sale of property securing repayment of the Bonds; or
- (7) in addition to the adverse tax opinions or determinations of taxability described in Section 5(a)(5) above, any other notices or determinations with respect to the tax status of the Bonds.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, described in subsection (b) of this Section 5, the Authority shall as soon as possible determine if such event would be material under applicable Federal securities law.

(d) If the Authority determines that knowledge of the occurrence of a Listed Event described in subsection (b) of this Section 5 would be material under applicable federal securities law, the Authority shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the Repository in a timely manner not more than ten (10) Business Days after occurrence of the Listed Event.

(e) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Filings with the MSRB. All information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

Section 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Authority.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. Article 8 of the Master Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Master Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or Notice of Listed Event. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it

may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Authority for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Imperial County Local Transportation Authority 1405 N. Imperial Avenue, Suite 1 El Centro, California 92243 Attention: Executive Director Telephone: (760) 592-4494 Facsimile: (760) 592-4497
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To the Dissemination Agent:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, 4 th Floor Los Angeles, California 90071 Telephone: (213) 630-6249 Facsimile: (213) 630-6480
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Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Any notice or communication may also be sent by electronic mail, receipt of which shall be confirmed.

Section 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2018

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Dissemination Agent

By: _____
Authorized Representative

Exhibit A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Imperial County Local Transportation Authority (the “Authority”)
Name of Issue: Imperial County Local Transportation Authority Sales Tax Revenue Bonds
(Limited Tax Bonds), Series 2018A, Series 2018B and Series 2018C
Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by Section 6.09 of the Indenture, dated as of May 1, 2012, as supplemented and amended, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. [The Authority anticipates that the Annual Report will be filed by _____.]

Dated: _____

The Bank of New York Mellon Trust Company, N.A.,
as dissemination agent

cc: Imperial County Local Transportation Authority

APPENDIX E

BOOK-ENTRY SYSTEM

THE INFORMATION HEREIN CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY, THE TRUSTEE AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE AUTHORITY, THE TRUSTEE AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. THE BENEFICIAL OWNERS SHOULD CONFIRM THE FOLLOWING INFORMATION WITH DTC OR THE DTC PARTICIPANTS (AS DEFINED HEREIN).

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC's 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 by reference.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority (or the Trustee on behalf thereof) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Series 2018 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 Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of such principal, premium 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 or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 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, Series 2018 Bond certificates are required to be printed and delivered as described in the Indenture.

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

APPENDIX F

FORMS OF OPINIONS OF BOND COUNSEL

[Closing Date]

Imperial County Local Transportation Authority
1405 North Imperial Avenue
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2018A
(City of Calexico)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Imperial County Local Transportation Authority (“ICLTA”) of \$ _____ aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (City of Calexico) (the “Series 2018A Bonds”). On July 28, 2008, ICLTA adopted its Ordinance No. 2008-1, the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan (the “Ordinance”), which provides for the levy of a county-wide retail and transactions and use tax of one-half of 1% for transportation purposes, known as the “Measure D Sales Tax.” The Series 2018A Bonds are issued pursuant to the Indenture, dated as of May 1, 2012 (the “Master Indenture”), by and between ICLTA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including as supplemented by a Seventh Supplemental Indenture, dated as of August 1, 2018 (the “Seventh Supplemental Indenture,” and together with the Master Indenture, as so supplemented and amended, the “Indenture”), by and between ICLTA and the Trustee. The Series 2018A Bonds are being issued to provide funds to finance certain transportation projects of the City of Calexico, California (the “Participating Agency”) and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Seventh Supplemental Indenture, certifications of ICLTA, the Trustee and others, opinions of counsel to ICLTA and the Trustee, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Based upon the foregoing, we are of the opinion that:

1. The Series 2018A Bonds constitute valid and binding special, limited obligations of ICLTA and are payable exclusively from and are secured by a pledge of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain amounts held under the Indenture, as provided in the Indenture, and are entitled to the benefits of the Indenture.

2. The Indenture has been duly and validly authorized, executed and delivered by ICLTA and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of ICLTA, enforceable against ICLTA in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the Series 2018A Bonds, of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof and on the terms and conditions set forth therein.
3. Under existing law, and assuming compliance with the covenants mentioned below after the date hereof, interest on the Series 2018A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 as amended to the date hereof (the “Code”) from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. For taxable years that began before January 1, 2018, interest on the Series 2018A Bonds owned by a corporation will be included in such corporation’s adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018. We are further of the opinion that interest on the Series 2018A Bonds is exempt from personal income taxes of the State of California under present state law.

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2018A Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Non-compliance with such requirements could cause the interest on the Series 2018A Bonds to fail to be excluded from the gross income of the owners thereof retroactive to the date of issuance of the Bonds. Pursuant to the Indenture, and in the Tax Exemption Certificate being delivered by the ICLTA and the Series 2018A Participating Agency Certificate being delivered by the Participating Agency in connection with the issuance of the Series 2018A Bonds, each of the ICLTA and the Participating Agency, respectively, is making representations relevant to the determination of, and is undertaking certain covenants regarding or affecting, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described in the immediately preceding paragraph, we have assumed the accuracy of and have relied upon such representations and the present and future compliance by the by the ICLTA and the Participating Agency with such covenants. Further, except as stated in the preceding paragraph, we express no opinion as to any federal, state or local tax consequences of the receipt of interest on, or the ownership or disposition of, the Series 2018A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2018A Bonds, or the interest thereon, if any action is taken with respect to the Series 2018 Bonds or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2018A Bonds and the Indenture may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. Further, the enforceability of the Series 2018A Bonds and the Indenture is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in the State of California (including, but not limited to, rights of indemnification).

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2018A Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

[Closing Date]

Imperial County Local Transportation Authority
1405 North Imperial Avenue
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2018B
(City of Calipatria)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Imperial County Local Transportation Authority (“ICLTA”) of \$ _____ aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (City of Calipatria) (the “Series 2018B Bonds”). On July 28, 2008, ICLTA adopted its Ordinance No. 2008-1, the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan (the “Ordinance”), which provides for the levy of a county-wide retail and transactions and use tax of one-half of 1% for transportation purposes, known as the “Measure D Sales Tax.” The Series 2018B Bonds are issued pursuant to the Indenture, dated as of May 1, 2012 (the “Master Indenture”), by and between ICLTA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including as supplemented by an Eighth Supplemental Indenture, dated as of August 1, 2018 (the “Eighth Supplemental Indenture,” and together with the Master Indenture, as so supplemented and amended, the “Indenture”), by and between ICLTA and the Trustee. The Series 2018B Bonds are being issued to provide funds to finance certain transportation projects of the City of Calexico, California (the “Participating Agency”) and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Eighth Supplemental Indenture, certifications of ICLTA, the Trustee and others, opinions of counsel to ICLTA and the Trustee, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Based upon the foregoing, we are of the opinion that:

1. The Series 2018B Bonds constitute valid and binding special, limited obligations of ICLTA and are payable exclusively from and are secured by a pledge of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain amounts held under the Indenture, as provided in the Indenture, and are entitled to the benefits of the Indenture.
2. The Indenture has been duly and validly authorized, executed and delivered by ICLTA and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of ICLTA, enforceable against ICLTA in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the Series 2018B Bonds, of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain

other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof and on the terms and conditions set forth therein.

3. Under existing law, and assuming compliance with the covenants mentioned below after the date hereof, interest on the Series 2018A Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 as amended to the date hereof (the "Code") from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. For taxable years that began before January 1, 2018, interest on the Series 2018B Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018. We are further of the opinion that interest on the Series 2018B Bonds is exempt from personal income taxes of the State of California under present state law.

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2018B Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Non-compliance with such requirements could cause the interest on the Series 2018B Bonds to fail to be excluded from the gross income of the owners thereof retroactive to the date of issuance of the Bonds. Pursuant to the Indenture, and in the Tax Exemption Certificate being delivered by the ICLTA and the Series 2018B Participating Agency Certificate being delivered by the Participating Agency in connection with the issuance of the Series 2018B Bonds, each of the ICLTA and the Participating Agency, respectively, is making representations relevant to the determination of, and is undertaking certain covenants regarding or affecting, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described in the immediately preceding paragraph, we have assumed the accuracy of and have relied upon such representations and the present and future compliance by the by the ICLTA and the Participating Agency with such covenants. Further, except as stated in the preceding paragraph, we express no opinion as to any federal, state or local tax consequences of the receipt of interest on, or the ownership or disposition of, the Series 2018B Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2018B Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Ownership of tax-exempt obligations such as the Series 2018B Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2018B Bonds and the Indenture may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. Further, the enforceability of the Series 2018B Bonds and the Indenture is subject to the effect of general principles of equity,

including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in the State of California (including, but not limited to, rights of indemnification).

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2018B Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

[Closing Date]

Imperial County Local Transportation Authority
1405 North Imperial Avenue
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds)
Series 2018C
(City of Holtville)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Imperial County Local Transportation Authority (“ICLTA”) of \$2,305,000 aggregate principal amount of its Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (City of Calipatria) (the “Series 2018C Bonds”). On July 28, 2008, ICLTA adopted its Ordinance No. 2008-1, the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan (the “Ordinance”), which provides for the levy of a county-wide retail and transactions and use tax of one-half of 1% for transportation purposes, known as the “Measure D Sales Tax.” The Series 2018C Bonds are issued pursuant to the Indenture, dated as of May 1, 2012 (the “Master Indenture”), by and between ICLTA and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented and amended, including as supplemented by a Ninth Supplemental Indenture, dated as of August 1, 2018 (the “Ninth Supplemental Indenture,” and together with the Master Indenture, as so supplemented and amended, the “Indenture”), by and between ICLTA and the Trustee. The Series 2018C Bonds are being issued to provide funds to finance certain transportation projects of the City of Calipatria, California (the “Participating Agency”) and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Ninth Supplemental Indenture, certifications of ICLTA, the Trustee and others, opinions of counsel to ICLTA and the Trustee, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Based upon the foregoing, we are of the opinion that:

1. The Series 2018C Bonds constitute valid and binding special, limited obligations of ICLTA and are payable exclusively from and are secured by a pledge of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain amounts held under the Indenture, as provided in the Indenture, and are entitled to the benefits of the Indenture.
2. The Indenture has been duly and validly authorized, executed and delivered by ICLTA and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of ICLTA, enforceable against ICLTA in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the Series 2018C Bonds, of the Pledged Allocable Sales Tax Revenues of the Participating Agency and certain

other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof and on the terms and conditions set forth therein.

3. Under existing law, and assuming compliance with the covenants mentioned below after the date hereof, interest on the Series 2018C Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 as amended to the date hereof (the "Code") from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. For taxable years that began before January 1, 2018, interest on the Series 2018C Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018. We are further of the opinion that interest on the Series 2018C Bonds is exempt from personal income taxes of the State of California under present state law.

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2018C Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Non-compliance with such requirements could cause the interest on the Series 2018C Bonds to fail to be excluded from the gross income of the owners thereof retroactive to the date of issuance of the Bonds. Pursuant to the Indenture, and in the Tax Exemption Certificate being delivered by the ICLTA and the Series 2018C Participating Agency Certificate being delivered by the Participating Agency in connection with the issuance of the Series 2018C Bonds, each of the ICLTA and the Participating Agency, respectively, is making representations relevant to the determination of, and is undertaking certain covenants regarding or affecting, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described in the immediately preceding paragraph, we have assumed the accuracy of and have relied upon such representations and the present and future compliance by the by the ICLTA and the Participating Agency with such covenants. Further, except as stated in the preceding paragraph, we express no opinion as to any federal, state or local tax consequences of the receipt of interest on, or the ownership or disposition of, the Series 2018A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2018C Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2018C Bonds and the Indenture may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. Further, the enforceability of the Series 2018C Bonds and the Indenture is subject to the effect of general principles of equity,

including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in the State of California (including, but not limited to, rights of indemnification).

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2018C Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX G

THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND EXPENDITURE PLAN

APPENDIX H

FORM OF PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of August 1, 2018 (this “Agreement”), by and between the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under the law of the State of California (the “Authority”), and the [Participating Agency], as set forth herein,

WITNESSETH:

WHEREAS, in 1989 the Imperial County Local Transportation Authority (the “Authority”) adopted LTA Ordinance No. 1-89, the Imperial County Retail Transactions and Use Tax Ordinance (the “1989 Ordinance”), which, following voter approval of a ballot measure, authorized the implementation of a half-cent transactions and use tax within the County of Imperial (the “Measure D Sales Tax”); and

WHEREAS, in 1990, the Authority adopted Ordinance No. 1-90 (the “1990 Ordinance”), which detailed those transactions and uses that would be subject to the Measure D Sales Tax; and

WHEREAS, on July 28, 2008, the Authority adopted Ordinance No. 1-2008 (the “2008 Ordinance”), which extended the Measure D Sales Tax for a period not to exceed forty (40) years from April 1, 2010;

WHEREAS, under the 2008 Ordinance, the City is entitled to receive from the Authority a portion of Measure D Sales Tax revenues allocable to the City (the “Imperial Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority now intends to finance certain transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018 in one or more series, which shall be payable only from the Imperial Sales Tax Revenues and shall have a series designation distinct from other bonds issued by the Authority (the “Series 2018_ Bonds”);

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Indenture, dated as of May 1, 2012, as amended and supplemented, including as amended and supplemented by a [____] Supplemental Indenture, dated

as of August 1, 2018 (collectively, the “Indenture”), each by and between the Authority and a trustee named therein (the “Trustee”).

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.
- (c) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the person or party whose approval, consent or acceptance is required.
- (d) All references herein to particular articles or sections are references to articles or sections of this Agreement.
- (e) The captions and headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.
- (f) References to any document, agreement, certificate or other instrument shall refer to the provisions of such instrument, as the same may be amended and supplemented from time to time.
- (g) Words permitting discretion shall mean that the Person having such discretion may take such action but is not obligated to do so.

ARTICLE II

PLEDGE OF REVENUES

Section 2.01. Pledge of Revenues. The [Participating Agency] hereby pledges and assigns all [Participating Agency] Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the Series 2018_ Bonds and any Parity Obligations.

Section 2.02. Application of [Participating Agency] Sales Tax Revenues and Remittance to the [Participating Agency]. The Authority agrees that after application of the [Participating Agency] Sales Tax Revenues to pay the debt service on the Series 2018_ Bonds to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the Series 2018_ Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the Imperial Sales Tax Revenues received to be remitted to the [Participating Agency] for uses consistent with the 2008 Ordinance.

Section 2.03. [Participating Agency] to Pay Authority Costs. The [Participating Agency] hereby agrees to pay the reasonable out-of-pocket costs and expenses of the Authority directly related to the [Participating Agency]’s allocable share of costs of issuance for the Series 2018_ Bonds. The payment of such costs and expenses shall not be a general fund obligation of the [Participating

Agency] and shall be payable from the [Participating Agency] Sales Tax Revenues and/or the proceeds of the Series 2018_ Bonds.

ARTICLE III

REMEDIES

Section 3.01. Remedies. Each of the parties hereto may take whatever action at law or in equity may appear necessary or desirable to exercise its rights or enforce the obligations of the other parties hereunder.

ARTICLE IV

TERM

Section 4.01. Term. The pledge granted by the [Participating Agency] in accordance with Section 2.01 hereof shall continue irrevocably, in full force and effect, until the payment or defeasance in full of all outstanding Series 2018_ Bonds.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. The [Participating Agency] hereby represents that it has maintained, as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, as adjusted annually for inflation, as is required pursuant to Section 6 of the Expenditures Plan. The [Participating Agency] hereby covenants to include in each annual budget amounts sufficient to satisfy the annual Maintenance of Effort requirement and shall certify, in a form substantially similar to the certificate appended as Appendix A hereto, to the Authority prior to each Fiscal Year that such amounts have been included in its annual budget. The [Participating Agency] further covenants to spend at least the amount included in the certification to the Authority during the then-current Fiscal Year and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, to the Authority that the [Participating Agency] satisfied its annual Maintenance of Effort requirement for such Fiscal Year.

Section 5.02. Expenditure on Approved Projects. The [Participating Agency] hereby covenants to use proceeds of the Series 2018_ Bonds and any [Participating Agency] Sales Tax Revenues received by the City only on projects appearing on the most recently approved five-year list of projects and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, that such proceeds of the Series 2018_ Bonds and any [Participating Agency] Sales Tax Revenues were spent on projects appearing on the approved five-year list of projects for the then-current Fiscal Year . If proceeds of the Series 2018_ Bonds or any [Participating Agency] Sales Tax Revenues are expended on projects not appearing on the most recently approved five-year list of projects, the [Participating Agency] further covenants to replenish the [Participating Agency] Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the Series 2018_ Bonds proceeds or [Participating Agency] Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

Section 5.03. Compliance with Tax Covenants. In addition to the covenants set forth herein, the [Participating Agency] covenants to assist the Authority in complying with all covenants of

the Authority set forth in Section 6.08 of the Indenture and the Tax Certificate, which are hereby incorporated by reference as though fully set forth herein and to comply with all covenants in the Tax Certificate applicable to the [Participating Agency]. On the delivery date of the Series 2018_ Bonds, the [Participating Agency] will provide a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

Section 5.04. Annual Expenditure Report. The [Participating Agency] hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Imperial Sales Tax Revenues for the prior Fiscal Year. Other funds expended on those projects shall also be listed in order to demonstrate the additional benefit gained utilizing the other funds to maximize the use of sales tax receipts. The annual report shall include a detailed description and the amount spent of the sales tax receipts for each project. Contractors performing work shall be listed and the amount of sales tax receipts paid to the individual contractors shall be provided in the report.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 6.02. No Individual Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the Authority or the [Participating Agency] nor any official executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 6.03. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given, and shall be deemed given, when received by hand or by first class mail, postage prepaid, addressed as follows:

(a) Authority:

1405 N. Imperial Avenue, Suite 1
El Centro, California 92243
Attention: Executive Director

(b) [Participating Agency]:

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 6.05. Owners as Third-Party Beneficiaries. Owners of the Series 2012_ Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the Series 2012_ Bonds then Outstanding may enforce any right, remedy or claim conferred, given or granted to the Authority hereunder.

