



Imperial County Local Transportation Authority

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

AGENDA

WEDNESDAY, MARCH 24, 2021
6:00 PM or immediately after the ICTC meeting

REMOTE PARTICIPATION ONLY

CHAIRPERSON: CHERYL VIEGAS-WALKER

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.

To participate on your computer via Zoom Meeting: Join Zoom Meeting
<https://zoom.us/j/91386733797?pwd=VU1VZEJicU0xemRtUjN6YlZwaGNkZz09>

To Join by phone please dial (669) 900-9128
Meeting ID: 913 8673 3797
Passcode: 702792

I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

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

III. PUBLIC COMMENTS

In compliance with the Governor's Order N-29-20, the meeting will be held telephonically and electronically. If members of the public wish to review the attachments or have any questions on any agenda item, please contact Cristi Lerma at 760-592-4494 or via email at cristilerma@imperialctc.org. Agenda and minutes are also available at: <https://www.ltaimperial.com/authority-governance/board-of-directors/agendas-and-minutes>. If any member of the public wishes to address the Authority, please submit written comments by 5 p.m. on Tuesday, March 23, 2021. Comments should not 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 January 27, 2021

Page 3

V. REPORTS

- A. LTA Executive Director Report Page 5

VI. ACTION CALENDAR

- A. Imperial County Local Transportation Authority - Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2020 A, B, C, D & E Page 6 - 373

The ICTC Management Committee will meet on March 24, 2021 and it is anticipated that they will forward this item to the LTA for review and approval after receipt of public comment, if any:

1. Adoption of the Resolution Authorizing the Issuance and Sale of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds in One or More Series
 2. Approval of the following documents:
 - a. Supplemental Indentures
 - b. A Purchase Contract
 - c. A Continuing Disclosure Agreement
 - d. Pledge Agreements
 - e. An Escrow Agreement
 - f. A Preliminary Limited Official Statement
 3. Authorizing Official Actions and Executions of Documents Related Thereto
- B. Adoption of the Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2020 Page 374 - 703

The ICTC Management Committee will meet on March 24, 2021 and it is anticipated that they will forward this item to the LTA for review and approval after receipt of public comment, if any:

1. Receive, Approve and File the FY 2019-20 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.
2. Agency shall submit audit documentation to the Authority auditor no later than October 31st (or another date specified by ICLTA or its auditor). If audit documentation is not received in a timely manner, the Authority shall withhold funding until the agency complies.

VII. ADJOURNMENT

- A. Motion to Adjourn.



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**MINUTES FOR
JANUARY 27, 2021**

VOTING MEMBERS PRESENT:

City of Brawley	George Nava – Chairman via zoom
City of Calexico	Rosie Arreola-Fernandez via zoom
City of Calipatria	Maria Nava-Froelich via zoom
City of El Centro	Cheryl Viegas-Walker via zoom
City of Imperial	Robert Amparano via zoom
City of Holtville	Mike Goodsell via zoom
County of Imperial	Luis Plancarte via zoom
County of Imperial	Ryan Kelley via zoom
City of Westmorland	Xavier Mendez via zoom

STAFF PRESENT: Mark Baza, David Aguirre, Cristi Lerma, Virginia Mendoza, Daveline Villasenor, Layla Sarwari via zoom (Counsel)

I. CALL TO ORDER AND ROLL CALL

Meeting was called to order by Chair Nava at 6:04 p.m. and roll call was taken.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There were none.

IV. CONSENT CALENDAR

A motion was made by [Viegas-Walker](#) and seconded by [Nava-Froelich](#) to approve the consent calendar as presented, roll call:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Abstain
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Kelley	Yes
City of Westmorland	Absent

Motion Passed.

V. REPORTS

- A. The Executive Director Report was on page 5 of the agenda. There were no questions.

VI. ACTION CALENDAR

- A. Sales Tax Revenue Bond Refunding of 2012 Series A-E Enhanced Alternative with BARCLAYS

Mr. Baza stated that on Monday, January 4, 2021, he had informed Ramirez & Co. (the current Bond Underwriter) that we should pause our refunding at this time due to the financial market conditions would not allow us to achieve the interest rates and savings under the currently proposed “Taxable Advance Refunding” scenario. Subsequently, we received an alternative proposal from Tony Hughes, Managing Director and Michael Flieshman, Director with Barclays. Their proposal potentially would increase savings to the Authority and the Agency. Due to this, it was worthwhile to present the opportunity to the Committee and the LTA Board. Barclays has experience with multi-million dollar tax revenue bonds with some of our Southern California transportation and others in Northern California.

Mr. Hughes and Mr. Flieshman presented the concept and the increased savings that can be achieved to the Authority. In summary, the Enhanced Alternative will provide an Annual Savings per year of \$845,000 and a Net Present Value Savings of \$3,611,000. This would be an increased annual savings of \$245,000 and a Net Value increase of \$1.1 million over the currently proposed Taxable Advance Refunding scenario.

If approved by the Board, the Barclays team will prepare the updated transaction documents, Preliminary Official Statement (POS), and Bond Purchase Agreement for the March 24, 2021 LTA Board meeting.

The ICTC Management Committee met on January 13, 2021 and forwarded this item to the Authority for their review and approval after the receipt of public comment, if any:

1. Approved the selection of the Barclays firm and the proposed Enhanced Alternative: Tax Exempt Forward Refunding.

A motion was made by [Amparano](#) and seconded by [Plancarte](#) followed by roll call:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Yes
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Kelley	Yes
City of Westmorland	Yes

Motion passed.

VII. ADJOURNMENT

- A. Meeting Adjourned at 6:30 p.m.



Imperial County Local Transportation Authority

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Phone: 760-592-4494 | Fax: 760-592-4410

Memorandum

Date: March 18, 2021
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 March 24, 2021.

1. 2012 LTA Bond Projects: The following lists the remaining funds for the LTA 2012 Bonds.
 - a. The City of Brawley will be using their remaining bond proceeds for the Legion Street Improvement Phase 3 project. Staff has indicated that this project will commence April 2021 and a final 2012 Bond request will be submitted in the summer of 2021.

2012 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	\$314,697	96%
Calexico	\$0	100%
Calipatria	\$0	100%
Imperial	\$0	100%
County	\$0	100%

*Remaining Project Bond funds as of Bank Statements dated 2-28-21

2. 2018 LTA Bond Projects: The following lists the remaining funds for the LTA 2018 Bond.

2018 Original Bond Funds	
Calexico	\$12,375,000
Calipatria	\$1,450,000
Holtville	\$2,940,000

Remaining Bond Funds*		% Spent
Calexico	\$7,766,232	37%
Calipatria	\$126,327	91%
Holtville	\$0	100%

*Remaining Project Bond funds as of Bank Statements dated 2-28-21

3. 2020 LTA Audits were presented to the Oversight Committee on March 17, 2021.



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March 18, 2021

Cheryl Viegas-Walker, Chairperson
Local Transportation Authority
1503 N Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Imperial County Local Transportation Authority - Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022 A, B, C, D & E

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 are payable from the Measure D Sales Tax Revenues that are allocable to such Local Agency and in 2012, the Authority issued the following series of bonds at the request of, and for the benefit of, the City of Brawley (“Brawley”), the City of Calexico (“Calexico”), the City of Calipatria (“Calipatria”), the City of Imperial (“Imperial”) and the County, respectively, to finance, among other things, costs of projects authorized to be funded with the proceeds of the Measure D Sales Tax: (i) \$8,155,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012A (City of Brawley) (the “2012A Bonds”); (ii) \$15,410,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico) (the “2012B Bonds”); (iii) \$2,305,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria) (the “2012C Bonds”); (iv) \$6,170,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial) (the “2012D

Bonds”); and (v) \$21,935,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E, of which \$16,025,000 remains outstanding (County of Imperial) (the “2012E Bonds and, together with the 2012A Bonds, the 2012B Bonds, the 2012C Bonds and the 2012D Bonds, the “2012 Bonds”).

The Authority and each of the cities of Brawley, Calexico, Calipatria, Imperial and the County of Imperial (each a “Participating Local Agency”) desire to achieve debt service savings by refunding a portion of the 2012 Bonds with the proceeds of the Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022, to be issued in five series on a taxable basis (the “2022 Bonds”).