Section 6.06. Effective Date. This Agreement shall become effective upon its execution by each of the parties hereto.

Section 6.07. Counterparts. This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the [Participating Agency] have caused this Agreement to be executed and delivered, all as of the date first above written.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By _____
Executive Director

[Participating Agency]

By _____

APPENDIX A

FORM OF CERTIFICATE OF THE [PARTICIPATING AGENCY] REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the [Participating Agency] (the “[Participating Agency]”), DO HEREBY CERTIFY that, as required pursuant to Ordinance No. 1-2008 of the Imperial County Local Transportation Authority (the “Ordinance”) and the Pledge Agreement, dated as of ___, 2018, by and between the [Participating Agency] and the Imperial County Local Transportation Authority, the [Participating Agency] has included in its budget for the Fiscal Year ___, an amount equal to the Maintenance of Effort requirement for such Fiscal Year ___.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ___, 20__.

[Participating Agency]

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE [PARTICIPATING AGENCY] REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

I, _____, an Authorized Officer of the [Participating Agency] (the “[Participating Agency]”), DO
HEREBY CERTIFY as follows

1) that, as required pursuant to a Pledge Agreement, dated as of ___, 2018 (the “Pledge Agreement”), by and between the [Participating Agency] and the Imperial County Local Transportation Authority (the “Authority”), the [Participating Agency] has expended the Maintenance of Effort requirement in the amount of \$ _____ as was certified to the Authority, for the Fiscal Year ___; and

2) that, as required pursuant to the Pledge Agreement, the [Participating Agency] has expended Imperial Sales Tax Revenues only on projects appearing in the five-year list of projects approved for the Fiscal year ___, and such projects and such expenditures are identified in the report accompanying this certificate.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ___, 20__.

[Participating Agency]

By: _____
Authorized Officer

APPENDIX C

\$ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2012_**

CERTIFICATE OF PROFESSIONAL ENGINEER

This certificate is being provided to Norton Rose Fulbright US LLP, as Bond Counsel to the Imperial County Local Transportation Authority (the “*ICLTA*”), on behalf of the [Participating Agency] (the “*Participating Agency*”). This certificate is being delivered in connection with the issuance and delivery of the above-captioned series of revenue bonds (the “*Bonds*”), which were sold for the purpose of financing a portion of the costs of certain transportation projects (each, a “*Project*”) described in the *Tax Certificate Pertaining to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986* (the “*Tax Certificate*”) being delivered by the ICLTA. This certificate shall be an attachment to the Tax Certificate.

I, _____, am the Director of the Department of Public Works (the “*Director*”) of the Participating Agency, and I hereby certify that:

- i) I am a Professional Engineer;
- ii) I am employed by the Participating Agency and am providing this certificate in connection with the Project(s), the major components of which are described on Exhibit A hereto, being financed with the proceeds of the Bonds;
- iii) I am aware that, and intend that, the ICLTA and the Participating Agency will rely in part upon this certificate in demonstrating that its expectations set forth in the Tax Certificate with regard to the weighted average economic life of the Project(s) are reasonable, and am aware that, and intend that, Norton Rose Fulbright US LLP, as Bond Counsel to the ICLTA, will rely upon the Participating Agency’s representations on that question in reaching its opinion that interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes, all as more particularly described in the Tax Certificate;
- iv) I have reviewed the Tax Certificate and related attachments, and am familiar with each of the Projects. In my capacity as the Director, I have been and will be involved in the design, planning, budgeting, acquiring and implementing of each of the Projects. I am personally familiar with the types of road, highway or other improvements comprised by each of the Projects; and
- v) On Exhibit A for each Project I have set forth a description of that Project, and for each major component thereof I have set forth: (i) my understanding of the presently estimated amount of proceeds of the Bonds to be allocated to capital expenditures for that component; (ii) if the component has not yet been placed in service, then the date on which I reasonably expect that the component will be placed in service; and (iii) the

economic life of the component that, in my professional opinion, is reasonably expected (in each case measured from the later of the date hereof or the expected in service date of that component). In reaching my opinion as to economic lives, I have considered my experience with the acquisition and construction of comparable facilities owned and operated by the Participating Agency, and my knowledge of the maintenance procedures customarily followed by the Participating Agency with respect to such facilities, and I have assumed that the Participating Agency will acquire, construct and maintain the component in accordance with those historic practices. I have no reason to believe that these assumptions are not reasonable.

Based upon the foregoing, it is my professional opinion that the average economic life of the improvements comprised by the Project(s) (weighted in accordance with the amount of proceeds of the Bonds that I expect will be allocated to such improvements, and in each case measured from the later of the date of issuance of the Bonds or the date on which I reasonably expect such improvement will be placed in service) is not less than ____ years.

IN WITNESS WHEREOF, I have hereunto set my hand on _____, 2018.

[Participating Agency]

By: _____
Name: _____

Director of Public Works

EXHIBIT A TO CERTIFICATE OF PROFESSIONAL ENGINEER

PROJECT DESCRIPTIONS

Description of Projects:

(textual description of project, including accounting, [Participating Agency] authorization or other identifying information, location, purpose, major components and other material information):

Description of <u>Project Component</u>	Aggregate Amount of Component Capital Expenditures <u>to be Financed</u>	Expected <u>In-Service Date</u>	Expected <u>Economic Life</u>
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Document comparison by Workshare Professional on Thursday, June 21, 2018
11:43:58 AM

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Description	#29833030v6<US2016> - Preliminary Official Statement - Imperial County Local Transportation Authority 2018
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Format change	
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Moved cell	
Split/Merged cell	
Padding cell	

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SEVENTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of June 1, 2018

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A**

(Supplemental to the Indenture dated as of May 1, 2012)

Seventh Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds),
Series 2018A

This Seventh Supplemental Indenture, dated as of June 1, 2018 (this “Supplemental Indenture”), between the Imperial County Local Transportation Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, this Supplemental Indenture is supplemental to the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof (as so supplemented and amended, the “Indenture”), between the Issuer and the Trustee;

WHEREAS, the Indenture provides that the Issuer may issue limited tax bonds (as defined in Section 1.02 of the Indenture, the “Bonds”) from time to time as authorized by a supplemental indenture;

WHEREAS, the Authority has previously issued its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B, in the aggregate principal amount of \$15,410,000 (the “Series 2012B Bonds”), pursuant to the terms of the Indenture and the Second Supplemental Indenture, dated as of May 1, 2012 (the “Second Supplemental Indenture”), by and between the Issuer and the Trustee;

WHEREAS, the Series 2012B Bonds mature on June 1, 2032 and are payable from Calexico Sales Tax Revenues (as defined herein);

WHEREAS, in accordance with the Act (as such term is defined in the Indenture) and pursuant to Article III of the Indenture, the Board has determined to issue its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (the “Series 2018A Bonds”), in the aggregate principal amount of \$_____, to finance the costs of the Series 2018A Project (defined herein);

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2018A Bonds pursuant hereto and the Indenture by resolution duly passed and adopted by a two-thirds vote of the governing body of the Issuer as required by Section 180252 of the Act;

WHEREAS, the Series 2012B Bonds and the Series 2018A Bonds shall be payable on a parity from Calexico Sales Tax Revenues;

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2018A Bonds have been complied with;

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

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE 26

DEFINITIONS

SECTION 26.01 Definitions.

(A) **Definitions.** Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in Section 1.02 of the Indenture.

(B) **Additional Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of this Supplemental Indenture, have the following meanings:

Authorized Denomination means \$5,000 or any integral multiple thereof.

Authorized Representative of the City means the City Manager or any City employee authorized in writing by the City Manager to execute a Requisition on behalf of the City.

Calexico Sales Tax Revenues means the Pledged Allocable Sales Tax Revenues of the City.

Calexico Sales Tax Revenue Account means the Participating Agency Sales Tax Revenue Account by that name established within the Pledged Allocable Sales Tax Revenue Fund pursuant to Section 16.12 of the Second Supplemental Indenture.

City means the City of Calexico, California.

Series 2018A Bond Reserve Fund means the fund by that name established pursuant to Section 27.07 hereof.

Series 2018A Bond Reserve Requirement means, as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the proceeds of the Series 2018A Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2018A Bonds exceeds two percent (2%), ten percent (10%) of the initial principal amount of the Series 2018A Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2018A Bonds, and (iii) Maximum Annual Debt Service on the Series 2018A Bonds.

Series 2018A Costs of Issuance Fund means the fund by that name established pursuant to Section 27.05.

Series 2018A Fees and Expense Account means the Participating Agency Fees and Expense Account by that name established within the Fees and Expense Fund pursuant to Section 27.15.

Series 2018A Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 27.13.

Series 2018A Interest Payment Date means each June 1 and December 1, commencing [December 1, 2018].

Series 2018A Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 27.14.

Series 2018A Project means a component of the Project funded with the proceeds of the Series 2018A Bonds and more fully described in Schedule I hereto.

Series 2018A Project Fund means the fund by that name established pursuant to Section 27.06 hereof.

Series 2018A Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2018A Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2018A Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 27.16.

ARTICLE 27

TERMS OF SERIES 2018A BONDS

SECTION 27.01 Authorization and Terms of Series 2018A Bonds. (A) The Issuer hereby authorizes the creation and issuance of a sixth Series of Bonds, such Series of Bonds to be Current Interest Bonds, to be known as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A,” and to be issued in the aggregate principal amount of \$_____ in accordance with the Act and pursuant to the Indenture for the purpose of financing the costs of the Series 2018A Project.

(B) The Series 2018A Bonds shall be issued in fully registered form, in Authorized Denominations and shall be initially registered in the name of “Cede & Co.,” as nominee of the Securities Depository. The Trustee shall assign a letter or number or letter and number, or a combination thereof to each Series 2018A Bond to distinguish it from other Series 2018A Bonds. Registered ownership of the Series 2018A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or if the use of a Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

The Series 2018A Bonds shall be dated as of their date of delivery, shall bear interest from their date of delivery at the following rates per annum and shall mature on June 1 in the following years in the following amounts:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

Interest on the Series 2018A Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and shall be payable on each Series 2018A Interest Payment Date by check mailed by first class mail on such Series 2018A Interest Payment Date to the Owner thereof as of the close of business on the Series 2018A Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2018A Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2018A Interest Payment Date, to the Owner thereof as of the close of business on the Record Date. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

Principal on the Series 2018A Bonds shall be payable when due upon presentation and surrender thereof at the Corporate Trust Office of the Trustee in lawful money of the United States of America.

SECTION 27.02 Form of Series 2018A Bonds. The Series 2018A Bonds and the certificates of authentication to be executed thereon shall be in substantially such form as is set forth as Exhibit A to this Supplemental Indenture. The Series 2018A Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 27.01.

SECTION 27.03 Issuance of the Series 2018A Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Issuer may execute and the Trustee shall authenticate and deliver the Series 2018A Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 27.04 Application of Proceeds of the Series 2018A Bonds. The proceeds of the sale of the Series 2018A Bonds, \$_____, comprised of \$_____ aggregate principal amount, plus original issue premium of \$_____, less an underwriter's discount of \$_____, shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(A) The Trustee shall deposit in the Series 2018A Costs of Issuance Fund, which is established pursuant to Section 27.05, the sum of \$_____.

(B) The Trustee shall deposit in the Series 2018A Project Fund, which is established pursuant to Section 27.06, the sum of \$_____.

(C) The Trustee shall deposit in the Series 2018A Bond Reserve Fund, which is established pursuant to Section 27.07, the sum of \$_____, representing the amount necessary to fund the Series 2018A Bond Reserve Requirement.

SECTION 27.05 Establishment and Application of the Series 2018A Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2018A Costs of Issuance Fund." Amounts in the Series 2018A Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2018A Bonds upon Requisition of the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit B hereto. Each Requisition shall be numbered sequentially and shall state the name and address of each payee, the amount for each payment and the purpose for each payment and shall further state that such costs have not previously been paid. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Series 2018A Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2018A Bonds shall be transferred to the Series 2018A Project Fund, or if the Series 2018A Project Fund shall have been closed, to the Callexico Sales Tax Revenue Account.

SECTION 27.06 Establishment and Application of the Series 2018A Project Fund. (A) There is hereby established and maintained with the Trustee a fund designated as the "Series 2018A Project Fund." The moneys in the Series 2018A Project Fund shall be used and withdrawn to pay costs of the Series 2018A Project.

(B) Before any payment from the Series 2018A Project Fund shall be made by the Trustee, the Issuer shall file or cause to be filed with the Trustee a Requisition of the City and the Issuer, executed by an Authorized Representative of the City and the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit C hereto. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(C) When the Issuer determines that the Series 2018A Project has been completed, a Certificate of the Issuer shall be delivered to the Trustee by the Issuer stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which

a retention in the Series 2018A Project Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) that the Trustee is to transfer the remaining balance in the Series 2018A Project Fund, less the amount of any such retention, to the Series 2018A Bond Reserve Fund, to the extent of any deficiency therein, and to the applicable account or subaccount within the Rebate Fund or for any lawful purpose as directed by the City as approved by Bond Counsel.

SECTION 27.07 Establishment, Funding and Application of the Series 2018A Bond Reserve Fund; Bond Reserve Requirement for the Series 2018A Bonds. There is hereby established and maintained with the Trustee a fund designated as the “Series 2018A Bond Reserve Fund.” All amounts in the Series 2018A Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2018A Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2018A Interest Account or the Series 2018A Principal Account relating to the Series 2018A Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2018A Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2018A Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2018A Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2018A Bonds, the amount on deposit in the Series 2018A Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2018A Bond Reserve Requirement applicable to all Series 2018A Bonds Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Series 2018A Bonds.

SECTION 27.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2018A Bond Reserve Fund, the Series 2018A Costs of Issuance Fund and the Series 2018A Project Fund and in accordance with the provisions set forth in Section 5.11. Investment earnings on each such Fund shall be applied by the Trustee in accordance with the provisions set forth in Section 5.11.

SECTION 27.09 Optional Redemption of Series 2018A Bonds. The Series 2018A Bonds maturing on or prior to June 1, 20__ shall not be subject to redemption prior to their respective stated maturities. The Series 2018A Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as the Issuer shall specify and within a maturity by lot or by such other method as the Issuer may direct in Authorized Denominations), on or after June 1, 20__, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

SECTION 27.10 Mandatory Redemption of Series 2018A Bonds. The Series 2018A Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1st in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Redemption Date
(June 1)

Principal

*Final Maturity

SECTION 27.11 Pledge of Calexico Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2012B Bonds, the Series 2018A Bonds and any Parity Obligations, there are irrevocably pledged to the Trustee, all Calexico Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2018A Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2018A Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2018A Bonds (except for amounts held in the Rebate Fund), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Calexico Sales Tax Revenues and the amounts held pursuant to the preceding sentence shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against the Issuer and the City and all others asserting the rights therein, to the extent set forth, and in accordance with, this Supplemental Indenture irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act.

SECTION 27.12 Application of Calexico Sales Tax Revenues. The Calexico Sales Tax Revenues held in the City Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 27.13 Establishment of the Series 2018A Interest Account and Application of the Series 2018A Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018A Interest Account” established under the Interest Fund that shall be administered by the Trustee pursuant to Section 5.02(A)(1) of the Indenture. Amounts in the Series 2018A Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 27.14 Establishment of the Series 2018A Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018A Principal Account” established under the Principal Fund that shall be administered by the

Trustee pursuant to Section 5.02(A)(2) of the Indenture. Amounts in the Series 2018A Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 27.15 Establishment of the Series 2018A Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018A Fees and Expense Account” established under the Fees and Expenses Fund and shall be administered by the Trustee pursuant to Section 5.02(A)(5) of the Indenture. Amounts in the Series 2018A Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 27.16 Establishment of the Series 2018A Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018A Redemption Account” established under the Redemption Fund that shall be administered by the Trustee pursuant to Section 5.08 of the Indenture. Amounts in the Series 2018A Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 28

MISCELLANEOUS PROVISIONS

SECTION 28.01 Terms of Series 2018A Bonds Subject to the Indenture. Except as in this Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Supplemental Indenture and to the Series 2018A Bonds with the same force and effect as if the same were herein set forth, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

This Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 28.02 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 28.03 Execution in Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

Schedule I

Description of Series 2018A Project

The Series 2018A Project consists of the institution of [the transportation facilities and service improvements within the City, including highway improvements, public transit improvements and local street maintenance and improvements and related transportation programs, and the payment of all costs incidental to or connected with the accomplishment of such purpose including, without limitation, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during construction and for a period not to exceed one (1) year thereafter and expenses for all proceedings for the authorization, issuance and sale of the Series 2018A Bonds].

Exhibit A

[Form of Series 2018A Bond]

No. _____

\$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2018A**

Maturity Date	Interest Rate	Dated Date	CUSIP Number
June 1, _____	Per Annum ____%	June __, 2018	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under and pursuant to the laws of the State of California (the “Issuer”), for value received, hereby promises to pay to the registered holder named above or registered assigns, on the maturity date specified above (unless this Bond shall have been called for redemption and payment of the redemption price made or provided for), the principal amount specified above, together with interest thereon from the dated date specified above until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on [December 1, 2018], and semiannually thereafter on June 1 and December 1 in each year (each, an “Interest Payment Date”), but only out of the Pledged Allocable Sales Tax Revenues and other assets pledged therefor as specified in the Indenture, dated as of May 1, 2012, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Seventh Supplemental Indenture thereto, dated as of June 1, 2018 (hereinafter collectively referred to as the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee, the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Interest hereon is payable in lawful money of the United States of America by check mailed by first-class mail on each Interest Payment Date to the registered holder as of the close of business on the applicable Record Date. The principal hereof is payable when due in lawful money of the United States of America upon presentation hereof at the Corporate Trust Office of the Trustee. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the “Bonds”) issued pursuant to the provisions of the Local Transportation Authority and Improvement Act, constituting Division 19 of the California Public Utilities Code, as amended from time to time (the “Act”), and the

Indenture. Said authorized issue of Bonds is not limited in aggregate principal amount, except as otherwise provided in the Indenture, and consists or may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture provided, all issued or to be issued pursuant to the Indenture. This Bond is a Current Interest Bond of the Series and designation indicated above (each, a “Series 2018A Bond”), which Series of Bond is limited in aggregate principal amount to _____ dollars (\$_____).

Reference is hereby made to the Indenture and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Pledged Allocable Sales Tax Revenues and the rights of the registered holders of the Bonds. All the terms of the Indenture and the Act are hereby incorporated herein and constitute a contract between the Issuer and the registered holders from time to time of this Series 2018A Bond, and to all the provisions thereof the registered holder of this Series 2018A Bond, by such registered holder’s acceptance hereof, consents and agrees. Additional Bonds may be issued, and other indebtedness may be incurred, on a parity with the Bonds, including the Series 2018A Bonds, but only subject to the conditions and limitations contained in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture), together with any Parity Obligations hereafter issued or incurred by the Issuer, and the interest thereon, are payable from, and are secured by a charge and lien on the Pledged Allocable Sales Tax Revenues. All of the Bonds and Parity Obligations are equally secured by a pledge of, and charge and lien upon, all of the Pledged Allocable Sales Tax Revenues, and the Pledged Allocable Sales Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds, but nevertheless out of Pledged Allocable Sales Tax Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Bonds are limited obligations of the Issuer and are payable solely, both as to principal and interest and as to any redemption premiums upon the redemption thereof, from the Pledged Allocable Sales Tax Revenues and certain funds held by the Trustee under the Indenture and the Issuer is not obligated to pay the Bonds except from such Pledged Allocable Sales Tax Revenues and such funds. The general fund of the Issuer is not liable, and the credit or taxing power (other than as described above) of the Issuer is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Issuer or any of its income or receipts, except the Pledged Allocable Sales Tax Revenues and certain funds held under the Indenture.

The Series 2018A Bonds are subject to redemption prior to their respective stated maturities on the dates, at the prices, and following such notice as are set forth in the Indenture.

The Series 2018A Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, this Series 2018A Bond may be exchanged for a like aggregate principal amount of Series 2018A Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2018A Bond is transferable or exchangeable for other Authorized Denominations by the registered holder hereof, in person or by its attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2018A Bond. Upon such transfer a new fully registered Series 2018A Bond or Series 2018A Bonds, of Authorized Denomination or Denominations, of the same Series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Issuer and of the registered holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of, or notice to, the registered holders of Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Series 2018A Bond, and in the issuing of this Series 2018A Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Series 2018A Bond, together with all other indebtedness of the Issuer pertaining to the Pledged Allocable Sales Tax Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture or the Act.

This Series 2018A Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY has caused this Series 2018A Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairperson of the Board of Directors of the Imperial County Local Transportation Authority and the manual or facsimile signature of the Auditor-Controller of the Imperial County Local Transportation Authority and has caused this Series 2018A Bond to be dated the date set forth above.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Chairperson

By: _____
Auditor-Controller

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and authenticated on the date set forth below.

Dated: _____.

_____, as Trustee

By: _____
Authorized Officer

[FORM OF DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

For value received _____, whose taxpayer identification number is _____, does hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Issuer at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program as shall be acceptable to the Trustee.

Exhibit B

[Form of Requisition – Series 2018A Costs of Issuance Fund]

REQUISITION NO. ____

Series 2018A Costs of Issuance Fund

The undersigned, _____, hereby certifies as follows:

1. I am _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Seventh Supplemental Indenture, dated as of June 1, 2018 (as so supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned hereby requests that the Trustee pay from the Series 2018A Costs of Issuance Fund established pursuant to Section 27.05 of the Indenture the amounts specified in Schedule I hereto to the persons identified in Schedule I.

4. The undersigned hereby certifies that: (i) obligations in the amounts stated in Schedule I have been incurred by the Issuer and are presently due and payable; (ii) each item is a proper charge against the Series 2018A Costs of Issuance Fund; and (iii) each item has not been previously paid from the Series 2018A Costs of Issuance Fund.

Dated: _____.

**IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY**

By: _____
Authorized Representative

Schedule I

Series 2018A Costs of Issuance Fund

To	Amount	Purpose	Wire or Payment Instructions
	\$		

Exhibit C

[Form of Requisition – Series 2018A Project Fund]

REQUISITION NO. ____

Series 2018A Project Fund

The undersigned, _____ hereby certifies as follows:

1. I am the _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Seventh Supplemental Indenture, dated as of June 1, 2018 (as so supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned, acting on behalf of the Issuer, does hereby request disbursement of funds from the Series 2018A Project Fund, created pursuant to Section 27.06 of the Indenture, in connection with the payment of the costs of the Series 2018A Project (as such term is defined in the Indenture).

TOTAL DISBURSEMENT AMOUNT REQUESTED: \$_____

4. The undersigned, acting on behalf of the Issuer, hereby certifies that: (a) the costs of the Series 2018A Project in the amount set forth herein have been incurred by the Issuer or the City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018A Project Fund and has not been previously paid from the Series 2018A Project Fund.

5. The undersigned, acting on behalf of the Issuer, hereby certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Schedule I to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

6. This Requisition is authorized and acknowledged by the City of Calexico (the “City”) as evidenced by the signature of an Authorized Representative of the City authorized to execute this Requisition on behalf of the City.

7. The undersigned, acting on behalf of the City, hereby certifies that: (a) the costs of the Series 2018A Project in the amount set forth herein have been incurred by the Issuer or the

City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018A Project Fund and has not been previously paid from the Series 2018A Project Fund.

8. Payment should be made in accordance with the instructions set forth on Schedule I hereto.

Dated: _____.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Authorized Representative

CITY OF CALEXICO

By: _____
Authorized Representative

Schedule I

Series 2018A Project Fund

Party to be Paid	Payment Amount \$	Nature of Expenditure Name of Project Appearing on Five Year Plan: Category of Work Being Performed: Description of Expenditure of Proceeds:	Payment Instructions
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EIGHTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of June 1, 2018

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B**

(Supplemental to the Indenture dated as of May 1, 2012)

Eighth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds),
Series 2018B

This Eighth Supplemental Indenture, dated as of June 1, 2018 (this “Supplemental Indenture”), between the Imperial County Local Transportation Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, this Supplemental Indenture is supplemental to the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof (as so supplemented and amended, the “Indenture”), between the Issuer and the Trustee;

WHEREAS, the Indenture provides that the Issuer may issue limited tax bonds (as defined in Section 1.02 of the Indenture, the “Bonds”) from time to time as authorized by a supplemental indenture;

WHEREAS, the Authority has previously issued its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C, in the aggregate principal amount of \$2,305,000 (the “Series 2012C Bonds”), pursuant to the terms of the Indenture and the Third Supplemental Indenture, dated as of May 1, 2012 (the “Third Supplemental Indenture”), by and between the Issuer and the Trustee;

WHEREAS, the Series 2012C Bonds mature on June 1, 2032 and are payable from Calipatria Sales Tax Revenues (as defined herein);

WHEREAS, in accordance with the Act (as such term is defined in the Indenture) and pursuant to Article III of the Indenture, the Board has determined to issue its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (the “Series 2018B Bonds”), in the aggregate principal amount of \$_____, to finance the costs of the Series 2018B Project (defined herein);

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2018B Bonds pursuant hereto and the Indenture by resolution duly passed and adopted by a two-thirds vote of the governing body of the Issuer as required by Section 180252 of the Act;

WHEREAS, the Series 2012C Bonds and the Series 2018B Bonds shall be payable on a parity from Calipatria Sales Tax Revenues;

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2018B Bonds have been complied with;

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

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE 29

DEFINITIONS

SECTION 29.01 Definitions.

(A) **Definitions.** Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in Section 1.02 of the Indenture.

(B) **Additional Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of this Supplemental Indenture, have the following meanings:

Authorized Denomination means \$5,000 or any integral multiple thereof.

Authorized Representative of the City means the City Manager or any City employee authorized in writing by the City Manager to execute a Requisition on behalf of the City.

Calipatria Sales Tax Revenues means the Pledged Allocable Sales Tax Revenues of the City.

Calipatria Sales Tax Revenue Account means the Participating Agency Sales Tax Revenue Account by that name established within the Pledged Allocable Sales Tax Revenue Fund pursuant to Section 30.12 of the Third Supplemental Indenture.

City means the City of Calipatria, California.

Series 2018B Bond Reserve Fund means the fund by that name established pursuant to Section 30.07 hereof.

Series 2018B Bond Reserve Requirement means, as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the proceeds of the Series 2018B Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2018B Bonds exceeds two percent (2%), ten percent (10%) of the initial principal amount of the Series 2018B Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2018B Bonds, and (iii) Maximum Annual Debt Service on the Series 2018B Bonds.

Series 2018B Costs of Issuance Fund means the fund by that name established pursuant to Section 30.05.

Series 2018B Fees and Expense Account means the Participating Agency Fees and Expense Account by that name established within the Fees and Expense Fund pursuant to Section 30.15.

Series 2018B Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 30.13.

Series 2018B Interest Payment Date means each June 1 and December 1, commencing [December 1, 2018].

Series 2018B Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 30.14.

Series 2018B Project means a component of the Project funded with the proceeds of the Series 2018B Bonds and more fully described in Schedule I hereto.

Series 2018B Project Fund means the fund by that name established pursuant to Section 30.06 hereof.

Series 2018B Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2018B Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2018B Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 30.16.

ARTICLE 30

TERMS OF SERIES 2018B BONDS

SECTION 30.01 Authorization and Terms of Series 2018B Bonds. (A) The Issuer hereby authorizes the creation and issuance of a seventh Series of Bonds, such Series of Bonds to be Current Interest Bonds, to be known as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B,” and to be issued in the aggregate principal amount of \$_____ in accordance with the Act and pursuant to the Indenture for the purpose of financing the costs of the Series 2018B Project.

(B) The Series 2018B Bonds shall be issued in fully registered form, in Authorized Denominations and shall be initially registered in the name of “Cede & Co.,” as nominee of the Securities Depository. The Trustee shall assign a letter or number or letter and number, or a combination thereof to each Series 2018B Bond to distinguish it from other Series 2018B Bonds. Registered ownership of the Series 2018B Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or if the use of a Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

The Series 2018B Bonds shall be dated as of their date of delivery, shall bear interest from their date of delivery at the following rates per annum and shall mature on June 1 in the following years in the following amounts:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

Interest on the Series 2018B Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and shall be payable on each Series 2018B Interest Payment Date by check mailed by first class mail on such Series 2018B Interest Payment Date to the Owner thereof as of the close of business on the Series 2018B Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2018B Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2018B Interest Payment Date, to the Owner thereof as of the close of business on the Record Date. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

Principal on the Series 2018B Bonds shall be payable when due upon presentation and surrender thereof at the Corporate Trust Office of the Trustee in lawful money of the United States of America.

SECTION 30.02 Form of Series 2018B Bonds. The Series 2018B Bonds and the certificates of authentication to be executed thereon shall be in substantially such form as is set forth as Exhibit A to this Supplemental Indenture. The Series 2018B Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 30.01.

SECTION 30.03 Issuance of the Series 2018B Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Issuer may execute and the Trustee shall authenticate and deliver the Series 2018B Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 30.04 Application of Proceeds of the Series 2018B Bonds. The proceeds of the sale of the Series 2018B Bonds, \$_____, comprised of \$_____ aggregate principal amount, plus original issue premium of \$_____, less an underwriter's discount of \$_____, shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(A) The Trustee shall deposit in the Series 2018B Costs of Issuance Fund, which is established pursuant to Section 30.05, the sum of \$_____.

(B) The Trustee shall deposit in the Series 2018B Project Fund, which is established pursuant to Section 30.06, the sum of \$_____.

(C) The Trustee shall deposit in the Series 2018B Bond Reserve Fund, which is established pursuant to Section 30.07, the sum of \$_____, representing the amount necessary to fund the Series 2018B Bond Reserve Requirement.

SECTION 30.05 Establishment and Application of the Series 2018B Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2018B Costs of Issuance Fund." Amounts in the Series 2018B Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2018B Bonds upon Requisition of the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit B hereto. Each Requisition shall be numbered sequentially and shall state the name and address of each payee, the amount for each payment and the purpose for each payment and shall further state that such costs have not previously been paid. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Series 2018B Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2018B Bonds shall be transferred to the Series 2018B Project Fund, or if the Series 2018B Project Fund shall have been closed, to the Calipatria Sales Tax Revenue Account.

SECTION 30.06 Establishment and Application of the Series 2018B Project Fund. (A) There is hereby established and maintained with the Trustee a fund designated as the "Series 2018B Project Fund." The moneys in the Series 2018B Project Fund shall be used and withdrawn to pay costs of the Series 2018B Project.

(B) Before any payment from the Series 2018B Project Fund shall be made by the Trustee, the Issuer shall file or cause to be filed with the Trustee a Requisition of the City and the Issuer, executed by an Authorized Representative of the City and the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit C hereto. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(C) When the Issuer determines that the Series 2018B Project has been completed, a Certificate of the Issuer shall be delivered to the Trustee by the Issuer stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which

a retention in the Series 2018B Project Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) that the Trustee is to transfer the remaining balance in the Series 2018B Project Fund, less the amount of any such retention, to the Series 2018B Bond Reserve Fund, to the extent of any deficiency therein, and to the applicable account or subaccount within the Rebate Fund or for any lawful purpose as directed by the City as approved by Bond Counsel.

SECTION 30.07 Establishment, Funding and Application of the Series 2018B Bond Reserve Fund; Bond Reserve Requirement for the Series 2018B Bonds. There is hereby established and maintained with the Trustee a fund designated as the “Series 2018B Bond Reserve Fund.” All amounts in the Series 2018B Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2018B Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2018B Interest Account or the Series 2018B Principal Account relating to the Series 2018B Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2018B Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2018B Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2018B Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2018B Bonds, the amount on deposit in the Series 2018B Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2018B Bond Reserve Requirement applicable to all Series 2018B Bonds Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Series 2018B Bonds.

SECTION 30.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2018B Bond Reserve Fund, the Series 2018B Costs of Issuance Fund and the Series 2018B Project Fund and in accordance with the provisions set forth in Section 5.11. Investment earnings on each such Fund shall be applied by the Trustee in accordance with the provisions set forth in Section 5.11.

SECTION 30.09 Optional Redemption of Series 2018B Bonds. The Series 2018B Bonds maturing on or prior to June 1, 20__ shall not be subject to redemption prior to their respective stated maturities. The Series 2018B Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as the Issuer shall specify and within a maturity by lot or by such other method as the Issuer may direct in Authorized Denominations), on or after June 1, 20__, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

SECTION 30.10 Mandatory Redemption of Series 2018B Bonds. The Series 2018B Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1st in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Redemption Date
(June 1)

Principal

*Final Maturity

SECTION 30.11 Pledge of Calipatria Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2012C Bonds, the Series 2018B Bonds and any Parity Obligations, there are irrevocably pledged to the Trustee, all Calipatria Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2018B Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2018B Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2018B Bonds (except for amounts held in the Rebate Fund), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Calipatria Sales Tax Revenues and the amounts held pursuant to the preceding sentence shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against the Issuer and the City and all others asserting the rights therein, to the extent set forth, and in accordance with, this Supplemental Indenture irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act.

SECTION 30.12 Application of Calipatria Sales Tax Revenues. The Calipatria Sales Tax Revenues held in the City Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 30.13 Establishment of the Series 2018B Interest Account and Application of the Series 2018B Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018B Interest Account” established under the Interest Fund that shall be administered by the Trustee pursuant to Section 5.02(A)(1) of the Indenture. Amounts in the Series 2018B Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 30.14 Establishment of the Series 2018B Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018B Principal Account” established under the Principal Fund that shall be administered by the

Trustee pursuant to Section 5.02(A)(2) of the Indenture. Amounts in the Series 2018B Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 30.15 Establishment of the Series 2018B Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018B Fees and Expense Account” established under the Fees and Expenses Fund and shall be administered by the Trustee pursuant to Section 5.02(A)(5) of the Indenture. Amounts in the Series 2018B Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 30.16 Establishment of the Series 2018B Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018B Redemption Account” established under the Redemption Fund that shall be administered by the Trustee pursuant to Section 5.08 of the Indenture. Amounts in the Series 2018B Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 31

MISCELLANEOUS PROVISIONS

SECTION 31.01 Terms of Series 2018B Bonds Subject to the Indenture. Except as in this Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Supplemental Indenture and to the Series 2018B Bonds with the same force and effect as if the same were herein set forth, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

This Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 31.02 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 31.03 Execution in Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

Schedule I

Description of Series 2018B Project

The Series 2018B Project consists of the institution of [the transportation facilities and service improvements within the City, including highway improvements, public transit improvements and local street maintenance and improvements and related transportation programs, and the payment of all costs incidental to or connected with the accomplishment of such purpose including, without limitation, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during construction and for a period not to exceed one (1) year thereafter and expenses for all proceedings for the authorization, issuance and sale of the Series 2018B Bonds].