In connection with the issuance of the 2012 Bonds, each Participating Local Agency entered into a separate agreement with Authority, whereby each such Participating Local Agency pledged its share of the Measure D Sales Revenues (the “Pledged Measure D Sales Tax Revenues”) to the repayment of its Series of 2012 Bonds (the “Original Pledge Agreement”).

In connection with the issuance of the 2022 Bonds, each Participating Local Agency will enter into an Amended and Restated Pledge Agreement (the “Amended and Restated Pledge Agreements”), which amends the Original Pledge Agreement to streamline the process for the issuance of future series of bonds payable from the Pledged Measure D Sales Tax Revenues of such respective Participants. Under each Amended and Restated Pledge Agreement, the Participating Local Agency pledges its Pledged Measure D Sales Taxes Revenues to all outstanding bonds that are payable from its Pledged Measure D Sales Tax Revenues, the Series of 2022 Bonds that are payable from its Pledged Measure D Sales Tax Revenues and any future series of bonds that will be payable from its Pledged Measure D Sales Tax Revenues.

The 2012 Bonds were issued by the Authority pursuant to the terms of an Indenture that provided for the issuance of the 2012 Bonds and pledged the Pledged Measure D Sales Tax Revenues for the repayment of the Bonds (the “Master Indenture”). To allow for each Participating Local Agency to have a Series of 2012 Bonds payable solely from its respective Pledged Measure D Sales Tax Revenues, the Authority entered into a separate supplemental indenture for each of the five Participating Local Agencies (each, a “Supplemental Indenture”).

In connection with the 2022 Bonds, the Trustee will also enter into a separate Supplemental Indenture for each of the five Participating Local Agencies. Under each Supplemental Indenture, the Authority shall create a Series of 2022 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.

The proceeds of the 2022 Bonds will be applied to the defeasance and redemption of a portion of the 2012 Bonds pursuant to the terms of an Escrow Agreement by and between Authority and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”).

The Authority shall sell the 2022 Bonds through Barclays Capital Inc., as underwriter (the “Underwriter”) pursuant to an agreement (the “Purchase Agreement”). The Underwriter will then sell the 2022 Bonds to investors. To help facilitate the marketing and sale of the 2022 Bonds, Norton Rose Fulbright US LLP, as Disclosure Counsel, with the assistance of the Authority, has prepared a Preliminary Official Statement and a Final Official Statement, each of which provides information about the 2022 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:

Amended and Restated Pledge Agreement – The Amended and Pledge Agreement is an agreement between the Authority and each Participating Local Agency whereby such Participating Local Agency agrees to pledge its Pledged Measure D Sales Tax Revenues for repayment of bonds that are payable from its Pledged Measure D Sales Tax Revenues, including the 2022 Bonds, and assigns its Pledged Measure D Sales Tax Revenues to the bond trustee as long as the bonds that are payable from its Pledged Measure D Sales Tax Revenues are outstanding.

Supplemental Indentures – The purpose of the Master Indenture (which was previously approved and entered into in connection with the issuance of the 2012 Bonds) 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 has appointed 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 2022 Bonds from the Underwriter at closing and will transfer such moneys to the Escrow Agent for deposit into the funds and accounts established under the Escrow Agreement. The 2022 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.

Escrow Agreement - The Escrow Agreement by and between the Authority and the Escrow Agent provides for the defeasance and redemption of a portion of the 2012 Bonds with the proceeds of the 2022 Bonds.

Purchase Agreement - Under this document, which will be signed the day of the pricing of the 2022 Bonds (or the day following pricing), the Underwriter agrees to purchase all of the 2022 Bonds from the Authority at an established price and underwriting discount. Immediately prior to the Authority’s executing the Purchase Agreement, the Underwriter will “price” the 2022 Bonds in the public market — that is, to identify the interest rate which the 2022 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 Agreement.

Preliminary and Final Official Statement - There has also been submitted to the Authority a form of preliminary official statement for the 2022 Bonds, which contains information, statistics, and summaries regarding the 2022 Bonds and the Authority that prospective purchasers of the 2022 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 2022 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 2022 Bonds. The Continuing Disclosure Agreement is an agreement between the Authority and the future owners of the 2022 Bonds regarding information to be made available to such owners during the term of the 2022 Bonds. The obligation of the Authority to supply material information continues until the 2022 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 2022 Bonds, as this re-funding will provide significant debt-service savings to the participating agencies.

RECOMMENDED ACTION

The ICTC Management Committee will meet on March 24, 2021 and it is anticipated that they will forward this item to the LTA for review and approval after receipt of public comment, if any:

1. Adoption of the Resolution Authorizing the Issuance and Sale of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds in One or More Series
2. Approval of the following documents:
 - a. Supplemental Indentures
 - b. A Purchase Contract
 - c. A Continuing Disclosure Agreement
 - d. Pledge Agreements
 - e. An Escrow Agreement
 - f. A Preliminary Limited Official Statement
3. Authorizing Official Actions and Executions of Documents Related Thereto

Sincerely,



MARK BAZA
Executive Director

MB/mb/cl

Attachment

RESOLUTION NO. ____

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE REFUNDING BONDS IN ONE OR MORE SERIES, APPROVAL OF SUPPLEMENTAL INDENTURES, A PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT, PLEDGE AGREEMENTS, AN ESCROW AGREEMENT AND A PRELIMINARY LIMITED 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 was to expire 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 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 (“Brawley”), the City of Calexico (“Calexico”), the City of Calipatria (“Calipatria”), the City of Imperial (“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), of which \$5,610,000 remains outstanding (the “2012A Bonds”); (ii) \$15,410,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico), of which \$10,600,000 remains outstanding (the “2012B Bonds”); (iii) \$2,305,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria), of which \$1,580,000 remains outstanding (the “2012C Bonds”); (iv) \$6,170,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial), of which \$4,245,000 remains outstanding (the “2012D Bonds”); and (v) \$21,935,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E (County of Imperial), of which \$15,060,000 remains outstanding (the “2012E Bonds and, together with the 2012A Bonds, the 2012B Bonds, the 2012C Bonds and the 2012D Bonds, 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 and each of Brawley, Calexico, Calipatria, Imperial and the County have determined that the defeasance and redemption of a portion of the 2012 Bonds would provide significant financial benefits;

WHEREAS, the Authority hereby determines to issue and deliver for the benefit of each of Brawley, Calexico, Calipatria, Imperial and the County (each, a “Participating Agency”), one or more series of bonds entitled “Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)” with such series designations and other additions and modifications as may be appropriate, to (i) to defease and redeem a portion of the 2012 Bonds, (ii) to fund a bond reserve fund or purchase reserve sureties for each series of the 2022 Bonds (as hereinafter defined), and (iii) pay the costs of issuance incurred in connection with the 2022 Bonds;

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

WHEREAS, the Authority has determined to issue, on behalf of Brawley, a series of bonds in the aggregate principal amount not to exceed Five Million Eight Hundred Thousand Dollars (\$5,800,000) (the “Brawley 2022 Bonds”);

WHEREAS, the Authority has determined to issue, on behalf of Calexico, a series of bonds in the aggregate principal amount not to exceed Ten Million Five Hundred Thousand Dollars (\$10,500,000) (the “Calexico 2022 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 Eight Hundred Thousand Dollars (\$1,800,000) (the “Calipatria 2022 Bonds”);

WHEREAS, the Authority has determined to issue, on behalf of Imperial, a series of bonds in the aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) (the “Imperial 2022 Bonds”);

WHEREAS, the Authority has determined to issue, on behalf of County, a series of bonds in the aggregate principal amount not to exceed Fifteen Million Dollars (\$15,000,000) (the “County 2022 Bonds” and, together with the Brawley 2022 Bonds, Calexico 2022 Bonds, the Calipatria 2022 Bonds and the Imperial 2022 Bonds, the “2022 Bonds”);

WHEREAS, in furtherance of the issuance of the 2022 Bonds, the Authority proposes to enter into separate Amended and Restated Pledge Agreements 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 2022 Bonds;

WHEREAS, the Authority hereby further determines that the 2022 Bonds shall be issued pursuant to the Indenture, and such Supplemental Indentures as necessary to issue the 2022 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 2022 Bonds, the Authority proposes to enter into one or more Bond Purchase Contracts (the “Purchase Contract”) with Barclays Capital Inc., as underwriter for the 2022 Bonds (the “Underwriter”);