Exhibit A

[Form of Series 2018B Bond]

No. _____

\$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2018B**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	June __, 2018	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under and pursuant to the laws of the State of California (the “Issuer”), for value received, hereby promises to pay to the registered holder named above or registered assigns, on the maturity date specified above (unless this Bond shall have been called for redemption and payment of the redemption price made or provided for), the principal amount specified above, together with interest thereon from the dated date specified above until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on [December 1, 2018], and semiannually thereafter on June 1 and December 1 in each year (each, an “Interest Payment Date”), but only out of the Pledged Allocable Sales Tax Revenues and other assets pledged therefor as specified in the Indenture, dated as of May 1, 2012, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Eighth Supplemental Indenture thereto, dated as of June 1, 2018 (hereinafter collectively referred to as the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee, the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Interest hereon is payable in lawful money of the United States of America by check mailed by first-class mail on each Interest Payment Date to the registered holder as of the close of business on the applicable Record Date. The principal hereof is payable when due in lawful money of the United States of America upon presentation hereof at the Corporate Trust Office of the Trustee. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the “Bonds”) issued pursuant to the provisions of the Local Transportation Authority and Improvement Act, constituting Division 19 of the California Public Utilities Code, as amended from time to time (the “Act”), and the

Indenture. Said authorized issue of Bonds is not limited in aggregate principal amount, except as otherwise provided in the Indenture, and consists or may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture provided, all issued or to be issued pursuant to the Indenture. This Bond is a Current Interest Bond of the Series and designation indicated above (each, a “Series 2018B Bond”), which Series of Bond is limited in aggregate principal amount to _____ dollars (\$_____).

Reference is hereby made to the Indenture and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Pledged Allocable Sales Tax Revenues and the rights of the registered holders of the Bonds. All the terms of the Indenture and the Act are hereby incorporated herein and constitute a contract between the Issuer and the registered holders from time to time of this Series 2018B Bond, and to all the provisions thereof the registered holder of this Series 2018B Bond, by such registered holder’s acceptance hereof, consents and agrees. Additional Bonds may be issued, and other indebtedness may be incurred, on a parity with the Bonds, including the Series 2018B Bonds, but only subject to the conditions and limitations contained in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture), together with any Parity Obligations hereafter issued or incurred by the Issuer, and the interest thereon, are payable from, and are secured by a charge and lien on the Pledged Allocable Sales Tax Revenues. All of the Bonds and Parity Obligations are equally secured by a pledge of, and charge and lien upon, all of the Pledged Allocable Sales Tax Revenues, and the Pledged Allocable Sales Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds, but nevertheless out of Pledged Allocable Sales Tax Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Bonds are limited obligations of the Issuer and are payable solely, both as to principal and interest and as to any redemption premiums upon the redemption thereof, from the Pledged Allocable Sales Tax Revenues and certain funds held by the Trustee under the Indenture and the Issuer is not obligated to pay the Bonds except from such Pledged Allocable Sales Tax Revenues and such funds. The general fund of the Issuer is not liable, and the credit or taxing power (other than as described above) of the Issuer is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Issuer or any of its income or receipts, except the Pledged Allocable Sales Tax Revenues and certain funds held under the Indenture.

The Series 2018B Bonds are subject to redemption prior to their respective stated maturities on the dates, at the prices, and following such notice as are set forth in the Indenture.

The Series 2018B Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, this Series 2018B Bond may be exchanged for a like aggregate principal amount of Series 2018B Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2018B Bond is transferable or exchangeable for other Authorized Denominations by the registered holder hereof, in person or by its attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2018B Bond. Upon such transfer a new fully registered Series 2018B Bond or Series 2018B Bonds, of Authorized Denomination or Denominations, of the same Series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Issuer and of the registered holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of, or notice to, the registered holders of Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Series 2018B Bond, and in the issuing of this Series 2018B Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Series 2018B Bond, together with all other indebtedness of the Issuer pertaining to the Pledged Allocable Sales Tax Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture or the Act.

This Series 2018B Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY has caused this Series 2018B Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairperson of the Board of Directors of the Imperial County Local Transportation Authority and the manual or facsimile signature of the Auditor-Controller of the Imperial County Local Transportation Authority and has caused this Series 2018B Bond to be dated the date set forth above.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Chairperson

By: _____
Auditor-Controller

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and authenticated on the date set forth below.

Dated: _____.

_____, as Trustee

By: _____
Authorized Officer

[FORM OF DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

For value received _____, whose taxpayer identification number is _____, does hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Issuer at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program as shall be acceptable to the Trustee.

Exhibit B

[Form of Requisition – Series 2018B Costs of Issuance Fund]

REQUISITION NO. ____

Series 2018B Costs of Issuance Fund

The undersigned, _____, hereby certifies as follows:

1. I am _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Eighth Supplemental Indenture, dated as of June 1, 2018 (as so supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned hereby requests that the Trustee pay from the Series 2018B Costs of Issuance Fund established pursuant to Section 30.05 of the Indenture the amounts specified in Schedule I hereto to the persons identified in Schedule I.

4. The undersigned hereby certifies that: (i) obligations in the amounts stated in Schedule I have been incurred by the Issuer and are presently due and payable; (ii) each item is a proper charge against the Series 2018B Costs of Issuance Fund; and (iii) each item has not been previously paid from the Series 2018B Costs of Issuance Fund.

Dated: _____.

**IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY**

By: _____
Authorized Representative

Schedule I

Series 2018B Costs of Issuance Fund

To	Amount	Purpose	Wire or Payment Instructions
	\$		

Exhibit C

[Form of Requisition – Series 2018B Project Fund]

REQUISITION NO. ____

Series 2018B Project Fund

The undersigned, _____ hereby certifies as follows:

1. I am the _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Eighth Supplemental Indenture, dated as of June 1, 2018 (as so supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned, acting on behalf of the Issuer, does hereby request disbursement of funds from the Series 2018B Project Fund, created pursuant to Section 30.06 of the Indenture, in connection with the payment of the costs of the Series 2018B Project (as such term is defined in the Indenture).

TOTAL DISBURSEMENT AMOUNT REQUESTED: \$_____

4. The undersigned, acting on behalf of the Issuer, hereby certifies that: (a) the costs of the Series 2018B Project in the amount set forth herein have been incurred by the Issuer or the City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018B Project Fund and has not been previously paid from the Series 2018B Project Fund.

5. The undersigned, acting on behalf of the Issuer, hereby certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Schedule I to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

6. This Requisition is authorized and acknowledged by the City of Calipatria (the “City”) as evidenced by the signature of an Authorized Representative of the City authorized to execute this Requisition on behalf of the City.

7. The undersigned, acting on behalf of the City, hereby certifies that: (a) the costs of the Series 2018B Project in the amount set forth herein have been incurred by the Issuer or the

City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018B Project Fund and has not been previously paid from the Series 2018B Project Fund.

8. Payment should be made in accordance with the instructions set forth on Schedule I hereto.

Dated: _____.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Authorized Representative

CITY OF CALIPATRIA

By: _____
Authorized Representative

Schedule I

Series 2018B Project Fund

Party to be Paid	Payment Amount \$	Nature of Expenditure Name of Project Appearing on Five Year Plan: Category of Work Being Performed: Description of Expenditure of Proceeds:	Payment Instructions
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NINTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of June 1, 2018

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C**

(Supplemental to the Indenture dated as of May 1, 2012)

Ninth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Bonds (Limited Tax Bonds),
Series 2018C

This Ninth Supplemental Indenture, dated as of June 1, 2018 (this “Supplemental Indenture”), between the Imperial County Local Transportation Authority (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, this Supplemental Indenture is supplemental to the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof (as so supplemented and amended, the “Indenture”), between the Issuer and the Trustee;

WHEREAS, the Indenture provides that the Issuer may issue limited tax bonds (as defined in Section 1.02 of the Indenture, the “Bonds”) from time to time as authorized by a supplemental indenture;

WHEREAS, in accordance with the Act (as such term is defined in the Indenture) and pursuant to Article III of the Indenture, the Board has determined to issue its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (the “Series 2018C Bonds”), in the aggregate principal amount of \$_____, to finance the costs of the Series 2018C Project (defined herein);

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2018C Bonds pursuant hereto and the Indenture by resolution duly passed and adopted by a two-thirds vote of the governing body of the Issuer as required by Section 180252 of the Act;

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2018C Bonds have been complied with;

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

NOW, THEREFORE, the parties hereto agree, as follows:

ARTICLE 32

DEFINITIONS

SECTION 32.01 Definitions.

(A) **Definitions.** Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in Section 1.02 of the Indenture.

(B) **Additional Definitions.** Unless the context otherwise requires, the following terms shall, for all purposes of this Supplemental Indenture, have the following meanings:

Authorized Denomination means \$5,000 or any integral multiple thereof.

Authorized Representative of the City means the City Manager or any City employee authorized in writing by the City Manager to execute a Requisition on behalf of the City.

City means the City of Holtville, California.

Holtville Sales Tax Revenues means the Pledged Allocable Sales Tax Revenues of the City.

Holtville Sales Tax Revenue Account means the Participating Agency Sales Tax Revenue Account by that name established within the Pledged Allocable Sales Tax Revenue Fund pursuant to Section 33.12.

Series 2018C Bond Reserve Fund means the fund by that name established pursuant to Section 33.07 hereof.

Series 2018C Bond Reserve Requirement means, as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the proceeds of the Series 2018C Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2018C Bonds exceeds two percent (2%), ten percent (10%) of the initial principal amount of the Series 2018C Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2018C Bonds, and (iii) Maximum Annual Debt Service on the Series 2018C Bonds.

Series 2018C Costs of Issuance Fund means the fund by that name established pursuant to Section 33.05.

Series 2018C Fees and Expense Account means the Participating Agency Fees and Expense Account by that name established within the Fees and Expense Fund pursuant to Section 33.15.

Series 2018C Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 33.13.

Series 2018C Interest Payment Date means each June 1 and December 1, commencing [December 1, 2018].

Series 2018C Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 33.14.

Series 2018C Project means a component of the Project funded with the proceeds of the Series 2018C Bonds and more fully described in Schedule I hereto.

Series 2018C Project Fund means the fund by that name established pursuant to Section 33.06 hereof.

Series 2018C Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2018C Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2018C Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 33.16.

ARTICLE 33

TERMS OF SERIES 2018 BONDS

SECTION 33.01 Authorization and Terms of Series 2018C Bonds. (A) The Issuer hereby authorizes the creation and issuance of an eighth Series of Bonds, such Series of Bonds to be Current Interest Bonds, to be known as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C,” and to be issued in the aggregate principal amount of \$_____ in accordance with the Act and pursuant to the Indenture for the purpose of financing the costs of the Series 2018C Project.

(B) The Series 2018C Bonds shall be issued in fully registered form, in Authorized Denominations and shall be initially registered in the name of “Cede & Co.,” as nominee of the Securities Depository. The Trustee shall assign a letter or number or letter and number, or a combination thereof to each Series 2018C Bond to distinguish it from other Series 2018C Bonds. Registered ownership of the Series 2018C Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or if the use of a Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

The Series 2018C Bonds shall be dated as of their date of delivery, shall bear interest from their date of delivery at the following rates per annum and shall mature on June 1 in the following years in the following amounts:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

Interest on the Series 2018C Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and shall be payable on each Series 2018C Interest Payment Date by check mailed by first class mail on such Series 2018C Interest Payment Date to the Owner thereof as of the close of business on the Series 2018C Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2018C Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2018C Interest Payment Date, to the Owner thereof as of the close of business on the Record Date. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established by such Securities Depository.

Principal on the Series 2018C Bonds shall be payable when due upon presentation and surrender thereof at the Corporate Trust Office of the Trustee in lawful money of the United States of America.

SECTION 33.02 Form of Series 2018C Bonds. The Series 2018C Bonds and the certificates of authentication to be executed thereon shall be in substantially such form as is set forth as Exhibit A to this Supplemental Indenture. The Series 2018C Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 33.01.

SECTION 33.03 Issuance of the Series 2018C Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Issuer may execute and the Trustee shall authenticate and deliver the Series 2018C Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 33.04 Application of Proceeds of the Series 2018C Bonds. The proceeds of the sale of the Series 2018C Bonds, \$_____, comprised of \$_____ aggregate principal amount, plus original issue premium of \$_____, less an underwriter's discount of \$_____, shall be deposited with the Trustee and shall be held in trust and set aside or transferred by the Trustee as follows:

(A) The Trustee shall deposit in the Series 2018C Costs of Issuance Fund, which is established pursuant to Section 33.05, the sum of \$_____.

(B) The Trustee shall deposit in the Series 2018C Project Fund, which is established pursuant to Section 33.06, the sum of \$_____.

(C) The Trustee shall deposit in the Series 2018C Bond Reserve Fund, which is established pursuant to Section 33.07, the sum of \$_____, representing the amount necessary to fund the Series 2018C Bond Reserve Requirement.

SECTION 33.05 Establishment and Application of the Series 2018C Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the “Series 2018C Costs of Issuance Fund.” Amounts in the Series 2018C Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2018C Bonds upon Requisition of the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit B hereto. Each Requisition shall be numbered sequentially and shall state the name and address of each payee, the amount for each payment and the purpose for each payment and shall further state that such costs have not previously been paid. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Series 2018C Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2018C Bonds shall be transferred to the Series 2018C Project Fund, or if the Series 2018C Project Fund shall have been closed, to the Holtville Sales Tax Revenue Account.

SECTION 33.06 Establishment and Application of the Series 2018C Project Fund. (A) There is hereby established and maintained with the Trustee a fund designated as the “Series 2018C Project Fund.” The moneys in the Series 2018C Project Fund shall be used and withdrawn to pay costs of the Series 2018C Project.

(B) Before any payment from the Series 2018C Project Fund shall be made by the Trustee, the Issuer shall file or cause to be filed with the Trustee a Requisition of the City and the Issuer, executed by an Authorized Representative of the City and the Issuer, such Requisition to be in substantially such form as is set forth in Exhibit C hereto. Each such Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(C) When the Issuer determines that the Series 2018C Project has been completed, a Certificate of the Issuer shall be delivered to the Trustee by the Issuer stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the Series 2018C Project Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (iii) that the Trustee is to transfer the remaining balance in the Series 2018C Project Fund, less the amount of any such retention, to the Series 2018C Bond Reserve Fund, to the extent of any deficiency therein, and to the applicable account or subaccount within the Rebate Fund or for any lawful purpose as directed by the City as approved by Bond Counsel.

SECTION 33.07 Establishment, Funding and Application of the Series 2018C Bond Reserve Fund; Bond Reserve Requirement for the Series 2018C Bonds. There is hereby established and maintained with the Trustee a fund designated as the “Series 2018C Bond Reserve Fund.” All amounts in the Series 2018C Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2018C Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2018C Interest Account or the Series 2018C Principal Account relating to the Series 2018C Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2018C Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2018C Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2018C Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2018C Bonds, the amount on deposit in the Series 2018C Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2018C Bond Reserve Requirement applicable to all Series 2018C Bonds Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Series 2018C Bonds.

SECTION 33.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2018C Bond Reserve Fund, the Series 2018C Costs of Issuance Fund and the Series 2018C Project Fund and in accordance with the provisions set forth in Section 5.11. Investment earnings on each such Fund shall be applied by the Trustee in accordance with the provisions set forth in Section 5.11.

SECTION 33.09 Optional Redemption of Series 2018C Bonds. The Series 2018C Bonds maturing on or prior to June 1, 20__ shall not be subject to redemption prior to their respective stated maturities. The Series 2018C Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as the Issuer shall specify and within a maturity by lot or by such other method as the Issuer may direct in Authorized Denominations), on or after June 1, 20__, at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

SECTION 33.10 Mandatory Redemption of Series 2018C Bonds. The Series 2018C Bonds maturing on June 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on June 1st in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Redemption Date
(June 1)

Principal

*Final Maturity

SECTION 33.11 Pledge of Holtville Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2018C Bonds and any Parity Obligations, there are irrevocably pledged to the Trustee, all (i) Holtville Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2018C Bonds, there are irrevocably pledged to the Trustee all amounts, including proceeds of the Series 2018C Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2018C Bonds (except for amounts held in the Rebate Fund), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Holtville Sales Tax Revenues and the amounts held pursuant to the preceding sentence shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against the Issuer and the City and all others asserting the rights therein, to the extent set forth, and in accordance with, this Supplemental Indenture irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act.

SECTION 33.12 Establishment of the Holtville Sales Tax Revenue Account; Application of Holtville Sales Tax Revenues. There is hereby established and maintained with the Trustee an account to be designated as the “Holtville Sales Tax Revenue Account” established under the Sales Tax Revenue Fund and shall be administered by the Trustee pursuant to Sections 5.01 and 5.02 of the Indenture. Such Holtville Sales Tax Revenues held in the City Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 33.13 Establishment of the Series 2018C Interest Account and Application of the Series 2018C Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018C Interest Account” established under the Interest Fund that shall be administered by the Trustee pursuant to Section 5.02(A)(1) of the Indenture. Amounts in the Series 2018C Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 33.14 Establishment of the Series 2018C Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018C Principal Account” established under the Principal Fund that shall be administered by the Trustee pursuant to Section 5.02(A)(2) of the Indenture. Amounts in the Series 2018C Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 33.15 Establishment of the Series 2018C Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018C Fees and Expense Account” established under the Fees and Expenses Fund and shall be administered by the Trustee pursuant to Section 5.02(A)(5) of the Indenture. Amounts in the Series 2018C Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 33.16 Establishment of the Series 2018C Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2018C Redemption Account” established under the Redemption Fund that shall be administered by the Trustee pursuant to Section 5.08 of the Indenture. Amounts in the Series 2018C Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 34

MISCELLANEOUS PROVISIONS

SECTION 34.01 Terms of Series 2018C Bonds Subject to the Indenture. Except as in this Supplemental Indenture expressly provided, every term and condition contained in the Indenture shall apply to this Supplemental Indenture and to the Series 2018C Bonds with the same force and effect as if the same were herein set forth, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

This Supplemental Indenture and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 34.02 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 34.03 Execution in Counterparts. This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Officer

Schedule I

Description of Series 2018C Project

The Series 2018C Project consists of the institution of [the transportation facilities and service improvements within the City, including highway improvements, public transit improvements and local street maintenance and improvements and related transportation programs, and the payment of all costs incidental to or connected with the accomplishment of such purpose including, without limitation, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during construction and for a period not to exceed one (1) year thereafter and expenses for all proceedings for the authorization, issuance and sale of the Series 2018C Bonds].

Exhibit A

[Form of Series 2018C Bond]

No. _____

\$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2018C**

Maturity Date	Interest Rate	Dated Date	CUSIP Number
June 1, _____	Per Annum ____%	June __, 2018	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under and pursuant to the laws of the State of California (the “Issuer”), for value received, hereby promises to pay to the registered holder named above or registered assigns, on the maturity date specified above (unless this Bond shall have been called for redemption and payment of the redemption price made or provided for), the principal amount specified above, together with interest thereon from the dated date specified above until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on [December 1, 2018], and semiannually thereafter on June 1 and December 1 in each year (each, an “Interest Payment Date”), but only out of the Pledged Allocable Sales Tax Revenues and other assets pledged therefor as specified in the Indenture, dated as of May 1, 2012, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Ninth Supplemental Indenture thereto, dated as of June 1, 2018 (hereinafter collectively referred to as the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (together with any successor trustee, the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Interest hereon is payable in lawful money of the United States of America by check mailed by first-class mail on each Interest Payment Date to the registered holder as of the close of business on the applicable Record Date. The principal hereof is payable when due in lawful money of the United States of America upon presentation hereof at the Corporate Trust Office of the Trustee. Notwithstanding the foregoing, however, for so long as a Securities Depository is utilized, interest hereon and principal hereof shall be payable in accordance with the payment procedures established pursuant by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the “Bonds”) issued pursuant to the provisions of the Local Transportation Authority and Improvement Act, constituting Division 19 of the California Public Utilities Code, as amended from time to time (the “Act”), and the

Indenture. Said authorized issue of Bonds is not limited in aggregate principal amount, except as otherwise provided in the Indenture, and consists or may consist of one or more Series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture provided, all issued or to be issued pursuant to the Indenture. This Bond is a Current Interest Bond of the Series and designation indicated above (each, a “Series 2018C Bond”), which Series of Bond is limited in aggregate principal amount to _____ dollars (\$_____).

Reference is hereby made to the Indenture and to the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Pledged Allocable Sales Tax Revenues and the rights of the registered holders of the Bonds. All the terms of the Indenture and the Act are hereby incorporated herein and constitute a contract between the Issuer and the registered holders from time to time of this Series 2018C Bond, and to all the provisions thereof the registered holder of this Series 2018C Bond, by such registered holder’s acceptance hereof, consents and agrees. Additional Bonds may be issued, and other indebtedness may be incurred, on a parity with the Bonds, including the Series 2018C Bonds, but only subject to the conditions and limitations contained in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture), together with any Parity Obligations hereafter issued or incurred by the Issuer, and the interest thereon, are payable from, and are secured by a charge and lien on the Pledged Allocable Sales Tax Revenues. All of the Bonds and Parity Obligations are equally secured by a pledge of, and charge and lien upon, all of the Pledged Allocable Sales Tax Revenues, and the Pledged Allocable Sales Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds, but nevertheless out of Pledged Allocable Sales Tax Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Bonds are limited obligations of the Issuer and are payable solely, both as to principal and interest and as to any redemption premiums upon the redemption thereof, from the Pledged Allocable Sales Tax Revenues and certain funds held by the Trustee under the Indenture and the Issuer is not obligated to pay the Bonds except from such Pledged Allocable Sales Tax Revenues and such funds. The general fund of the Issuer is not liable, and the credit or taxing power (other than as described above) of the Issuer is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Issuer or any of its income or receipts, except the Pledged Allocable Sales Tax Revenues and certain funds held under the Indenture.

The Series 2018C Bonds are subject to redemption prior to their respective stated maturities on the dates, at the prices, and following such notice as are set forth in the Indenture.

The Series 2018C Bonds are issuable as fully registered Bonds in Authorized Denominations. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, this Series 2018C Bond may be exchanged for a like aggregate principal amount of Series 2018C Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2018C Bond is transferable or exchangeable for other Authorized Denominations by the registered holder hereof, in person or by its attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2018C Bond. Upon such transfer a new fully registered Series 2018C Bond or Series 2018C Bonds, of Authorized Denomination or Denominations, of the same Series, tenor, maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Issuer and of the registered holders of the Bonds may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of, or notice to, the registered holders of Bonds.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Series 2018C Bond, and in the issuing of this Series 2018C Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Series 2018C Bond, together with all other indebtedness of the Issuer pertaining to the Pledged Allocable Sales Tax Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture or the Act.

This Series 2018C Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY has caused this Series 2018C Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairperson of the Board of Directors of the Imperial County Local Transportation Authority and the manual or facsimile signature of the Auditor-Controller of the Imperial County Local Transportation Authority and has caused this Series 2018C Bond to be dated the date set forth above.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Chairperson

By: _____
Auditor-Controller

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture and authenticated on the date set forth below.

Dated: _____.

_____, as Trustee

By: _____
Authorized Officer

[FORM OF DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

For value received _____, whose taxpayer identification number is _____, does hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Issuer at the office of the Trustee, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guaranteed by:

NOTE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program as shall be acceptable to the Trustee.

Exhibit B

[Form of Requisition – Series 2018C Costs of Issuance Fund]

REQUISITION NO. ____

Series 2018C Costs of Issuance Fund

The undersigned, _____, hereby certifies as follows:

1. I am _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Ninth Supplemental Indenture, dated as of June 1, 2018 (as so amended and supplemented, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned hereby requests that the Trustee pay from the Series 2018C Costs of Issuance Fund established pursuant to Section 33.05 of the Indenture the amounts specified in Schedule I hereto to the persons identified in Schedule I.

4. The undersigned hereby certifies that: (i) obligations in the amounts stated in Schedule I have been incurred by the Issuer and are presently due and payable; (ii) each item is a proper charge against the Series 2018C Costs of Issuance Fund; and (iii) each item has not been previously paid from the Series 2018C Costs of Issuance Fund.

Dated: _____.

**IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY**

By: _____
Authorized Representative

Schedule I

Series 2018C Costs of Issuance Fund

To	Amount	Purpose	Wire or Payment Instructions
	\$		

Exhibit C

[Form of Requisition – Series 2018C Project Fund]

REQUISITION NO. ____

Series 2018C Project Fund

The undersigned, _____ hereby certifies as follows:

1. I am the _____ of the Imperial County Local Transportation Authority, a local transportation authority duly established and existing under the laws of the State of California (the “Issuer”).

2. Pursuant to the provisions of the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by that certain Ninth Supplemental Indenture, dated as of June 1, 2018 (as so supplemented and amended, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), I am an Authorized Representative (as such term is defined in the Indenture) of the Issuer and I am delivering this Requisition on behalf of the Issuer.

3. The undersigned, acting on behalf of the Issuer, does hereby request disbursement of funds from the Series 2018C Project Fund, created pursuant to Section 33.06 of the Indenture, in connection with the payment of the costs of the Series 2018C Project (as such term is defined in the Indenture).

TOTAL DISBURSEMENT AMOUNT REQUESTED: \$_____

4. The undersigned, acting on behalf of the Issuer, hereby certifies that: (a) the costs of the Series 2018C Project in the amount set forth herein have been incurred by the Issuer or the City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018C Project Fund and has not been previously paid from the Series 2018C Project Fund.

5. The undersigned, acting on behalf of the Issuer, hereby certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the parties identified on Schedule I to this Requisition, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

6. This Requisition is authorized and acknowledged by the City of Holtville (the “City”) as evidenced by the signature of an Authorized Representative of the City authorized to execute this Requisition on behalf of the City.

7. The undersigned, acting on behalf of the City, hereby certifies that: (a) the costs of the Series 2018C Project in the amount set forth herein have been incurred by the Issuer or the

City and are presently due and payable; and (b) that each item is a proper charge against the Series 2018C Project Fund and has not been previously paid from the Series 2018C Project Fund.

8. Payment should be made in accordance with the instructions set forth on Schedule I hereto.

Dated: _____.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
Authorized Representative

CITY OF HOLTVILLE

By: _____
Authorized Representative

Schedule I

Series 2018C Project Fund

Party to be Paid	Payment Amount \$	Nature of Expenditure Name of Project Appearing on Five Year Plan: Category of Work Being Performed: Description of Expenditure of Proceeds:	Payment Instructions
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PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF CALEXICO

Dated as of June 1, 2018

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This PLEDGE AGREEMENT, dated as of June 1, 2018 (this “Agreement”), by and between the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under the law of the State of California (the “Authority”), and the CITY OF CALEXICO, a general law city duly organized and existing under the Constitution and the laws of the State of California (the “City”), as set forth herein,

W I T N E S S E T H:

WHEREAS, in 1989 the Imperial County Local Transportation Authority (the “Authority”) adopted LTA Ordinance No. 1-89, the Imperial County Retail Transactions and Use Tax Ordinance (the “1989 Ordinance”), which, following voter approval of a ballot measure on November 7, 1989, authorized the implementation of a half-cent transactions and use tax within the County of Imperial (the “Measure D Sales Tax”); and

WHEREAS, in 1990, the Authority adopted Ordinance No. 1-90 (the “1990 Ordinance”), which detailed those transactions and uses that would be subject to the Measure D Sales Tax; and

WHEREAS, on July 28, 2008, the Authority adopted Ordinance No. 1-2008 (the “2008 Ordinance”), which extended the Measure D Sales Tax for a period not to exceed forty (40) years from April 1, 2010; and

WHEREAS, under the 2008 Ordinance, the City is entitled to receive from the Authority a portion of Measure D Sales Tax revenues allocable to the City (the “Calexico Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority has previously financed certain transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “2012 Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (the “Series 2012B Bonds”) in the aggregate principal amount of \$15,410,000, which mature on June 1, 2032 and are payable from the Calexico Sales Tax Revenues; and

WHEREAS, the 2012 Project consisted of the following components, [add description of 2012 Project components and their completion dates]; and

WHEREAS, the Authority now intends to finance certain additional transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “2018 Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018 in one or more series, which shall be payable from the Calexico Sales Tax Revenues and shall have a series designation distinct from other bonds issued by the Authority (the “Series 2018A Bonds”); and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Indenture, dated as of May 1, 2012, as amended and supplemented to the date hereof, including as amended and supplemented by a Seventh Supplemental Indenture, dated as of June 1, 2018 (as so amended and supplemented, the “Indenture”), each by and between the Authority and a trustee named therein (the “Trustee”).

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.
- (c) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the person or party whose approval, consent or acceptance is required.
- (d) All references herein to particular articles or Sections are references to articles or Sections of this Agreement.
- (e) The captions and headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.
- (f) References to any document, agreement, certificate or other instrument shall refer to the provisions of such instrument, as the same may be amended and supplemented from time to time.
- (g) Words permitting discretion shall mean that the Person having such discretion may take such action but is not obligated to do so.

ARTICLE II

PLEDGE OF REVENUES

Section 2.01. Pledge of Revenues. The City hereby pledges and assigns all Calxico Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the Series 2012B Bonds, Series 2018A Bonds and any Parity Obligations.

Section 2.02. Application of Callexico Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Callexico Sales Tax Revenues to pay the debt service on the Series 2018A Bonds to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the Series 2018A Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the Callexico Sales Tax Revenues received to be remitted to the City for uses consistent with the 2008 Ordinance.

Section 2.03. City to Pay Authority Costs. The City hereby agrees to pay the reasonable out-of-pocket costs and expenses of the Authority directly related to the City's allocable share of costs of issuance for the Series 2018A Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall be payable solely from the Callexico Sales Tax Revenues and/or the proceeds of the Series 2018A Bonds.

ARTICLE III

REMEDIES

Section 3.01. Remedies. Each of the parties hereto may take whatever action at law or in equity may appear necessary or desirable to exercise its rights or enforce the obligations of the other parties hereunder.

ARTICLE IV

TERM

Section 4.01. Term. The pledge granted by the City in accordance with Section 2.01 hereof shall continue irrevocably, in full force and effect, until the payment or defeasance in full of all outstanding Series 2018A Bonds.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. The City hereby represents that it has maintained, as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, as adjusted annually for inflation, as is required pursuant to Section 6 of the Expenditures Plan. The City hereby covenants to include in each annual budget amounts sufficient to satisfy the annual Maintenance of Effort requirement and shall certify, in a form substantially similar to the certificate appended as Appendix A hereto, to the Authority prior to each Fiscal Year that such amounts have been included in its annual budget. The City further covenants to spend at least the amount included in the certification to the Authority during the then-current Fiscal Year and shall certify, in a form substantially similar

to the certificate appended as Appendix B hereto, to the Authority that the City satisfied its annual Maintenance of Effort requirement for such Fiscal Year.

Section 5.02. Expenditure on Approved Projects. The City hereby covenants to use proceeds of the Series 2018A Bonds and any Calxico Sales Tax Revenues received by the City only on projects appearing on the most recently approved five-year list of projects and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, that such proceeds of the Series 2018A Bonds and any Calxico Sales Tax Revenues were spent on projects appearing on the approved five-year list of projects for the then-current Fiscal Year. If proceeds of the Series 2018A Bonds or any Calxico Sales Tax Revenues are expended on projects not appearing on the most recently approved five-year list of projects, the City further covenants to replenish the Calxico Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the Series 2018A Bonds proceeds or Calxico Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

Section 5.03. Compliance with Tax Covenants. In addition to the covenants set forth herein, the City covenants to assist the Authority in complying with all covenants of the Authority set forth in Section 6.08 of the Indenture and the Tax Certificate, which are hereby incorporated by reference as though fully set forth herein and to comply with all covenants in the Tax Certificate applicable to the City. On the delivery date of the Series 2018A Bonds, the City will provide a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

Section 5.04. Annual Expenditure Report. The City hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Calxico Sales Tax Revenues for the prior Fiscal Year. Other funds expended on those projects shall also be listed in order to demonstrate the additional benefit gained utilizing the other funds to maximize the use of sales tax receipts. The annual report shall include a detailed description and the amount spent of the sales tax receipts for each project. Contractors performing work shall be listed and the amount of sales tax receipts paid to the individual contractors shall be provided in the report.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 6.02. No Individual Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the Authority or the City nor any official executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 6.03. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given, and shall be deemed given, when received by hand or by first class mail, postage prepaid, addressed as follows:

(a) Authority:

1405 N. Imperial Avenue, Suite 1
El Centro, California 92243
Attention: Executive Director

(b) City:

608 Herber Avenue
Calexico, California 92231
Attention: City Manager

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 6.05. Owners as Third-Party Beneficiaries. Owners of the Series 2018A Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the Series 2018A Bonds then Outstanding may enforce any right, remedy or claim conferred, given or granted to the Authority hereunder.

Section 6.06. Effective Date. This Agreement shall become effective upon its execution by each of the parties hereto.

Section 6.07. Counterparts. This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed and delivered, all as of the date first above written.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By _____
Executive Director

CITY OF CALEXICO

By _____
City Manager

APPENDIX A

FORM OF CERTIFICATE OF THE CITY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the City of Calexico, California (the “City”), DO HEREBY CERTIFY that, as required pursuant to Ordinance No. 1-2008 of the Imperial County Local Transportation Authority (the “Ordinance”) and the Pledge Agreement, dated as of June 1, 2018, by and between the City and the Imperial County Local Transportation Authority, the City has included in its budget for the Fiscal Year _____, an amount equal to the Maintenance of Effort requirement for such Fiscal Year _____.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 20____.

CITY OF CALEXICO

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE CITY REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

I, _____, an Authorized Officer of the City of Calexico, California (the "City"),
DO HEREBY CERTIFY as follows

1) that, as required pursuant to a Pledge Agreement, dated as of June 1, 2018 (the "Pledge Agreement"), by and between the City and the Imperial County Local Transportation Authority (the "Authority"), the City has expended the Maintenance of Effort requirement in the amount of \$_____ as was certified to the Authority, for the Fiscal Year ____; and

2) that, as required pursuant to the Pledge Agreement, the City has expended Calexico Sales Tax Revenues only on projects appearing in the five-year list of projects approved for the Fiscal year ____, and such projects and such expenditures are identified in the report accompanying this certificate.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ____, 20__.