WHEREAS, to provide information about the 2022 Bonds, the Authority will prepare a Preliminary Limited Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”);

WHEREAS, to effect the defeasance and redemption of a portion of the 2012 Bonds, the Authority will enter into an Escrow Deposit Agreement (the “Escrow Agreement”) with The Bank of New York Mellon Trust Company, N.A., as escrow agent;

WHEREAS, in connection with the sale of the 2022 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 2022 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 2022 Bonds;

WHEREAS, the Authority previously approved a resolution on December 11, 2019 (“2019 Resolution”), authorizing taxable bonds in the amounts (i) not to exceed \$5,800,000 aggregate principal amount of the Brawley bonds, (ii) not to exceed \$10,500,000 aggregate principal amount of the Calexico bonds, (iii) not to exceed \$1,800,000 aggregate principal amount of the Calipatria bonds, (iv) not to exceed \$5,000,000 aggregate principal amount of the Imperial bonds, and (v) not to exceed \$15,000,000 aggregate principal amount of the County bonds;

WHEREAS, based on current conditions in the municipal bond market, the Authority has determined to revisit the 2019 Resolution and the financing structure for the contemplated refunding herein on a tax-exempt status in order to achieve maximum debt service savings; and

WHEREAS, Government Code Section 5852.1 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: (i) not to exceed \$5,800,000 aggregate principal amount of the Brawley 2022 Bonds, (ii) not to exceed \$10,500,000 aggregate principal amount of the Calexico 2022 Bonds, (iii) not to exceed \$1,800,000 aggregate principal amount of the Calipatria 2022 Bonds, (iv) not to exceed \$5,000,000 aggregate principal amount of the Imperial 2022 Bonds, and (v) not to exceed \$15,000,000 aggregate principal amount of the County 2022 Bonds, in accordance with the provisions set forth in the Indenture and each Supplemental Indenture, in five 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, 2032, tax-exempt or taxable basis (true interest cost not to exceed 3.00%) 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 2022 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 2022 Bonds to the Underwriter pursuant to the Purchase Contract with the Underwriter’s discount or compensation not to exceed 0.75% of the aggregate principal amount of the 2022 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. The proposed form of Escrow 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 Escrow 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 9. In accordance with Government Code Section 5852.1, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the 2022 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2022 Bonds, (c) the amount of proceeds of the 2022 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 2022 Bonds, and (d) the sum total of all debt service payments on the 2022 Bonds calculated to the final maturity of the 2022 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the 2022 Bonds.

Section 10. 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 municipal bond insurance policies and reserve sureties for each series of the 2022 Bonds, 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 2022 Bonds and the consummation of the transactions as described herein.

Section 11. 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 2022 Bonds, including, without limitation, any of the foregoing that may be necessary or desirable in connection with any investment of proceeds of the 2022 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 12. All actions heretofore taken by the officers, employees and agents of the Authority with respect to the issuance and sale of the 2022 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 2022 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of the Act, the Ordinance, this Resolution, the 2022 Bonds and the documents approved hereby.

Section 13. 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 2022 Bonds in accordance with an engagement letter on file with the Executive Director of the Authority.

Section 14. This Resolution hereby supersedes in all respects the 2019 Resolution. The 2019 Resolution is hereby rescinded and no longer in full force and effect.

Section 15. 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 24th day of March 2021.

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
Brawley 2022 Bonds

The following information was obtained from the Underwriter and is provided in compliance with Government Code Section 5852.1 with respect to the Brawley 2022 Bonds:

1. *True Interest Cost of the Brawley 2022 Bonds.* Assuming the maximum aggregate principal amount of the Brawley 2022 Bonds authorized (\$5,800,000) 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 Brawley 2022 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 Brawley 2022 Bonds, is 2.45%.

2. *Finance Charge of the Brawley 2022 Bonds.* Assuming the maximum aggregate principal amount of the Brawley 2022 Bonds authorized (\$5,800,000) 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 Brawley 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Brawley 2022 Bonds), is \$144,372.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Brawley 2022 Bonds authorized (\$5,800,000) 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 Brawley 2022 Bonds less the finance charge of the Brawley 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Brawley 2022 Bonds, is \$6,608,684.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Brawley 2022 Bonds authorized (\$5,800,000) 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 Brawley 2022 Bonds plus the finance charge of the Brawley 2022 Bonds described in paragraph 2 above not paid with the proceeds of the Brawley 2022 Bonds, calculated to the final maturity of the Brawley 2022 Bonds, is \$7,577,611.

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 Brawley 2022 Bonds sales, the amount of Brawley 2022 Bonds sold, the amortization of the Brawley 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Brawley 2022 Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Brawley 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Brawley 2022 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 Brawley's and the Authority's control.

Calexico 2022 Bonds

The following information was obtained from the Underwriter and is provided in compliance with Government Code Section 5852.1 with respect to the Calexico 2022 Bonds:

1. *True Interest Cost of the Calexico 2022 Bonds.* Assuming the maximum aggregate principal amount of the Calexico 2022 Bonds authorized (\$10,500,000) 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 2022 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 2022 Bonds, is 2.54%.

2. *Finance Charge of the Calexico 2022 Bonds.* Assuming the maximum aggregate principal amount of the Calexico 2022 Bonds authorized (\$10,500,000) 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 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Calexico 2022 Bonds), is \$308,210.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Calexico 2022 Bonds authorized (\$10,500,000) 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 2022 Bonds less the finance charge of the Calexico 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Calexico 2022 Bonds, is \$11,917,150.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Calexico 2022 Bonds authorized (\$10,500,000) 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 2022 Bonds plus the finance charge of the Calexico 2022 Bonds described in paragraph 2 above not paid with the proceeds of the Calexico 2022 Bonds, calculated to the final maturity of the Calexico 2022 Bonds, is \$13,718,292.

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 2022 Bonds sales, the amount of Calexico 2022 Bonds sold, the amortization of the Calexico 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Calexico 2022 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 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Calexico 2022 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 2022 Bonds

The following information was obtained from Underwriter and is provided in compliance with Government Code Section 5852.1 with respect to the Calipatria 2022 Bonds:

1. *True Interest Cost of the Calipatria 2022 Bonds.* Assuming the maximum aggregate principal amount of the Calipatria 2022 Bonds authorized (\$1,800,000) 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 Calipatria 2022 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 2022 Bonds, is 2.54%.

2. *Finance Charge of the Calipatria 2022 Bonds.* Assuming the maximum aggregate principal amount of the Calipatria 2022 Bonds authorized (\$1,800,000) 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 Calipatria 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Calipatria 2022 Bonds), is \$49,545.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Calipatria 2022 Bonds authorized (\$1,800,000) 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 Calipatria 2022 Bonds less the finance charge of the Calipatria 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Calipatria 2022 Bonds, is \$2,046,231.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Calipatria 2022 Bonds authorized (\$1,800,000) 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 Calipatria 2022 Bonds plus the finance charge of the Calipatria 2022 Bonds described in paragraph 2 above not paid with the proceeds of the Calipatria 2022 Bonds, calculated to the final maturity of the Calipatria 2022 Bonds, is \$2,353,250.

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 Calipatria 2022 Bonds sold, the amortization of the Calipatria 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Calipatria 2022 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 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Calipatria 2022 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.

Imperial 2022 Bonds

The following information was obtained from the Underwriter and is provided in compliance with Government Code Section 5852.1 with respect to the Imperial 2022 Bonds:

1. *True Interest Cost of the Imperial 2022 Bonds.* Assuming the maximum aggregate principal amount of the Imperial 2022 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 Imperial 2022 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 Imperial 2022 Bonds, is 2.45%.

2. *Finance Charge of the Imperial 2022 Bonds.* Assuming the maximum aggregate principal amount of the Imperial 2022 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 Imperial 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Imperial 2022 Bonds), is \$118,596.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the Imperial 2022 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 Imperial 2022 Bonds less the finance charge of the Imperial 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Imperial 2022 Bonds, is \$5,703,004.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Imperial 2022 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 Imperial 2022 Bonds plus the finance charge of the Imperial 2022 Bonds described in paragraph 2 above not paid with the proceeds of the Imperial 2022 Bonds, calculated to the final maturity of the Imperial 2022 Bonds, is \$6,534,139.