CITY OF CALEXICO

By: _____
Authorized Officer

APPENDIX C

\$ _____

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS) SERIES 2018A

CERTIFICATE OF PROFESSIONAL ENGINEER

This certificate is being provided to Norton Rose Fulbright US LLP, as Bond Counsel to the Imperial County Local Transportation Authority (the “*ICLTA*”), on behalf of the City of Calexico, California (the “*Participating Agency*”). This certificate is being delivered in connection with the issuance and delivery of the above-captioned series of revenue bonds (the “*Bonds*”), which were sold for the purpose of financing a portion of the costs of certain transportation projects (each, a “*Project*”) described in the *Tax Certificate Pertaining to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986* (the “*Tax Certificate*”) being delivered by the ICLTA. This certificate shall be an attachment to the Tax Certificate.

I, _____, am the [Director of the Department of Public Works] (the “*Director*”) of the Participating Agency, and I hereby certify that:

- i) I am a Professional Engineer;
- ii) I am employed by the Participating Agency and am providing this certificate in connection with the 2018 Project(s), the major components of which are described on Exhibit A hereto, being financed with the proceeds of the Bonds;
- iii) I am aware that, and intend that, the ICLTA and the Participating Agency will rely in part upon this certificate in demonstrating that its expectations set forth in the Tax Certificate with regard to the weighted average economic life of the 2018 Project(s) are reasonable, and am aware that, and intend that, Norton Rose Fulbright US LLP, as Bond Counsel to the ICLTA, will rely upon the Participating Agency’s representations on that question in reaching its opinion that interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes, all as more particularly described in the Tax Certificate;
- iv) I have reviewed the Tax Certificate and related attachments, and am familiar with each of the 2018 Projects. In my capacity as the Director, I have been and will be involved in the design, planning, budgeting, acquiring and implementing of each of the 2018 Projects. I am personally familiar with the types of road, highway or other improvements comprised by each of the 2018 Projects; and
- v) On Exhibit A for each 2018 Project I have set forth a description of that 2018 Project, and for each major component thereof I have set forth: (i) my

understanding of the presently estimated amount of proceeds of the Bonds to be allocated to capital expenditures for that component; (ii) if the component has not yet been placed in service, then the date on which I reasonably expect that the component will be placed in service; and (iii) the economic life of the component that, in my professional opinion, is reasonably expected (in each case measured from the later of the date hereof or the expected in service date of that component). In reaching my opinion as to economic lives, I have considered my experience with the acquisition and construction of comparable facilities owned and operated by the Participating Agency, and my knowledge of the maintenance procedures customarily followed by the Participating Agency with respect to such facilities, and I have assumed that the Participating Agency will acquire, construct and maintain the component in accordance with those historic practices. I have no reason to believe that these assumptions are not reasonable.

Based upon the foregoing, it is my professional opinion that the average economic life of the improvements comprised by the 2018 Project(s) (weighted in accordance with the amount of proceeds of the Bonds that I expect will be allocated to such improvements, and in each case measured from the later of the date of issuance of the Bonds or the date on which I reasonably expect such improvement will be placed in service) is not less than ____ years.

IN WITNESS WHEREOF, I have hereunto set my hand on June __, 2018.

CITY OF CALEXICO

By: _____
Name: _____
[Director of Public Works]

EXHIBIT A TO CERTIFICATE OF PROFESSIONAL ENGINEER

PROJECT DESCRIPTIONS

Description of Projects:

(textual description of project, including accounting, City Council authorization or other identifying information, location, purpose, major components and other material information):

<u>Description of Project Component</u>	Aggregate Amount of Component Capital Expenditures to be <u>Financed</u>	Expected <u>In-Service Date</u>	Expected <u>Economic Life</u>
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PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF CALIPATRIA

Dated as of August 1, 2018

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This PLEDGE AGREEMENT, dated as of August 1, 2018 (this “Agreement”), by and between the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under the law of the State of California (the “Authority”), and the CITY OF CALIPATRIA, a general law city duly organized and existing under the Constitution and the laws of the State of California (the “City”), as set forth herein,

W I T N E S S E T H:

WHEREAS, in 1989 the Imperial County Local Transportation Authority (the “Authority”) adopted LTA Ordinance No. 1-89, the Imperial County Retail Transactions and Use Tax Ordinance (the “1989 Ordinance”), which, following voter approval of a ballot measure on November 7, 1989, authorized the implementation of a half-cent transactions and use tax within the County of Imperial (the “Measure D Sales Tax”); and

WHEREAS, in 1990, the Authority adopted Ordinance No. 1-90 (the “1990 Ordinance”), which detailed those transactions and uses that would be subject to the Measure D Sales Tax; and

WHEREAS, on July 28, 2008, the Authority adopted Ordinance No. 1-2008 (the “2008 Ordinance”), which extended the Measure D Sales Tax for a period not to exceed forty (40) years from April 1, 2010; and

WHEREAS, under the 2008 Ordinance, the City is entitled to receive from the Authority a portion of Measure D Sales Tax revenues allocable to the City (the “Calipatria Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority has previously financed certain transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “2012 Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (the “Series 2012C Bonds”) in the aggregate principal amount of \$2,305,000, which mature on June 1, 2032 and are payable from the Calipatria Sales Tax Revenues; and

WHEREAS, the 2012 Project consisted of the following components, [add description of 2012 Project components and their completion dates]; and

WHEREAS, the Authority now intends to finance certain additional transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “2018 Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018 in one or more series, which shall be payable from the Calipatria Sales Tax Revenues and shall have a series designation distinct from other bonds issued by the Authority (the “Series 2018B Bonds”); and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Indenture, dated as of May 1, 2012, as amended and supplemented to the date hereof, including as amended and supplemented by a Eighth Supplemental Indenture, dated as of August 1, 2018 (as so amended and supplemented, the “Indenture”), each by and between the Authority and a trustee named therein (the “Trustee”).

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.
- (c) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the person or party whose approval, consent or acceptance is required.
- (d) All references herein to particular articles or Sections are references to articles or Sections of this Agreement.
- (e) The captions and headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.
- (f) References to any document, agreement, certificate or other instrument shall refer to the provisions of such instrument, as the same may be amended and supplemented from time to time.
- (g) Words permitting discretion shall mean that the Person having such discretion may take such action but is not obligated to do so.

ARTICLE II

PLEDGE OF REVENUES

Section 2.01. Pledge of Revenues. The City hereby pledges and assigns all Calipatria Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the Series 2012C Bonds, the Series 2018B and any Parity Obligations.

Section 2.02. Application of Calipatria Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Calipatria Sales Tax Revenues to pay the debt service on the Series 2018B Bonds to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the Series 2018B Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the Calipatria Sales Tax Revenues received to be remitted to the City for uses consistent with the 2008 Ordinance.

Section 2.03. City to Pay Authority Costs. The City hereby agrees to pay the reasonable out-of-pocket costs and expenses of the Authority directly related to the City's allocable share of costs of issuance for the Series 2018B Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall solely be payable from the Calipatria Sales Tax Revenues and/or the proceeds of the Series 2018B Bonds.

ARTICLE III

REMEDIES

Section 3.01. Remedies. Each of the parties hereto may take whatever action at law or in equity may appear necessary or desirable to exercise its rights or enforce the obligations of the other parties hereunder.

ARTICLE IV

TERM

Section 4.01. Term. The pledge granted by the City in accordance with Section 2.01 hereof shall continue irrevocably, in full force and effect, until the payment or defeasance in full of all outstanding Series 2018B Bonds.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. The City hereby represents that it has maintained, as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, as adjusted annually for inflation, as is required pursuant to Section 6 of the Expenditures Plan. The City hereby covenants to include in each annual budget amounts sufficient to satisfy the annual Maintenance of Effort requirement and shall certify, in a form substantially similar to the certificate appended as Appendix A hereto, to the Authority prior to each Fiscal Year that such amounts have been included in its annual budget. The City further covenants to spend at least the amount included in the certification to the Authority during the then-current Fiscal Year and shall certify, in a form substantially similar

to the certificate appended as Appendix B hereto, to the Authority that the City satisfied its annual Maintenance of Effort requirement for such Fiscal Year.

Section 5.02. Expenditure on Approved Projects. The City hereby covenants to use proceeds of the Series 2018B Bonds and any Calipatria Sales Tax Revenues received by the City only on projects appearing on the most recently approved five-year list of projects and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, that such proceeds of the Series 2018B Bonds and any Calipatria Sales Tax Revenues were spent on projects appearing on the approved five-year list of projects for the then-current Fiscal Year. If proceeds of the Series 2018B Bonds or any Calipatria Sales Tax Revenues are expended on projects not appearing on the most recently approved five-year list of projects, the City further covenants to replenish the Calipatria Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the Series 2018B Bonds proceeds or Calipatria Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

Section 5.03. Compliance with Tax Covenants. In addition to the covenants set forth herein, the City covenants to assist the Authority in complying with all covenants of the Authority set forth in Section 6.08 of the Indenture and the Tax Certificate, which are hereby incorporated by reference as though fully set forth herein and to comply with all covenants in the Tax Certificate applicable to the City. On the delivery date of the Series 2018B Bonds, the City will provide a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

Section 5.04. Annual Expenditure Report. The City hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Calipatria Sales Tax Revenues for the prior Fiscal Year. Other funds expended on those projects shall also be listed in order to demonstrate the additional benefit gained utilizing the other funds to maximize the use of sales tax receipts. The annual report shall include a detailed description and the amount spent of the sales tax receipts for each project. Contractors performing work shall be listed and the amount of sales tax receipts paid to the individual contractors shall be provided in the report.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 6.02. No Individual Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the Authority or the City nor any official executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 6.03. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given, and shall be deemed given, when received by hand or by first class mail, postage prepaid, addressed as follows:

(a) Authority:

1405 N. Imperial Avenue, Suite 1
El Centro, California 92243
Attention: Executive Director

(b) City:

125 North Park Avenue
Calipatria, California 92233
Attention: City Manager

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 6.05. Owners as Third-Party Beneficiaries. Owners of the Series 2018B Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the Series 2018B Bonds then Outstanding may enforce any right, remedy or claim conferred, given or granted to the Authority hereunder.

Section 6.06. Effective Date. This Agreement shall become effective upon its execution by each of the parties hereto.

Section 6.07. Counterparts. This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed and delivered, all as of the date first above written.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By _____
Executive Director

CITY OF CALIPATRIA

By _____
City Manager

APPENDIX A

FORM OF CERTIFICATE OF THE CITY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the City of Calipatria, California (the “City”), DO HEREBY CERTIFY that, as required pursuant to Ordinance No. 1-2008 of the Imperial County Local Transportation Authority (the “Ordinance”) and the Pledge Agreement, dated as of August 1, 2018, by and between the City and the Imperial County Local Transportation Authority, the City has included in its budget for the Fiscal Year _____, an amount equal to the Maintenance of Effort requirement for such Fiscal Year _____.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 20____.

CITY OF CALIPATRIA

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE CITY REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

I, _____, an Authorized Officer of the City of Calipatria, California (the "City"),
DO HEREBY CERTIFY as follows

1) that, as required pursuant to a Pledge Agreement, dated as of August 1, 2018 (the "Pledge Agreement"), by and between the City and the Imperial County Local Transportation Authority (the "Authority"), the City has expended the Maintenance of Effort requirement in the amount of \$_____ as was certified to the Authority, for the Fiscal Year ____; and

2) that, as required pursuant to the Pledge Agreement, the City has expended Calipatria Sales Tax Revenues only on projects appearing in the five-year list of projects approved for the Fiscal year ____, and such projects and such expenditures are identified in the report accompanying this certificate.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ____, 20__.

CITY OF CALIPATRIA

By: _____
Authorized Officer

APPENDIX C

\$ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2018B**

CERTIFICATE OF PROFESSIONAL ENGINEER

This certificate is being provided to Norton Rose Fulbright US LLP, as Bond Counsel to the Imperial County Local Transportation Authority (the “ICLTA”), on behalf of the City of Calipatria, California (the “*Participating Agency*”). This certificate is being delivered in connection with the issuance and delivery of the above-captioned series of revenue bonds (the “*Bonds*”), which were sold for the purpose of financing a portion of the costs of certain transportation projects (each, a “*Project*”) described in the *Tax Certificate Pertaining to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986* (the “*Tax Certificate*”) being delivered by the ICLTA. This certificate shall be an attachment to the Tax Certificate.

I, _____, am the Director of the [Department of Public Works] (the “*Director*”) of the Participating Agency, and I hereby certify that:

- i) I am a Professional Engineer;
- ii) I am employed by the Participating Agency and am providing this certificate in connection with the 2018 Project(s), the major components of which are described on Exhibit A hereto, being financed with the proceeds of the Bonds;
- iii) I am aware that, and intend that, the ICLTA and the Participating Agency will rely in part upon this certificate in demonstrating that its expectations set forth in the Tax Certificate with regard to the weighted average economic life of the 2018 Project(s) are reasonable, and am aware that, and intend that, Norton Rose Fulbright US LLP, as Bond Counsel to the ICLTA, will rely upon the Participating Agency’s representations on that question in reaching its opinion that interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes, all as more particularly described in the Tax Certificate;
- iv) I have reviewed the Tax Certificate and related attachments, and am familiar with each of the 2018 Projects. In my capacity as the Director, I have been and will be involved in the design, planning, budgeting, acquiring and implementing of each of the 2018 Projects. I am personally familiar with the types of road, highway or other improvements comprised by each of the 2018 Projects; and
- v) On Exhibit A for each Project I have set forth a description of that 2018 Project, and for each major component thereof I have set forth: (i) my understanding of the presently estimated amount of proceeds of the Bonds to be allocated to capital

expenditures for that component; (ii) if the component has not yet been placed in service, then the date on which I reasonably expect that the component will be placed in service; and (iii) the economic life of the component that, in my professional opinion, is reasonably expected (in each case measured from the later of the date hereof or the expected in service date of that component). In reaching my opinion as to economic lives, I have considered my experience with the acquisition and construction of comparable facilities owned and operated by the Participating Agency, and my knowledge of the maintenance procedures customarily followed by the Participating Agency with respect to such facilities, and I have assumed that the Participating Agency will acquire, construct and maintain the component in accordance with those historic practices. I have no reason to believe that these assumptions are not reasonable.

Based upon the foregoing, it is my professional opinion that the average economic life of the improvements comprised by the 2018 Project(s) (weighted in accordance with the amount of proceeds of the Bonds that I expect will be allocated to such improvements, and in each case measured from the later of the date of issuance of the Bonds or the date on which I reasonably expect such improvement will be placed in service) is not less than ____ years.

IN WITNESS WHEREOF, I have hereunto set my hand on August __, 2018.

CITY OF CALIPATRIA

By: _____
Name: _____
[Director of Public Works]

EXHIBIT A TO CERTIFICATE OF PROFESSIONAL ENGINEER

PROJECT DESCRIPTIONS

Description of Projects:

(textual description of project, including accounting, City Council authorization or other identifying information, location, purpose, major components and other material information):

<u>Description of Project Component</u>	Aggregate Amount of Component Capital Expenditures to be <u>Financed</u>	Expected <u>In-Service Date</u>	Expected <u>Economic Life</u>
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PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF HOLTVILLE

Dated as of August 1, 2018

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This PLEDGE AGREEMENT, dated as of August 1, 2018 (this “Agreement”), by and between the IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY, a local transportation authority duly established and existing under the law of the State of California (the “Authority”), and the CITY OF HOLTVILLE, a general law city duly organized and existing under the Constitution and the laws of the State of California (the “City”), as set forth herein,

W I T N E S S E T H:

WHEREAS, in 1989 the Imperial County Local Transportation Authority (the “Authority”) adopted LTA Ordinance No. 1-89, the Imperial County Retail Transactions and Use Tax Ordinance (the “1989 Ordinance”), which, following voter approval of a ballot measure on November 7, 1989, authorized the implementation of a half-cent transactions and use tax within the County of Imperial (the “Measure D Sales Tax”); and

WHEREAS, in 1990, the Authority adopted Ordinance No. 1-90 (the “1990 Ordinance”), which detailed those transactions and uses that would be subject to the Measure D Sales Tax; and

WHEREAS, on July 28, 2008, the Authority adopted Ordinance No. 1-2008 (the “2008 Ordinance”), which extended the Measure D Sales Tax for a period not to exceed forty (40) years from April 1, 2010; and

WHEREAS, under the 2008 Ordinance, the City is entitled to receive from the Authority a portion of Measure D Sales Tax revenues allocable to the City (the “Holtville Sales Tax Revenues”) as specified in an allocation formula set forth in the 2008 Ordinance; and

WHEREAS, the Authority now intends to finance certain transportation projects for the City described in the County of Imperial Retail Transactions and Use Tax Expenditure Plan (the “Project”) by issuing its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018 in one or more series, which shall be payable only from the Holtville Sales Tax Revenues and shall have a series designation distinct from other bonds issued by the Authority (the “Series 2018C Bonds”); and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Indenture, dated as of May 1, 2012, as supplemented and amended to the date hereof, including as supplemented and amended by the Ninth Supplemental Indenture, dated as of August 1, 2018 (as so supplemented and amended, the “Indenture”), each by and between the Authority and a trustee named therein (the “Trustee”).

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the feminine, masculine and neuter genders shall each include correlative words of the other genders.
- (c) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the person or party whose approval, consent or acceptance is required.
- (d) All references herein to particular articles or Sections are references to articles or Sections of this Agreement.
- (e) The captions and headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.
- (f) References to any document, agreement, certificate or other instrument shall refer to the provisions of such instrument, as the same may be amended and supplemented from time to time.
- (g) Words permitting discretion shall mean that the Person having such discretion may take such action but is not obligated to do so.

ARTICLE II

PLEDGE OF REVENUES

Section 2.01. Pledge of Revenues. The City hereby pledges and assigns all Holtville Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the Series 2018C Bonds.

Section 2.02. Application of Holtville Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Holtville Sales Tax Revenues to pay the debt service on the Series 2018C Bonds to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the Series 2018C Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the Holtville Sales Tax Revenues received to be remitted to the City for uses consistent with the 2008 Ordinance.

Section 2.03. City to Pay Authority Costs. The City hereby agrees to pay the reasonable out-of-pocket costs and expenses of the Authority directly related to the City's allocable share of costs of issuance for the Series 2018C Bonds. The payment of such costs and

expenses shall not be a general fund obligation of the City and shall be payable solely from the Holtville Sales Tax Revenues and/or the proceeds of the Series 2018C Bonds.

ARTICLE III

REMEDIES

Section 3.01. Remedies. Each of the parties hereto may take whatever action at law or in equity may appear necessary or desirable to exercise its rights or enforce the obligations of the other parties hereunder.

ARTICLE IV

TERM

Section 4.01. Term. The pledge granted by the City in accordance with Section 2.01 hereof shall continue irrevocably, in full force and effect, until the payment or defeasance in full of all outstanding Series 2018C Bonds.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. The City hereby represents that it has maintained, as a minimum, the same level of local discretionary funds expended for street and road purposes as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads – Fiscal Year 2005-2006, as adjusted annually for inflation, as is required pursuant to Section 6 of the Expenditures Plan. The City hereby covenants to include in each annual budget amounts sufficient to satisfy the annual Maintenance of Effort requirement and shall certify, in a form substantially similar to the certificate appended as Appendix A hereto, to the Authority prior to each Fiscal Year that such amounts have been included in its annual budget. The City further covenants to spend at least the amount included in the certification to the Authority during the then-current Fiscal Year and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, to the Authority that the City satisfied its annual Maintenance of Effort requirement for such Fiscal Year.

Section 5.02. Expenditure on Approved Projects. The City hereby covenants to use proceeds of the Series 2018C Bonds and any Holtville Sales Tax Revenues received by the City only on projects appearing on the most recently approved five-year list of projects and shall certify, in a form substantially similar to the certificate appended as Appendix B hereto, that such proceeds of the Series 2018C Bonds and any Holtville Sales Tax Revenues were spent on projects appearing on the approved five-year list of projects for the then-current Fiscal Year. If proceeds of the Series 2018C Bonds or any Holtville Sales Tax Revenues are expended on projects not appearing on the most recently approved five-year list of projects, the City further covenants to replenish the Holtville Sales Tax Revenue Account established pursuant to the

Indenture in an amount equal to the Series 2018C Bonds proceeds or Holtville Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

Section 5.03. Compliance with Tax Covenants. In addition to the covenants set forth herein, the City covenants to assist the Authority in complying with all covenants of the Authority set forth in Section 6.08 of the Indenture and the Tax Certificate, which are hereby incorporated by reference as though fully set forth herein and to comply with all covenants in the Tax Certificate applicable to the City. On the delivery date of the Series 2018C Bonds, the City will provide a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

Section 5.04. Annual Expenditure Report. The City hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Holtville Sales Tax Revenues for the prior Fiscal Year. Other funds expended on those projects shall also be listed in order to demonstrate the additional benefit gained utilizing the other funds to maximize the use of sales tax receipts. The annual report shall include a detailed description and the amount spent of the sales tax receipts for each project. Contractors performing work shall be listed and the amount of sales tax receipts paid to the individual contractors shall be provided in the report.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 6.02. No Individual Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the Authority or the City nor any official executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 6.03. Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given, and shall be deemed given, when received by hand or by first class mail, postage prepaid, addressed as follows:

(a) Authority:

1405 N. Imperial Avenue, Suite 1
El Centro, California 92243
Attention: Executive Director

(b) City:

121 W. 5th Street
Holtville, California 92250
Attention: City Manager

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, by notice in writing given to the others.

Section 6.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 6.05. Owners as Third-Party Beneficiaries. Owners of the Series 2018C Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the Series 2018C Bonds then Outstanding may enforce any right, remedy or claim conferred, given or granted to the Authority hereunder.

Section 6.06. Effective Date. This Agreement shall become effective upon its execution by each of the parties hereto.

Section 6.07. Counterparts. This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed and delivered, all as of the date first above written.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By _____
Executive Director

CITY OF HOLTVILLE

By _____
City Manager

APPENDIX A

FORM OF CERTIFICATE OF THE CITY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the City of Holtville, California (the “City”), DO HEREBY CERTIFY that, as required pursuant to Ordinance No. 1-2008 of the Imperial County Local Transportation Authority (the “Ordinance”) and the Pledge Agreement, dated as of August 1, 2018, by and between the City and the Imperial County Local Transportation Authority, the City has included in its budget for the Fiscal Year _____, an amount equal to the Maintenance of Effort requirement for such Fiscal Year _____.

Capitalized terms used and not defined herein shall have the meanings ascribed to such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 20____.

CITY OF HOLTVILLE

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE CITY REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

I, _____, an Authorized Officer of the City of Holtville, California (the “City”),
DO HEREBY CERTIFY as follows

1) that, as required pursuant to a Pledge Agreement, dated as of June 1, 2018 (the
“Pledge Agreement”), by and between the City and the Imperial County Local Transportation
Authority (the “Authority”), the City has expended the Maintenance of Effort requirement in the
amount of \$_____ as was certified to the Authority, for the Fiscal Year ____; and

2) that, as required pursuant to the Pledge Agreement, the City has expended
Holtville Sales Tax Revenues only on projects appearing in the five-year list of projects
approved for the Fiscal year ____, and such projects and such expenditures are identified in the
report accompanying this certificate.

Capitalized terms used and not defined herein shall have the meanings ascribed to
such term in the Indenture and the Pledge Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand this ____, 20__.

CITY OF HOLTVILLE

By: _____
Authorized Officer

APPENDIX C

\$ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2018C**

CERTIFICATE OF PROFESSIONAL ENGINEER

This certificate is being provided to Norton Rose Fulbright US LLP, as Bond Counsel to the Imperial County Local Transportation Authority (the “*ICLTA*”), on behalf of the City of Holtville, California (the “*Participating Agency*”). This certificate is being delivered in connection with the issuance and delivery of the above-captioned series of revenue bonds (the “*Bonds*”), which were sold for the purpose of financing a portion of the costs of certain transportation projects (each, a “*Project*”) described in the *Tax Certificate Pertaining to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986* (the “*Tax Certificate*”) being delivered by the ICLTA. This certificate shall be an attachment to the Tax Certificate.

I, _____, am the Director of the [Department of Public Works] (the “*Director*”) of the Participating Agency, and I hereby certify that:

- i) I am a Professional Engineer;
- ii) I am employed by the Participating Agency and am providing this certificate in connection with the Project(s), the major components of which are described on Exhibit A hereto, being financed with the proceeds of the Bonds;
- iii) I am aware that, and intend that, the ICLTA and the Participating Agency will rely in part upon this certificate in demonstrating that its expectations set forth in the Tax Certificate with regard to the weighted average economic life of the Project(s) are reasonable, and am aware that, and intend that, Norton Rose Fulbright US LLP, as Bond Counsel to the ICLTA, will rely upon the Participating Agency’s representations on that question in reaching its opinion that interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes, all as more particularly described in the Tax Certificate;
- iv) I have reviewed the Tax Certificate and related attachments, and am familiar with each of the Projects. In my capacity as the Director, I have been and will be involved in the design, planning, budgeting, acquiring and implementing of each of the Projects. I am personally familiar with the types of road, highway or other improvements comprised by each of the Projects; and
- v) On Exhibit A for each Project I have set forth a description of that Project, and for each major component thereof I have set forth: (i) my understanding of the presently estimated amount of proceeds of the Bonds to be allocated to capital

expenditures for that component; (ii) if the component has not yet been placed in service, then the date on which I reasonably expect that the component will be placed in service; and (iii) the economic life of the component that, in my professional opinion, is reasonably expected (in each case measured from the later of the date hereof or the expected in service date of that component). In reaching my opinion as to economic lives, I have considered my experience with the acquisition and construction of comparable facilities owned and operated by the Participating Agency, and my knowledge of the maintenance procedures customarily followed by the Participating Agency with respect to such facilities, and I have assumed that the Participating Agency will acquire, construct and maintain the component in accordance with those historic practices. I have no reason to believe that these assumptions are not reasonable.

Based upon the foregoing, it is my professional opinion that the average economic life of the improvements comprised by the Project(s) (weighted in accordance with the amount of proceeds of the Bonds that I expect will be allocated to such improvements, and in each case measured from the later of the date of issuance of the Bonds or the date on which I reasonably expect such improvement will be placed in service) is not less than ____ years.

IN WITNESS WHEREOF, I have hereunto set my hand on June __, 2018.

CITY OF HOLTVILLE

By: _____
Name: _____
[Director of Public Works]

EXHIBIT A TO CERTIFICATE OF PROFESSIONAL ENGINEER

PROJECT DESCRIPTIONS

Description of Projects:

(textual description of project, including accounting, City Council authorization or other identifying information, location, purpose, major components and other material information):

<u>Description of Project Component</u>	Aggregate Amount of Component Capital Expenditures to be <u>Financed</u>	Expected <u>In-Service Date</u>	Expected <u>Economic Life</u>
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VI. ACTION CALENDAR

ACTION B

Brawley

Calipatria

Holtville

Westmorland



Local Transportation Authority

Calexico

El Centro

Imperial

County of Imperial

June 18, 2018

Luis Plancarte, Chairman
Local Transportation Authority
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Continuing Resolution for the FY 2017-18 Local Transportation Authority (LTA) Budget

Dear Authority Members:

Pending a proposed amendment to the ordinance, the budget for FY 2018-19 is under development, therefore, a detailed report is not ready to submit for approval at this time. It is anticipated that a final draft of the budget will be submitted for approval at our meeting on July 25, 2018. Attached is a continuing resolution for the interim period of time in order to meet commitments.

With Management Committee concurrence from June 13, 2018, the LTA Executive Director forwards the following recommendation(s) to the Authority, after the review of public comment, if any:

1. Authorize the Chairman to sign the continuing resolution in order to pay expenditures of the LTA prior to the adoption of the Budget for Fiscal Year 2018-19, at the levels set by the Budget for Fiscal Year 2017-18 (adopted on June 28, 2017).

Sincerely,

MARK BAZA
Executive Director

Attachments

***1503 N. Imperial Ave., Suite 104, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4410***

**RESOLUTION _____ OF
THE LOCAL TRANSPORTATION AUTHORITY**

**AUTHORIZATION FOR AND APPROVING INTERIM EXPENDITURES PRIOR TO THE
ADOPTION OF THE BUDGET FOR FY 2018-2019**

WHEREAS, the LTA adopted an annual budget representing a financial plan for conducting the affairs of the LTA for the fiscal year beginning July 1, 2017 and ending June 30, 2018; and

WHEREAS, it is anticipated that the proposed operating budget and capital funds budget for fiscal year 2018-19 may not be submitted to the LTA before July 1, 2018.

WHEREAS, the proposed Budget for Fiscal Year 2018-19 includes several expenditures that must be undertaken prior to the adoption of the Budget for Fiscal Year 2018-19;

THEREFORE BE IT RESOLVED by the BOARD of the LTA hereby approves interim expenditures of the LTA prior to the adoption of the Budget for Fiscal Year 2018-19 at the levels set by the Budget for Fiscal Year 2017-18 to allow payment of routine expenses, including payroll and vendor expenses at the prior year's level.

PASSED AND ADOPTED at a regular meeting of the Local Transportation Authority held on _____.

By: _____
Chairman

ATTEST:

By: _____

CRISTI LERMA
Clerk of the Authority

VI. ACTION CALENDAR

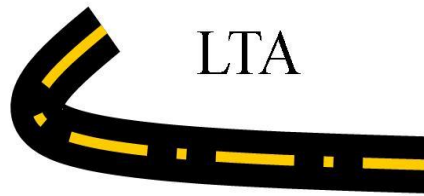
ACTION C

Brawley

Calipatria

Holtville

Westmorland



Local Transportation Authority

Calexico

El Centro

Imperial

County of Imperial

June 19, 2018

Luis Plancarte, Chairman
Local Transportation Authority
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: LTA 1% Administrative Budget Resolution Amending the Measure D Expenditure Plan

Dear Authority Members:

The administrative oversight and the daily responsibilities for the LTA are provided by staff of the Imperial County Transportation Commission (ICTC). LTA revenue is provided for the expenses incurred.

Section 8 of the existing LTA Ordinance's Expenditure Plan, currently provides that revenues may be expended by the Authority for salaries, wages, benefits, overhead, and those services including contractual services necessary to administer the Ordinance; however, in no case shall such expenditures exceed one percent (1%) of the annual revenues provided by the Measure.

The largest expense categories for the LTA has been and continues to be: 1) Staffing and Support services provided by ICTC staff; 2) Independent CPA audit services; and. 3) the allocation of facility and equipment rent/lease.

After an increase which peaked in FY 2014-15, the revenue available for the 1% administrative budget has been declining back to approximately FY 2012-13 levels. For FY 2018-19, the annual expense exceeds the 1% administrative revenue forecast, and a remedy has been sought.

Legal counsel assisted staff in a review of other Self Help counties ordinances and determined that several other counties limit the 1% administrative expense strictly to staff salaries and benefits. The remaining reasonable expense attributed to categories such as; rent, office expense, audit fees, etc. is funded at the full expense from the total annual revenues allocated to the LTA.

In addition, the Public Utilities Code subsection 180109(b) provides that the Authority shall not expend more than 1 percent of the funds generated for salary and benefits of its staff, but does not set a particular limit on the other reasonable costs of administration.

Section 10 of the LTA's Ordinance's Expenditure Plan provides that the Expenditure Plan may be amended to further its purposes by ordinance or resolution, passed by roll call vote entered in the minutes, with two-thirds of the Authority, or six board members concurring.

Staff would therefore request that the LTA amend the Ordinance's Section 8 Expenditure Plan so that it is not more restrictive than the Public Utilities Code Section 180109.

1503 N. Imperial Ave., Suite 104, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4410

Upon approval of such a resolution for amendment, the fiscal impact to the member agencies would be an approximately \$41,000 decrease in annual revenues available region wide that are distributed. If the resolution is not approved, the fiscal impact would be borne by the other non LTA programs and services provided by ICTC, which would be required to increase their share of the cost allocation formula for expenses including rent/leases, utilities, salaries/benefits etc.

A separate action is sought for a continuing resolution for the continuance of budgeted activities at FY 2017-18 levels pending the outcome of the approval of the resolution.

As required, staff can schedule a public hearing on this matter for the upcoming full LTA Board meeting on July 25, 2018, with the requisite ten-day publication of notice pursuant to Government Code section 6062. If the Expenditure plan amendment is then approved in July by the resolution, staff would send notification to the Board of Supervisors and the city council of each city in the county, providing them with a copy of the amendment, which would become effective 45 days after notice is given.

With Management Committee concurrence from June 13, 2018, the LTA Executive Director forwards the following recommendation(s) to the Authority, after the review of public comment, if any:

1. Direct staff to conduct the administrative requirements for a public hearing on July 25, 2018 at 6:00PM for the purpose of attaining public comment on the LTA 1% Administrative Budget Resolution Amending the Measure D Expenditure Plan.

Sincerely,



MARK BAZA
Executive Director

Attachment

MB/ksw\cl

**RESOLUTION OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY AMENDING THE MEASURE D EXPENDITURE PLAN**

RESOLUTION NO. _____

WHEREAS, the Imperial County Local Transportation Authority (hereinafter “LTA” or “Authority”) was created by the Imperial County Board of Supervisors in 1989 with the concurrence of a majority of the cities having a majority of the population in the incorporated area of the County to administer a local option sales tax, namely, the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, commonly called Measure D (hereinafter “Ordinance” or “Measure”), attached hereto as **Exhibit “A”**, as adopted by the electorate on November 7, 1989 and readopted on November 4, 2008; and

WHEREAS, LTA by-laws section 3 and Ordinance section 3 provide that LTA is governed by, and the Ordinance enacted pursuant to, the Local Transportation Authority and Improvement Act of 1987 codified at Division 19 (sections 180000-180264) of the Public Utilities Code; and

WHEREAS, the Ordinance’s Expenditure Plan section 8 currently provides that revenues may be expended by the Authority for salaries, wages, benefits, overhead, and those services including contractual services necessary to administer the Ordinance; however, in no case shall such expenditures exceed one percent (1%) of the annual revenues provided by the Measure; and

WHEREAS, in order to ensure that the cost of administration, implementation, and oversight of the Measure are not borne by other programs and sources, such as Transportation Development Act-funded programs, any funds necessary for administrative, implementation, and oversight of the Ordinance and Expenditure Plan should be paid by Measure revenues; and

WHEREAS, Public Utilities Code subsection 180109(b) provides that the Authority shall not expend more than 1 percent of the funds generated for salary and benefits of its staff but does not set a particular limit on other reasonable costs of administration; and

WHEREAS, ordinances for Santa Barbara, Santa Cruz, Contra Costa, Stanislaus, and San Joaquin LTAs currently provide that revenues may be expended for salaries, benefits, overhead, technical, auditing, legal, and other contractual services; however, pursuant to Public Utilities Code subsection 180109(b), in no event shall an amount exceeding one percent (1%) of the annual revenue go towards paying the administrative salaries and benefits of staff; and

WHEREAS, the Ordinance’s Expenditure Plan section 10 provides that the Expenditure Plan may be amended to further its purposes by ordinance or resolution, passed by roll call vote entered in the minutes, with two-thirds of the Authority concurring; and

WHEREAS, Public Utilities Code section 180207 provides that the Authority shall notify the board of supervisors and the city council of each city in the county and provide them

with a copy of the proposed amendments, and the proposed amendments shall become effective 45 days after notice is given; and

WHEREAS, LTA desires to amend Ordinance's Expenditure Plan section 8 to be congruent with and not more restrictive than Public Utilities Code section 180109.