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 Imperial 2022 Bonds sales, the amount of Imperial 2022 Bonds sold, the amortization of the Imperial 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Imperial 2022 Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Imperial 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Imperial 2022 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 Imperial's and the Authority's control.

County 2022 Bonds

The following information was obtained from the Underwriter and is provided in compliance with Government Code Section 5852.1 with respect to the County 2022 Bonds:

1. *True Interest Cost of the County 2022 Bonds.* Assuming the maximum aggregate principal amount of the County 2022 Bonds authorized (\$15,000,000) 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 County 2022 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 County 2022 Bonds, is 2.45%.

2. *Finance Charge of the County 2022 Bonds.* Assuming the maximum aggregate principal amount of the County 2022 Bonds authorized (\$15,000,000) 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 County 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the County 2022 Bonds), is \$379,154.

3. *Amount of Proceeds to be Received.* Assuming the maximum aggregate principal amount of the County 2022 Bonds authorized (\$15,000,000) 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 County 2022 Bonds less the finance charge of the County 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the County 2022 Bonds, is \$17,085,646.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the County 2022 Bonds authorized (\$15,000,000) 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 County 2022 Bonds plus the finance charge of the County 2022 Bonds described in paragraph 2 above not paid with the proceeds of the County 2022 Bonds, calculated to the final maturity of the County 2022 Bonds, is \$19,596,667.

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 County 2022 Bonds sales, the amount of County 2022 Bonds sold, the amortization of the County 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of County 2022 Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the County 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the County 2022 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 County's and the Authority's control.

PRELIMINARY LIMITED OFFICIAL STATEMENT DATED MARCH __, 2021**NEW ISSUE—BOOK-ENTRY ONLY****RATINGS: See “RATINGS” herein**

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Authority, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants in the documents pertaining to the Series 2022 Bonds and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), as described herein, interest on the Series 2022 Bonds is not included in the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series 2022 Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Series 2022 Bonds is exempt from personal income taxes of the State of California. See “TAX MATTERS” herein.

\$ _____ *		
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY		
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS)		
\$ _____ *	\$ _____ *	\$ _____ *
Series 2022A	Series 2022B	Series 2022C
(City of Brawley)	(City of Calexico)	(City of Calipatria)
	\$ _____ *	
	Series 2022D	Series 2022E
	(City of Imperial)	(County of Imperial)

Dated: Date of Delivery**Due: June 1, as shown on the inside cover**

The bonds of each Series set forth above (collectively, the “Series 2022 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 March 1, 2022 (each, a “Supplemental Indenture” and, together with the Master Indenture, as so supplemented and amended, the “Indenture”). Proceeds of the Series 2022 Bonds will be applied to: (i) effect the refunding of certain of the Authority’s outstanding bonds, (ii) fund, or purchase reserve sureties for, the bond reserve funds established for each Series of the Series 2022 Bonds; and (iii) pay costs of issuance of each Series of the Series 2022 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE” herein.

The Series 2022 Bonds are scheduled to be delivered on March 8, 2022. Potential investors should carefully review the information under the caption “CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS.”

Interest on the Series 2022 Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2022. The Series 2022 Bonds will be issued as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2022 Bonds will be registered in the name of Cede & Co., as Owner of the Series 2022 Bonds and nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers will not receive certificates representing their interest in the Series 2022 Bonds purchased. The principal or redemption price of and interest on the Series 2022 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 2022 Bonds.

The Series 2022 Bonds are subject to redemption prior to maturity as described herein.* See “THE SERIES 2022 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.

A Series of Bonds that is payable from the Pledged Allocable Sales Tax Revenues of a Participating Agency are issued on a parity with each Series of Bonds and Parity Obligations (as defined herein) that are payable from the Pledged Allocable Sales Tax Revenues of that particular Participating Agency. The Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2022A (City of Brawley) 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 Brawley. The Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2022B (City of Calexico) 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. The Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2022C (City of Calipatria) 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. The Authority’s Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2022D (City of Imperial) will be issued on a parity with certain

* Preliminary; subject to change.

outstanding bonds issued by the Authority that are payable from the Pledged Allocable Sales Tax Revenues of the City of Imperial. The Authority's Sales Tax Revenue Bonds (Limited Tax Bonds) Series 2022E (County of Imperial) 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 County of Imperial. The Pledged Allocable Sales Tax Revenues of a Participating Agency pledged to a Series of Bonds or Parity Obligations will not be available for the payment of principal of, redemption price or interest on any Series of Bonds or Parity Obligations payable from the Pledged Allocable Sales Tax Revenues of a different Participating Agency. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS" herein.

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 2022 BONDS.

The scheduled payment of principal of and interest on the Series 2022 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2022 Bonds by ASSURED GUARANTY MUNICIPAL CORP. See "BOND INSURANCE" herein.

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 2022 Bonds.

The Series 2022 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 Counsel to the Imperial Counsel Transportation Commission and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Authority, and for the Underwriter by its counsel Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Series 2022 Bonds will be available for delivery through the book-entry facilities of DTC on or about March __, 2022, in accordance with the Bond Purchase Contract, subject to the satisfaction of certain conditions. The Underwriter reserve the right to obligate investors purchasing the Series 2022 Bonds to execute and deliver a Forward Delivery Contract, the form of which is attached as Appendix I.

Dated: _____, 2021

Barclays

\$ _____^{*}
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS
(LIMITED TAX BONDS), SERIES 2022A
(City of Brawley)

\$ _____ % Term Bonds due June 1, 2032 – Yield __% (CUSIP 45272E__)[†]

\$ _____^{*}
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS
(LIMITED TAX BONDS), SERIES 2022B
(City of Calexico)

\$ _____ % Term Bonds due June 1, 2032 – Yield __% (CUSIP 45272E__)[†]

\$ _____^{*}
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS
(LIMITED TAX BONDS), SERIES 2022C
(City of Calipatria)

\$ _____ % Term Bonds due June 1, 2032 – Yield __% (CUSIP 45272E__)[†]

\$ _____^{*}
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS
(LIMITED TAX BONDS), SERIES 2022D
(City of Imperial)

\$ _____ % Term Bonds due June 1, 2032 – Yield __% (CUSIP 45272E__)[†]

\$ _____^{*}
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS
(LIMITED TAX BONDS), SERIES 2022E
(County of Imperial)

\$ _____ % Term Bonds due June 1, 2032 – 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.

No dealer, salesman or any other person has been authorized by the Imperial County Local Transportation Authority (the “Authority”) or Barclays Capital Inc., underwriter of the Series 2022 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 2022 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 2022 Bonds. Neither the delivery of this Official Statement nor the sale of any of the Series 2022 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 2022 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 2022 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.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Series 2022 Bonds or the advisability of investing in the Series 2022 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “Bond Insurance” and “Appendix J - Specimen Municipal Bond Insurance Policy”.

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

Cheryl Viegas-Walker, Chairperson	City of El Centro
Rosie Arreola-Fernandez, Vice Chairperson	City of Calexico
Robert Amparano	City of Imperial
George Nava	City of Brawley
Maria Nava-Froelich	City of Calipatria
Mike Goodsell	City of Holtville
Ana Beltran	City of Westmorland
Ryan Kelley	County of Imperial
Luis Plancarte	County of Imperial

ADMINISTRATIVE STAFF

Mark Baza, Executive Director
David Aguirre, Program Manager

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Underwriter

Barclays Capital Inc.
New York, New York

Trustee

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

Verification Agent

[To Come]

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OFFICIAL STATEMENT

\$ _____ *

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS)

\$ _____ *
Series 2022A
(City of Brawley)

\$ _____ *
Series 2022B
(City of Calexico)

\$ _____ *
Series 2022C
(City of Calipatria)

\$ _____ *
Series 2022D
(City of Imperial)

\$ _____ *
Series 2022E
(County of Imperial)

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 2022 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 2022A Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Brawley (“Brawley”). The Series 2022B Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Calexico (“Calexico”). The Series 2022C Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Calipatria (“Calipatria”). The Series 2022D Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the City of Imperial (“Imperial”). The Series 2022E Bonds are payable solely from the Pledged Allocable Sales Tax Revenues of the County of Imperial (the “County”).

The Series 2022 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 March 1, 2022 (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.

The Series 2022 Bonds will not be delivered until on or about March 8, 2022 (the “Settlement Date”). The delay in the issuance and delivery of the Series 2022 Bonds may have significant consequences to the purchasers of beneficial ownership interests therein. The market value of the Series 2022 Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and will likely be greater or less than, the initial offering prices thereof, and such difference may be substantial. See “CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS” herein.

* Preliminary; subject to change.

Authority for Issuance

The Series 2022 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).

COVID-19 Pandemic

The outbreak of COVID-19 (“COVID-19”), a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and has led to emergency declarations by government authorities of the United States, the State of California (the “State”), and local governments.

In response to the emergency, the State, the County and other local governments imposed significant restrictions on economic and other activity within the County and parts thereof beginning in March 2020. While some of those restrictions have been lifted, some have been re-imposed. It is unknown when and whether restrictions will be eased or will be reinstated or intensified.

The COVID-19 pandemic and government responses to it have affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the County.

Regarding administration of sales and use taxes, the Governor of California (the “Governor”) has issued executive orders:

- requiring the California Department of Tax and Fee Administration (“CDTFA”), which administers sales and use taxes in the State of California, to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official’s imposition or recommendation of social distancing measures related to COVID-19;
- providing a three-month extension for tax returns and tax payments for all businesses filing a return for less than \$1,000,000 in taxes, such extension remaining effective through the reporting of taxes or fees due or the payment of taxes that are due on or before July 31, 2020, and extending the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA and the timeframe to file for appeal with CDTFA; and
- allowing businesses with less than \$5 million in annual taxable sales to defer payment on up to \$50,000 in sales and use tax liability without incurring any penalties or interest.

On August 20, 2020, California moved away from the “watch list” system of tracking coronavirus trends and instead moved to a four-tier, color coded classification system that will determine which counties can move forward with reopening businesses. There are four tiers: yellow, orange, red and purple. Yellow indicates minimal COVID-19 spread and allows for nearly all businesses to reopen indoor operations (as long as physical distancing and face covering requirements are in place). Purple means there is widespread COVID-19 transmission in the county and nearly all businesses have to keep indoor operations closed or severely limited (counties with more than 7 daily new cases per 100,000 residents or higher than 8% positivity rate). The County is currently in the red zone which requires that some non-essential indoor business operations remain closed.

The Authority cannot predict the extent or duration of COVID-19 or what overall impact it may have on the Authority's financial condition or operations. Any financial information, including projections, forecasts and budgets presented herein do not yet account for the potential effects of COVID-19, unless specifically referenced. The impact of COVID-19 on the economy of the County, and on sales and use transactions in particular, is unpredictable and rapidly changing.

Despite COVID-19, sales tax revenues in the County have remained stable. From January 2019 through December, 2019, the Authority received \$15,355,788.41 of sales tax revenues. From January 2020 through December 2020, the Authority received \$15,356,106.30 of sales tax revenues, an increase of 0.002% over the same period. Table 1 below sets forth the sales tax revenues received by the Authority in 2019 and in 2020 through December.

TABLE 1
SALES TAX REVENUES 2019 – DECEMBER 2020

<u>Calendar Year</u> <u>2019</u>	<u>Monthly Revenues</u> <u>Collected</u>	<u>Calendar Year</u> <u>2020</u>	<u>Monthly Revenues</u> <u>Collected</u>	<u>Percentage</u> <u>Change</u>
January	\$1,312,374.43	January	\$1,230,123.86	-6.27%
February	1,270,272.88	February	1,991,037.39	56.74
March	1,499,250.95	March	1,195,732.79	-20.24
April	1,506,721.62	April	784,811.40	-47.91
May	738,892.57	May	750,437.11	1.56
June	1,195,437.97	June	1,060,988.71	-11.25
July	1,467,722.52	July	1,410,149.81	-3.92
August	1,160,134.08	August	1,770,544.06	52.62
September	1,165,555.08	September	1,380,866.84	18.47
October	1,323,334.30	October	1,348,667.50	1.91
November	1,333,190.84	November	1,102,828.40	-17.28
December	1,382,901.17	December	1,329,918.43	-3.83
Total	\$15,355,788.41	Total	\$15,356,106.30	

The COVID-19 pandemic is ongoing, and its dynamic nature leads to uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) the impact of the outbreak on the local, national or global economy; and (vii) the impact of the outbreak and actions taken in response to the outbreak on the Authority's revenues, expenses and financial condition.

Purpose and Application of Proceeds

The proceeds of the Series 2022 Bonds will be used to: (i) effect the refunding of certain of the Authority's outstanding bonds, (ii) fund, or purchase reserve sureties for, the bond reserve funds established for each Series of the Series 2022 Bonds; and (iii) pay costs of issuance of each Series of the Series 2022 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS," "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING" herein.

Forward Delivery; Conditions of Settlement

The Authority anticipates that the Series 2022 Bonds will be issued and delivered on the Settlement Date in accordance with the Bond Purchase Contract (as defined herein), subject to the satisfaction of certain conditions. The issuance and purchase of the Series 2022 Bonds on the Settlement Date are subject to the satisfaction of certain conditions set forth in the Bond Purchase Contract, including, among other things, the delivery to the Underwriter (as defined herein) of certain documents

and legal opinions on and as of _____, 2021 (the “Closing Date”) and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Settlement Date, including the delivery of: (i) the opinions of Bond Counsel, substantially in the form and to the effect set forth in APPENDIX F relating to the Series 2022 Bonds, (ii) the Updated Official Statement (as defined herein), and (iii) written evidence satisfactory to the Underwriter that, as of the Settlement Date, S&P has rated the Series 2022 Bonds.

Potential investors should carefully review the information under the caption “CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS.” Additionally, the Underwriter reserves the right to obligate investors purchasing the Series 2022 Bonds to execute and deliver a Forward Delivery Contract, the form of which is attached as Appendix I.

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 2022 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 2022 BONDS” herein.

Bond Insurance

The scheduled payment of principal of and interest on the Series 2022 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2022 Bonds by Assured Guaranty Municipal Corp. See “BOND INSURANCE” 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 \$5,610,000 (the “Series 2012A Bonds”); (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 \$10,600,000 (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 \$1,580,000 (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 \$4,245,000 (the “Series 2012D Bonds”); (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 \$15,060,000 (the “Series 2012E Bonds” and, together with the Series 2012A Bonds, the Series 2012B Bonds, the Series 2012C Bonds and the Series 2012D Bonds, the “Series 2012 Bonds”); (vi) \$12,375,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (City of Calexico), currently outstanding in the amount of \$11,915,000 (the “Series 2018A Bonds”); (vii) \$1,450,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (City of Calipatria), currently outstanding in the amount of \$1,450,000 (the “Series 2018B Bonds”) and (viii) \$2,940,000 aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018C (City of Holtville), currently

outstanding in the amount of \$2,715,000 (the “Series 2018C Bonds” and, together with the Series 2018A Bond and the Series 2018B Bonds, the “Series 2018 Bonds”).

The Pledged Allocable Sales Tax Revenues of Brawley (the “Brawley Pledged Allocable Sales Tax Revenues”) are pledged to the payment of the Series 2012A Bonds. A portion of the proceeds of the Series 2022A Bonds will to be applied to the defeasance and redemption of a portion of the Series 2012A Bonds. Following the defeasance of a portion of the Series 2012A Bonds, the Series 2022A Bonds will be issued on a parity with the Outstanding Series 2012A 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 Series 2018A Bonds. A portion of the proceeds of the Series 2022B Bonds will to be applied to the defeasance and redemption of a portion of the Series 2012B Bonds. Following the defeasance of a portion of the Series 2012B Bonds, the Series 2022B Bonds will be issued on a parity with the Outstanding Series 2012A Bonds and the Series 2018A Bonds.

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 and the Series 2018B Bonds. A portion of the proceeds of the Series 2022C Bonds will to be applied to the defeasance and redemption of a portion of the Series 2012C Bonds. Following the defeasance of a portion of the Series 2012C Bonds, the Series 2022C Bonds will be issued on a parity with the Outstanding Series 2012C Bonds and the Series 2018B Bonds.

The Pledged Allocable Sales Tax Revenues of Imperial (the “Imperial Pledged Allocable Sales Tax Revenues”) are pledged to the payment of the Series 2012D Bonds. A portion of the proceeds of the Series 2022D Bonds will to be applied to the defeasance and redemption of a portion of the Series 2012D Bonds. Following the defeasance of a portion of the Series 2012D Bonds, the Series 2022D Bonds will be issued on a parity with the Outstanding Series 2012D Bonds.