WHEREFORE, THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RESOLVES AS FOLLOWS:

1. Section 8 of the Ordinance's Expenditure Plan is deleted and replaced by the following:

"SECTION 8. Administrative Expenses. For purposes of this Expenditure Plan, "Administrative expenses" shall mean salaries and benefits of staff. Revenues provided by the Measure may be expended by the Authority for salaries and benefits of staff (administrative expenses); rents, publication of legal notices and agendas, membership fees, office expenses, utilities, and other overhead; and technical, auditing, legal, and those services including contractual services necessary to administer the Ordinance; however, pursuant to Public Utilities Code subsection 180109(b), in no event shall an amount exceeding one percent (1%) of the annual revenues provided by the Measure go towards paying salaries and benefits of staff (administrative expenses). Costs of performing or contracting for project related work shall be paid from the revenues allocated to the appropriate purpose as set forth in Section 4 herein."

2. Except as provided herein, the terms of the Ordinance and Expenditure Plan are confirmed in all respects and shall continue in full force and effect.
3. Subsequent to the passage of this Resolution, LTA staff shall send notification to the Board of Supervisors and the city council of each city in the county and provide them with a copy of the amendments, which shall become effective 45 days after notice is given.

PASSED AND ADOPTED by the Local Transportation Authority after a public hearing duly noticed pursuant to Government Code section 6062, with two-thirds of the Authority concurring, County of Imperial, State of California, this _____ day of _____, 2018 by the following roll call vote:

Chairman of the LTA

ATTEST:

Cristi Lerma
Clerk of the Authority

VI. ACTION CALENDAR

ACTION D

BRAWLEY
CALIPATRIA
HOLTVILLE
WESTMORLAND



CALEXICO
EL CENTRO
IMPERIAL
IMPERIAL COUNTY

June 22, 2018

Luis Plancarte, Chairman
Local Transportation Authority
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Additional Fund Request to the Local Transportation Authority (LTA) – Traffic Control Assistance for Southbound Peak Traffic on State Route 111-Imperial Avenue to the Downtown Calexico West Port of Entry

Dear Members of the Authority:

The City of Calexico has made a second request to the LTA for funds from the regional highway set-aside for traffic control staff assistance on State Route 111/Imperial Avenue, for southbound traffic leading to the Downtown Calexico West Port of Entry (POE). During afternoon peak period delays the queue of vehicles can go as far back as 1.4 miles north of the Port of Entry (or .25 miles north of State Route 98/Birch St.). The average daily traffic volume on SR-111/Imperial Avenue is 26,000 to 34,000 vehicles. Based on border crossing volumes it is estimated that 75 percent of the daily vehicles on SR-111/Imperial Ave. have origin and destination in Mexicali, Mexico.

The City's request for \$150,000 is for one additional year for a total three year request of \$450,000. The previous \$300,000 for Fiscal Years 2016-17 and FY 2017-18 has been expensed.

The City's total annual traffic control costs are estimated at \$300,000. The City's contribution pays for three (3) full-time employees and three to seven (3 to 7) part-time traffic control staff (contract employees). The LTA request of \$150,000 will provide funding for additional part-time traffic control staff and/or traffic control equipment necessary to assist with the daily afternoon peak hours of southbound delays to the POE.

The proposed request is a short-term solution to a longer term need as the federal government is under construction to expand the POE in 2018. In 2018, traffic will use SR-111/Imperial Avenue and Cesar Chavez Boulevard to access the Calexico West POE. The City is committed to work with all local, state and federal stakeholders to analyze and evaluate traffic control measures for the phased opening of the Phase 1 construction of the Calexico West POE. Additionally, the City will soon begin construction of the Cesar Chavez Blvd. Widening project, and a multi-agency Traffic Circulation Plan led by ICTC is underway to develop short and long term traffic management strategies.

SR-111/Imperial Avenue and Cesar Chavez Blvd. are regional corridors for Imperial County and the revenue is available in the Regional Highway set-aside program.

The original MOU and supporting documentation is available for review at the ICTC administrative offices.

1503 N. Imperial Ave., Suite 104, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4410

The ICTC Management Committee met on June 13, 2018 and discussed the request from the City of Calexico at length and formed an opinion that no future requests be approved for the City of Calexico.

The Management Committee forwards the following recommendation(s) to the Authority, after the review of public comment, if any:

1. Approve the allocation for additional funding needed in the amount of \$150,000 for one additional year from the 5% Highway set-aside from the Measure D allocations.
2. Authorize the Chairman to sign a one year extension for FY 2018-19 to the Memorandum of Understanding (MOU) between the City of Calexico and the Imperial County Local Transportation Authority.

Sincerely,



MARK BAZA
Executive Director

MB/ksw/cl

Attachments



CITY OF CALEXICO

608 Heber Avenue
Calexico, CA 92231
Tel: 760.768.2110
Fax: 760.768.2103
www.calexico.ca.gov

September 12, 2016

Mr. James Predmore, Chairman
Imperial County Local Transportation Authority (LTA)
1405 N. Imperial Ave., Ste. 1
El Centro, CA 92243

RE: REQUEST FOR FUNDING

Honorable Chairman and Members of the Commission;

The City of Calexico respectfully requests funding in the amount of \$150,000 per year (for 2 years) to assist with funding traffic controllers to address the existing and anticipated traffic congestion created within the City of Calexico by traffic crossing the International Border at Calexico Land Port of Entry (LPOE). This funding request will allow us an opportunity to mitigate existing congestion issues while the city and LTA develop solutions to address future problems resulting from the LPOE opening in 2018.

The Calexico port of entry is deemed the third busiest in the State of California by the General Services Administration (GSA), with northbound vehicle crossings alone totalling approximately 4 million each year. Calexico's Imperial Avenue, an extension of SR-111, currently provides immediate access to and from the LPOE. It is a four-lane roadway with dedicated left turn lanes at most signal lights. Heavily impacted by both southbound and northbound traffic to and from the downtown Calexico LPOE, in 2014 Imperial Avenue had an average daily traffic volume from the International Border to SR-98 that ranged from 26,000 to 34,000.

The excess through traffic to and from the LPOE creates traffic congestion on Imperial Avenue. The unpredictable and inconsistent traffic flow that results from varying border wait times and traffic volume, renders traffic signal lights and the existing transportation network ineffective. Consequently, traffic signal lights must be bypassed on a regular basis and traffic controllers are utilized in their place. This is done to maintain order, ensure safety, minimize gridlock, and prevent the dangerous blocking of intersections that would hinder public safety emergency response time and movement of travelers and goods.

GSA has recognized the need to expand the current LPOE, stating the existing inspection facility, built in 1974, "cannot accommodate existing traffic loads and security requirements". The expanded facility is expected to increase vehicle and pedestrian capacity, reduce traffic

congestion, and create a safe environment for port employees and visitors, and reduce delays. Their plans to expand will create a new Personally Owned Vehicle (POV) West LPOE on Second Street and Cesar Chavez Boulevard with an increased total number of northbound POV inspection booths to 16, and an increase in the number of southbound lanes to 5.

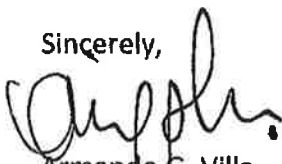
With the LPOE anticipated to be renovated and operational in 2018, additional traffic controllers will be required to direct the increase in traffic. The LPOE will be designed to reduce traffic congestion at the border crossing, but with 21 lanes of traffic (16 northbound and 5 southbound) bottlenecking onto either Cesar Chavez Blvd or East Second Street towards Imperial Ave., congestion will not be relieved in the city. If anything, the LPOE increased capacity will create greater need for traffic controllers to be utilized in order to ensure public safety.

The Southern California region has long enjoyed the economic benefits of these travelers while the City of Calexico has faced the adverse economic impacts of the traffic congestion they create. Unfortunately, we are no longer in a position to sustain this cost alone. It is anticipated that the need for traffic controllers will be ongoing. The unpredictable nature of border traffic necessitates human judgement be factored into controlling traffic, since the traffic does not necessarily follow patterns that can be programmed into signal lights.

While the increased border crossing capacity will result in increased traffic congestion that necessitates additional funding for traffic controllers, it will also result in decreased delay times which will help to improve economic and air quality for our region. The 2012 Southern California Association of Governments (SCAG) and the Imperial County Transportation Commission (ICTC) Goods Movement Border Crossing Study and Analysis supports the correlation between border wait times and revenue and output losses for the region. The analysis specifically stated that "Delays at the border constitute part of the generalized costs for Mexican nationals who shop in retail stores in the U.S. Therefore, longer delays represent higher generalized costs, and as a result a portion of Mexican nationals may decide to shop in local retail stores (i.e., in Mexicali) instead of crossing the border." With the delays at the border crossing being reduced by the expansion of the LPOE, it is anticipated that our entire region will benefit from the additional revenue, sales tax and job creation.

We respectfully request your assistance this year in funding the necessitated traffic controllers. In addition we would appreciate your assistance in finding solutions for the expected long-term impacts of the LPOE expansion.

Sincerely,



Armando G. Villa
City Manager

1 **FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING**

2 This FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (“Amendment”),
3 made and entered into this _____ day of _____, 2018, is by and between the **IMPERIAL**
4 **COUNTY LOCAL TRANSPORTATION AUTHORITY** (“LTA”) and the **CITY OF CALEXICO**, a
5 municipal corporation of the State of California (“CITY”), (individually, “Party;” collectively, “Parties”).

6 **RECITALS**

7 **WHEREAS**, Parties entered into that certain Memorandum of Understanding for regional
8 highway set-aside funds for traffic control staff assistance on State Route 111 / Imperial Avenue for
9 southbound traffic leading to the Downtown Calexico West Port of Entry dated December 21, 2016,
10 hereinafter the “MOU”, attached hereto as **Exhibit “1”**; and

11 **WHEREAS**, paragraph 3K of the MOU provides that the MOU may be amended in writing by
12 mutual agreement of the Parties; and

13 **WHEREAS**, Parties desire to extend the MOU for an additional one (1) year at the continued
14 annual rate of funding in the amount of \$150,000 for FY 2018-19; and

15 **WHEREAS**, the Parties agree to enter into this Amendment.

16 **NOW THEREFORE**, and in consideration of the promises and payments herein set forth, the
17 Parties have and hereby agree as follows:

18 1. Section 1 of the MOU is deleted and replaced with the following:

19 **“1. LTA SHALL:**

20 A. Reimburse CITY for additional funding needed in a not to exceed amount of
21 \$150,000 for a one (1) year period FY 2018-19 from the Regional Highway set-aside
22 from the Measure D allocations for the specific purposes set forth in **Exhibit “2”**
23 attached hereto and incorporated herein by reference.

24 B. Reimbursement shall be provided in arrears after receipt of documentation for
25 expenses including but not limited to payroll and other related expenses.”

26 2. Paragraph 3A of the MOU is deleted and replaced with the following:
27
28

VI. ACTION CALENDAR

ACTION E

BRAWLEY

CALIPATRIA

HOLTVILLE

WESTMORLAND



CALEXICO

EL CENTRO

IMPERIAL

IMPERIAL COUNTY

June 22, 2018

Luis Plancarte, Chairman
Local Transportation Authority
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Additional Fund Request to the Local Transportation Authority (LTA) – Security Services at the El Centro 7th and State Streets Bus Transfer Terminal

Dear Authority Members:

The City of El Centro has made a request for \$90,000 in funds for a second year to assist with security services at the 7th and State Street Transfer Terminal in El Centro. Passengers using the bus terminal have complained about their ability to safely use the terminal due to excessive loitering, vandalism, the appearance of drug use/transactions and other violent crimes.

Due to the presence of the security officers, in the past year the complaints have decreased significantly. ICTC staff recommends use of the LTA Transit 2% set aside.

The original MOU and supporting documentation is available for review at the ICTC administrative offices.

The ICTC Management Committee met on June 13, 2018 and discussed the request from the City of El Centro. The Management Committee forwards the following recommendation(s) to the Authority, after the review of public comment, if any:

1. Approve the allocation for funding needed in the amount of \$90,000 for one additional year for the City of El Centro for security services at the 7th and State Street transfer terminal, from the LTA 2% Transit set-aside from the Measure D allocations.
2. Authorize the Chairman to sign a one year extension for FY 2018-19 to the Memorandum of Understanding (MOU) between the City of El Centro and the Imperial County Local Transportation Authority.
3. Direct staff to work with all agencies to develop a plan for security of transit centers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Baza", is written over a light blue horizontal line.

MARK BAZA
Executive Director

MB/ksw/cl
Attachment

1503 N. Imperial Ave., Suite 104, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4410



March 6, 2018

Chairman and Members
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

RE: REQUEST FOR CONTINUED FUNDING FOR SECURITY SERVICES

Honorable Chairman and Members of the Commission,

The City of El Centro is respectfully requesting consideration to continue funding through the Imperial County Transportation Commission or any other available funding source for security services at the El Centro Bus Transfer Terminal located at State Street and 7th Street in El Centro.

As you are aware, Securitas Security Services began services at the terminal in October 2017. This security measure has alleviated the concerns, such as nuisances, loitering of homeless, and criminal activity. Feedback from the ridership is that they feel that the added security by the guard gives them a sense of comfort and security.

The City of El Centro is respectfully requesting continued funding in the amount of \$90,000 for Fiscal Year 2018-2019 to continue providing armed security services.

Sincerely,

Marcela Piedra
City Manager

Office of the City Manager
1275 Main Street, El Centro, CA 92243 (760) 337-4540 Fax (760) 352-6177

1 **FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING**

2 This FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING (“Amendment”),
3 made and entered into this _____ day of _____, 2018, is by and between the **IMPERIAL**
4 **COUNTY LOCAL TRANSPORTATION AUTHORITY** (“LTA”) and the **CITY OF EL CENTRO**, a
5 municipal corporation of the State of California (“CITY”), (individually, “Party;” collectively, “Parties”).

6 **RECITALS**

7 **WHEREAS**, Parties entered into that certain Memorandum of Understanding for LTA Transit 2%
8 set-aside funds for security services assistance at the 7th and State Street Transfer Terminal in El Centro
9 dated March 21, 2017, hereinafter the “MOU”, attached hereto as **Exhibit “1”**; and

10 **WHEREAS**, paragraph 3K of the MOU provides that the MOU may be amended in writing by
11 mutual agreement of the Parties; and

12 **WHEREAS**, Parties desire to extend the MOU for an additional one (1) year at the continued
13 annual rate of funding in the amount of \$90,000 for FY 2018-19; and

14 **WHEREAS**, the Parties agree to enter into this Amendment.

15 **NOW THEREFORE**, and in consideration of the promises and payments herein set forth, the
16 Parties have and hereby agree as follows:

17 1. Section 1 of the MOU is deleted and replaced with the following:

18 **“1. LTA SHALL:**

19 A. Reimburse CITY for additional funding needed in a not to exceed amount of
20 \$90,000 for a one (1) year period FY 2018-19 from the LTA Transit 2% set-aside
21 from the Measure D allocations for the specific purposes set forth in **Exhibit “2”**
22 attached hereto and incorporated herein by reference.

23 B. Reimbursement shall be provided in arrears after receipt of documentation for
24 expenses including but not limited to payroll and other related expenses.”

25 2. Paragraph 3A of the MOU is deleted and replaced with the following:

26 “A. Term and Termination. The term of this MOU shall begin on the Effective Date
27 and terminate on June 30, 2019. Either party may terminate this MOU at any time
28 with or without cause.”

3. All other terms and conditions of the MOU are and will remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment on the day
and year first above written.

**IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY:**

CITY OF EL CENTRO

By: _____
LUIS PLANCARTE, Chairperson

By: _____
_____, Mayor

ATTEST:

ATTEST:

CRISTI LERMA
Secretary to the Authority

City Clerk

APPROVED AS TO FORM:

KATHERINE TURNER
COUNTY COUNSEL

By: _____
Eric Havens
Deputy County Counsel

By: _____
City Attorney

Brawley

Calipatria

Holtville

Westmorland



Local Transportation Authority

Calexico

El Centro

Imperial

County of Imperial

7243000 LTA 5% State Hwy Set-Aside

Agency	Project Description	Amount	LTA Board Approval	Funds Disbursed
Caltrans	Traffic Signal SR 86 & S Main St. Westmorland	\$373,000	7/24/2013	4/30/2014
County of Imperial	Traffic Signal SR 22 & SR 86 Salton City	\$438,858	9/24/2014	1/12/2015

Totals \$811,858

Agency	LTA 5% Regional Hwy Balance as of 9/12/2016	\$5,735,442	Pending projects
Caltrans	Heber Bus Stop & Ped Access SR 86	\$707,000	LTA Board approved on 8/27/2014
County of Imperial	Traffic Signal SR 86 & Dogwood Rd Imperial County	\$1,680,815	LTA Board approved on 9/23/2015
City of Calexico	Two year funding for SR 111 Traffic Controllers	\$300,000	LTA Agenda item on 9/28/2016

Balance Remaining \$3,047,627