The Pledged Allocable Sales Tax Revenues of County (the “County Pledged Allocable Sales Tax Revenues”) are pledged to the payment of the Series 2012E Bonds. A portion of the proceeds of the Series 2022E Bonds will to be applied to the defeasance and redemption of a portion of the Series 2012E Bonds. Following the defeasance of a portion of the Series 2012E Bonds, the Series 2022E Bonds will be issued on a parity with the Outstanding Series 2012E Bonds.

For a description of the Series 2012 Bonds expected to be refunded with a portion of the proceeds of the Series 2022 Bonds, see “PLAN OF REFUNDING” herein.

A Series of Bonds that is payable from the Pledged Allocable Sales Tax Revenues of a Participating Agency are issued on a parity with each Series of Bonds and Parity Obligations that are payable from the Pledged Allocable Sales Tax Revenues of that particular Participating Agency. The Pledged Allocable Sales Tax Revenues of a Participating Agency pledged to a Series of Bonds or Parity Obligations will not be available for the payment of the principal of, redemption price or interest on any Series of Bonds or Parity Obligations payable from the Pledged Allocable Sales Tax Revenues of a different Participating Agency.

Additional Bonds and other obligations secured by a pledge of the Pledged Allocable Sales Tax Revenues of a Participating Agency on a parity with a Series of the Bonds payable from such Participating Local Agency’s Pledged Allocable Sales Tax Revenues may hereafter be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 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 THE INDENTURE - 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 2012 Bonds, the Series 2022 Bonds, Series 2018 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” means the Imperial County Local Transportation Authority Expenditure Plan, attached and adopted as part of the Ordinance, including any amendments thereto.

“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, Brawley, Calexico, Calipatria, the City of El Centro (“El Centro”), Holtville, Imperial, the City of Westmorland (the “Westmorland”) or 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. Each of El Centro and Westmorland are 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. Each of Brawley, Calexico, Calipatria, Holtville, Imperial and the County are 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 of a specific Participating Local Agency pledged to the repayment of a Series of Bonds, or, collectively, the Pledged Allocable Sales Tax Revenues of all of the Participating Agencies.

“Series,” 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 2022 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 2022 Bonds will be payable on [June 1, 2022] 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 2022 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 2022 Bonds. Purchases of the Series 2022 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.”

Forward Settlement Date

The Series 2022 Bonds will not be delivered until the Settlement Date. The delay in the issuance and delivery of the Series 2022 Bonds may have significant consequences to the purchasers of beneficial ownership interests therein. The market value of the Series 2022 Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and will likely be greater or less than, the initial offering prices thereof, and such difference may be substantial. Several factors may adversely affect the market prices of the Series 2022 Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the Successor Agency. See “CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS” herein.

Redemption^{*}

Optional Redemption. Each Series of the Series 2022 Bonds maturing on or prior to June 1, 2030 shall not be subject to redemption prior to their respective stated maturities. Each Series of the Series 2022 Bonds maturing on or after June 1, 2031 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, 2030, 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.

^{*} Preliminary; subject to change.

Mandatory Redemption.

Series 2022A Bonds. The Series 2022A Bonds maturing on June 1, 2032 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)	<u>Principal</u>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032 ⁽¹⁾	

⁽¹⁾ Final Maturity

Series 2022B Bonds. The Series 2022B Bonds maturing on June 1, 2032 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)	<u>Principal</u>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032 ⁽¹⁾	

⁽¹⁾ Final Maturity

Series 2022C Bonds. The Series 2022C Bonds maturing on June 1, 2032 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)	<u>Principal</u>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032 ⁽¹⁾	

⁽¹⁾ Final Maturity

Series 2022D Bonds. The Series 2022D Bonds maturing on June 1, 2032 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)	<u>Principal</u>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032 ⁽¹⁾	

⁽¹⁾ Final Maturity

Series 2022E Bonds. The Series 2022E Bonds maturing on June 1, 2032 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)	<u>Principal</u>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032 ⁽¹⁾	

⁽¹⁾ 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 2022 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 2022 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 2022 Bonds so called for redemption shall cease to accrue, said Series of the Series 2022 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 2022 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 2022 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 2022A Bonds will be secured by the Brawley Pledged Allocable Sales Tax Revenues, the Series 2022B Bonds will be secured by the Calexico Pledged Allocable Sales Tax Revenues, the Series 2022C Bonds will be secured by the Calipatria Pledged Allocable Sales Tax Revenues, the Series 2022D Bonds will be secured by the Imperial Pledged Allocable Sales Tax Revenues and the Series 2022E Bonds will be secured by the County Pledged Allocable Sales Tax Revenues. The Series 2022A Bonds will be issued on a parity with the Outstanding Series 2012A Bonds. The Series 2022B Bonds will be issued on a parity with the Outstanding Series 2012B and the Series 2018A Bonds. The Series 2022C Bonds will be issued on a parity with the Outstanding Series 2012C and the Series 2018B Bonds. The Series 2022D Bonds will be issued on a parity with the Outstanding Series 2012D Bonds. The Series 2022E Bonds will be issued on a parity with the Outstanding Series 2012E 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 2022 Bonds issued on its behalf will enter into an amended and restated pledge agreement, dated as of March 1, 2022 (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.”

The receipt of the Pledged Allocable Sales Tax Revenues by a Participating Agency and the timing of such receipt is dependent on compliance with certain requirements of the Ordinance, including requirements relating to the Maintenance of Effort (as defined herein). See “RISK FACTORS – Minimum Maintenance of Effort Requirement” herein.

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 CDTFA 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 aggregate 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 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 on 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 in the following amounts: \$ _____, the Series 2022A Bond Reserve Requirement; \$ _____, the Series 2022B Bond Reserve Requirement; \$ _____, the Series 2022C Bond Reserve Requirement; \$ _____, the Series 2022D Bond Reserve Requirement; \$ _____, and the Series 2022E 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 initial principal amount 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 proceeds 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 2022 Bond Reserve Requirement with cash or a letter of credit, a surety bond, or an insurance policy, each meeting certain criteria set forth in the Indenture. See APPENDIX C – “SUMMARY OF THE INDENTURE – Establishment and Application of Funds; Reserve Funds– Funding and Application of Bond Reserve Funds.”

Amounts held in a 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 2022 Bonds will not be available for the payment of debt service on any Series of Series 2012 Bonds or any Series of Series 2018 Bonds. Similarly, amounts held in a Bond Reserve Fund established for a Series of Series 2012 Bonds or a Series of Series 2018 Bonds will not be available for the payment of debt service on any Series of Series 2022 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 2022 Bonds are the ninth, tenth, eleventh, twelfth and thirteenth Series of Bonds issued under the Indenture. The Series 2022A Bonds and the Outstanding Series 2012A Bonds will be payable from the Brawley Pledged Allocable Sales Tax Revenues and will be on a parity with each other.

The Series 2022B Bonds, the Outstanding 2012B Bonds and the Series 2018A Bonds will be payable from the Calexico Pledged Allocable Sales Tax Revenues and will be on a parity with each other. The Series 2022C Bonds, the Outstanding 2012C Bonds and the Series 2018B Bonds are payable from the Calipatria Pledged Allocable Sales Tax Revenues and will be on a parity with each other. The Series 2022D Bonds and the Outstanding Series 2012D Bonds will be payable from the Imperial Pledged Allocable Sales Tax Revenues and will be on a parity with each other. The Series 2022E Bonds and the Outstanding Series 2012E Bonds will be payable from the Imperial 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.”

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2022 Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Series 2022 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2022 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At December 31, 2020:

- The policyholders' surplus of AGM was approximately \$2,864 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$940 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

AGM and MAC have received approval to merge MAC into AGM, with AGM as the surviving company. The merger is expected to be effective on April 1, 2021. MAC is currently an indirect subsidiary of AGM. AGM's affiliate, Assured Guaranty Corp., a Maryland- domiciled insurance company ("AGC"), indirectly owns 39.3% of MAC. In connection with the merger transaction, AGM and AGC will each reassume the remaining outstanding par they ceded to MAC in 2013, and AGC will sell its share of MAC to AGM. AGM will then cause MAC to merge with and into AGM. Once the merger is completed, all of MAC's direct insured par exposure will become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing

of the last document referred to above and before the termination of the offering of the Series 2022 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2022 Bonds or the advisability of investing in the Series 2022 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

PLAN OF REFUNDING

Series 2022A Bonds

A portion of the proceeds of the Series 2022A Bonds will be used to effect the refunding of the Refunded Series 2012A Bonds (as defined below). The Series 2012A Bonds to be refunded were issued by the Authority on May 2, 2012 in the aggregate principal amount of \$8,155,000, pursuant to the Indenture, as supplemented by the First Supplemental Indenture, dated as of May 1, 2012, by and between the Authority and Trustee. The proceeds of the Series 2012A Bonds were used primarily for the purpose of financing road repair and rehabilitation projects in Brawley. [As of _____ 1, 2021, [\$5,965,000] aggregate principal amount of the Series 2012A Bonds remained outstanding.] The Series 2012A Bonds are payable from the Brawley Pledged Allocable Sales Tax Revenues.

The following table details the maturity dates and principal amounts of the 2012A Bonds (the "Refunded Series 2012A Bonds") to be refunded by the Series 2022A Bonds. **All refunded bonds, maturities, dates and amounts are subject to change by the Authority in its sole discretion.**

Refunded Series 2012A Bonds*

Maturity Date (June 1)	Principal Amount Outstanding	Principal Amount to be Refunded	Interest Rate	Date Redemption	CUSIP (45272E)
2022	\$ 380,000	\$ 380,000	3.00%	06/01/22	BF1
2023	390,000	390,000	3.25	06/01/22	BG9
2032 ⁽¹⁾	<u>4,470,000</u>	<u>4,470,000</u>	4.00	06/01/22	BH7
	\$5,240,000	\$5,240,000			

* Preliminary; subject to change.

⁽¹⁾ Term Bond.

The Authority will effect the refunding of the Refunded 2012A Bonds by causing a portion of the proceeds of the Series 2022A Bonds to be deposited into an Escrow Fund for the Refunded 2012A Bonds (the “2012A Escrow Fund”) created under an Escrow Agreement, dated as of March 1, 2022 (the “Escrow Agreement”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”). Such proceeds and other available moneys deposited in the 2012A Escrow Fund will be held by the Escrow Agent in cash or will be used to purchase non-callable direct obligations of, or unconditionally guaranteed by, the United States of America, or obligations of certain federal agencies (collectively, “Defeasance Securities”) that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms (without reinvestment), and together with any amounts held as cash in the 2012A Escrow Fund, sufficient moneys will be available to pay interest coming due on the Refunded 2012A Bonds on and prior to the date of redemption thereof and to redeem on June 1, 2022, the Refunded Series 2012A Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Series 2012A Bonds to be redeemed.

The deposit of moneys into the Escrow Fund for the redemption of the Refunded Series 2012A Bonds will constitute an irrevocable deposit for the benefit of the owners of the Refunded Series 2012A Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the Indenture, the liability of the Authority and Brawley with respect to the Refunded Series 2012A Bonds will cease and the Refunded Series 2012A Bonds will no longer be outstanding under the Indenture except that the owners of the Refunded 2012A Bonds will be entitled to payment thereof solely from the amounts on deposit in the 2012A Escrow Fund and held by the escrow agent.

Series 2022B Bonds

A portion of the proceeds of the Series 2022B Bonds will be used to effect the refunding of the Refunded Series 2012B Bonds (as defined below). The Series 2012B Bonds were issued by the Authority on May 2, 2012 in the aggregate principal amount of \$15,410,000, pursuant to the Indenture, as supplemented by the Second Supplemental Indenture, dated as of May 1, 2012, by and between the Authority and Trustee. The proceeds of the 2012B Bonds were used primarily for the purpose of financing the road repair and rehabilitation projects in Calexico. [As of _____ 1, 2021, [\$11,285,000] aggregate principal amount of the Series 2012B Bonds remained outstanding.] The Series 2012B Bonds are payable from the Calexico Pledged Allocable Sales Tax Revenues.

The following table details the maturity dates and principal amounts of the Series 2012B Bonds (the “Refunded Series 2012B Bonds”) to be refunded by the Series 2022B Bonds. **All refunded bonds, maturities, dates and amounts are subject to change by the Authority in its sole discretion.**

Refunded Series 2012B Bonds*

Maturity Date (June 1)	Principal Amount Outstanding	Principal Amount to be Refunded	Interest Rate	Date of Redemption	CUSIP (45272E)
2022	\$ 735,000	\$ 735,000	3.00%	06/01/22	BT1
2023	755,000	755,000	5.00	06/01/22	BU8
2032 ⁽¹⁾	<u>8,400,000</u>	<u>8,400,000</u>	4.00	06/01/22	BV6
	\$9,890,000	\$9,890,000			

* Preliminary; subject to change.

⁽¹⁾ Term Bond.

The Authority will affect the refunding of the Refunded Series 2012B Bonds by causing a portion of the proceeds of the Series 2022B Bonds to be deposited into an Escrow Fund for the Refunded Series 2012B Bonds (the “2012B Escrow Fund”) created under the Escrow Agreement between the Authority and the Escrow Agent. Such proceeds and other available moneys deposited in the 2012B Escrow Fund will be held by the Escrow Agent in cash or will be used to purchase Defeasance Securities that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms (without reinvestment), and together with any amounts held as cash in the 2012B Escrow Fund, sufficient moneys will be available to pay interest coming due on the Refunded Series 2012B Bonds on and prior to the date of redemption thereof and to redeem on June 1, 2022, the Refunded Series 2012B Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Series 2012B Bonds to be redeemed.

The deposit of moneys into the Escrow Fund for the redemption of the Refunded Series 2012B Bonds will constitute an irrevocable deposit for the benefit of the owners of the Refunded Series 2012B Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the Indenture, the liability of the Authority and Calxico with respect to the Refunded Series 2012B Bonds will cease and the Refunded Series 2012B Bonds will no longer be outstanding under the Indenture except that the owners of the Refunded Series 2012B Bonds will be entitled to payment thereof solely from the amounts on deposit in the 2012B Escrow Fund and held by the escrow agent.

Series 2022C Bonds

A portion of the proceeds of the Series 2022C Bonds will be used to effect the refunding of the Refunded Series 2012C Bonds (as defined below). The Series 2012C Bonds were issued by the Authority on May 2, 2012 in the aggregate principal amount of \$2,305,000, pursuant to the Indenture, as supplemented by the Third Supplemental Indenture, dated as of May 1, 2012, by and between the Authority and Trustee. The proceeds of the Series 2012C Bonds were used primarily for the purpose of financing road repair and rehabilitation projects in Calipatria. [As of _____ 1, 2021, [\$1,680,000] aggregate principal amount of the Series 2012C Bonds remained outstanding.] The Series 2012C Bonds are payable from the Calipatria Pledged Allocable Sales Tax Revenues.

The following table details the maturity dates and principal amounts of the Series 2012C Bonds (the “Refunded Series 2012C Bonds”) to be refunded by the Series 2022C Bonds. **All refunded bonds, maturities, dates and amounts are subject to change by the Authority in its sole discretion.**

Refunded Series 2012C Bonds*

Maturity Date (June 1)	Principal Amount Outstanding	Principal Amount to be Refunded	Interest Rate	Date of Payment or Redemption	CUSIP (45272E)
2022	\$ 105,000	\$ 105,000	3.00%	06/01/22	CF0
2023	110,000	110,000	3.25	06/01/22	CG8
2032 ⁽¹⁾	<u>1,260,000</u>	<u>1,260,000</u>	5.00	06/01/22	CH6
	\$1,475,000	\$1,475,000			

⁽¹⁾ Term Bond.

* Preliminary; subject to change.

The Authority will affect the refunding of the Refunded Series 2012C Bonds by causing a portion of the proceeds of the Series 2022C Bonds to be deposited into an Escrow Fund for the Refunded Series 2012C Bonds (the “2012C Escrow Fund”) created under the Escrow Agreement between the Authority and the Escrow Agent. Such proceeds and other available moneys deposited in the 2012C Escrow Fund will be held by the Escrow Agent in cash or will be used to purchase Defeasance Securities that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms (without reinvestment), and together with any amounts held as cash in the 2012C Escrow Fund, sufficient moneys will be available to pay interest coming due on the Refunded Series 2012C Bonds on and prior to the date of redemption thereof and to redeem on June 1, 2022, the Refunded Series 2012C Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Series 2012C Bonds to be redeemed.

The deposit of moneys into the Escrow Fund for the redemption of the Refunded Series 2012C Bonds will constitute an irrevocable deposit for the benefit of the owners of the Refunded Series 2012C Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the Indenture, the liability of the Authority and Calipatria with respect to the Refunded Series 2012C Bonds will cease and the Refunded Series 2012C Bonds will no longer be outstanding under the Indenture except that the owners of the Refunded Series 2012C Bonds will be entitled to payment thereof solely from the amounts on deposit in the 2012C Escrow Fund and held by the escrow agent.

Series 2022D Bonds

A portion of the proceeds of the Series 2022D Bonds will be used to effect the refunding of the Refunded Series 2012D Bonds (as defined below). The Series 2012D Bonds were issued by the Authority on May 2, 2012 in the aggregate principal amount of \$6,170,000, pursuant to the Indenture, as supplemented by the Fourth Supplemental Indenture, dated as of May 1, 2012, by and between the Authority and Trustee. The proceeds of the Series 2012D Bonds were used primarily for the purpose of financing road repair and rehabilitation projects in Imperial. [As of _____ 1, 2021, [\$4,515,000] aggregate principal amount of the Series 2012D Bonds remained outstanding.] The Series 2012D Bonds are payable from the Imperial Pledged Allocable Sales Tax Revenues.

The following table details the maturity dates and principal amounts of the Series 2012D Bonds (the “Refunded Series 2012D Bonds”) to be refunded by the Series 2022D Bonds. **All refunded bonds, maturities, dates and amounts are subject to change by the Authority in its sole discretion.**

Refunded 2012D Bonds*

Maturity Date (June 1)	Principal Amount Outstanding	Principal Amount to be Refunded	Interest Rate	Date of Payment or Redemption	CUSIP (45272E)
2022	\$ 290,000	\$ 290,000	3.00%	06/01/22	CT0
2023	295,000	295,000	3.25	06/01/22	CU7
2032 ⁽¹⁾	<u>3,380,000</u>	<u>3,380,000</u>	5.00	06/01/22	CV5
	\$3,965,000	\$3,965,000			

⁽¹⁾ Term Bond.

The Authority will affect the refunding of the Refunded 2012D Bonds by causing a portion of the proceeds of the Series 2022D Bonds to be deposited into an Escrow Fund for the Refunded 2012D Bonds (the “2012D Escrow Fund”) created under the Escrow Agreement between the Authority and the Escrow

* Preliminary; subject to change.

Agent. Such proceeds and other available moneys deposited in the 2012D Escrow Fund will be held by the Escrow Agent in cash or will be used to purchase Defeasance Securities that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms (without reinvestment), and together with any amounts held as cash in the 2012D Escrow Fund, sufficient moneys will be available to pay interest coming due on the Refunded Series 2012D Bonds on and prior to the date of redemption thereof and to redeem on June 1, 2022, the Refunded Series 2012D Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Series 2012D Bonds to be redeemed.

The deposit of moneys into the Escrow Fund for the redemption of the Refunded Series 2012D Bonds will constitute an irrevocable deposit for the benefit of the owners of the Refunded Series 2012D Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the Indenture, the liability of the Authority and Imperial with respect to the Refunded Series 2012D Bonds will cease and the Refunded Series 2012D Bonds will no longer be outstanding under the Indenture except that the owners of the Refunded Series 2012D Bonds will be entitled to payment thereof solely from the amounts on deposit in the 2012D Escrow Fund and held by the escrow agent.

Series 2022E Bonds

A portion of the proceeds of the Series 2022E Bonds will be used to effect the refunding of the Refunded Series 2012E Bonds (as defined below). The Series 2012E Bonds were issued by the Authority on May 2, 2012 in the aggregate principal amount of \$6,170,000, pursuant to the Indenture, as supplemented by the Fifth Supplemental Indenture, dated as of May 1, 2012, by and between the Authority and Trustee. The proceeds of the 2012E Bonds were issued primarily for the purpose of financing the road repair and rehabilitation projects in the County. [As of _____ 1, 2021, \$16,025,000 aggregate principal amount of the Series 2012E Bonds remained outstanding.] The Series 2012E Bonds are payable from the County Pledged Allocable Sales Tax Revenues.

The following table details the maturity dates and principal amounts of the Series 2012E Bonds (the “Refunded Series 2012E Bonds” and, together with the Refunded Series 2012A Bonds, Refunded Series 2012B Bonds, Refunded Series 2012C Bonds and Refunded Series 2012D Bonds, the “Refunded Series 2012 Bonds”) to be refunded by the Series 2022E Bonds. **All refunded bonds, maturities, dates and amounts are subject to change by the Authority in its sole discretion.**

Refunded Series 2012E Bonds*

Maturity Date (June 1)	Principal Amount Outstanding	Principal Amount to be Refunded	Interest Rate	Date of Payment or Redemption	CUSIP (45272E)
2022	\$ 1,045,000	\$ 1,045,000	3.00%	06/01/22	DF9
2023	1,075,000	1,075,000	5.00	06/01/22	DG7
2032 ⁽¹⁾	<u>11,940,000</u>	<u>11,940,000</u>	4.00	06/01/22	DH5
	<u>\$14,060,000</u>	<u>\$14,060,000</u>			

⁽¹⁾ Term Bond.

The Authority will effect the refunding of the Refunded Series 2012E Bonds by causing a portion of the proceeds of the Series 2022E Bonds to be deposited into an Escrow Fund for the Refunded Series 2012E Bonds (the “2012E Escrow Fund”) created under the Escrow Agreement between the Authority and the Escrow Agent. Such proceeds and other available moneys deposited in the 2012E Escrow Fund

*Preliminary; subject to change.

will be held by the Escrow Agent in cash or will be used to purchase Defeasance Securities that will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their respective terms (without reinvestment), and together with any amounts held as cash in the 2012E Escrow Fund, sufficient moneys will be available to pay interest coming due on the Refunded Series 2012E Bonds prior to the date of redemption thereof and to redeem on June 1, 2022, the Refunded Series 2012E Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Series 2012E Bonds to be redeemed.

The deposit of moneys into the Escrow Fund for the redemption of the Refunded Series 2012E Bonds will constitute an irrevocable deposit for the benefit of the owners of the Refunded Series 2012E Bonds. Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the Indenture, the liability of the Authority and the County with respect to the Refunded 2012E Bonds will cease and the Refunded Series 2012E Bonds will no longer be outstanding under the Indenture except that the owners of the Refunded Series 2012E Bonds will be entitled to payment thereof solely from the amounts on deposit in the 2012E Escrow Fund and held by the escrow agent.

Verification

_____, will deliver a report stating that the firm has verified the mathematical accuracy of certain computations relating to the adequacy of the maturing principal of and interest on the Defeasance Securities and other moneys in the respective Escrow Funds to pay interest coming due on the respective Series of Refunded Series 2012 Bonds on and prior to the date of redemption and the redemption price of the applicable Series of Refunded Series 2012 Bonds on the redemption date therefor. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

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ESTIMATED SOURCES AND USES OF FUNDS

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

	<u>2022A</u> <u>(City of</u> <u>Brawley)</u>	<u>2022B</u> <u>(City of</u> <u>Calexico)</u>	<u>2022C</u> <u>(City of</u> <u>Calipatria)</u>	<u>2022D</u> <u>(City of</u> <u>Imperial)</u>	<u>2022E</u> <u>(County of</u> <u>Imperial)</u>
<u>Sources of Funds:</u>					
Principal Amount of Series 2022 Bonds					
Plus or Less: Net Original Issue Premium or Discount					
[Transfers from Series 2012 Bonds funds and accounts]					
Total Sources:					
<u>Uses of Funds:</u>					
Deposit to Escrow Fund					
Costs of Issuance ⁽¹⁾					
Total Uses:					

⁽¹⁾ Includes underwriter's discount, rating agency, trustee, bond counsel, disclosure counsel, bond insurance and reserve surety premiums, if any, 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 2012A Bonds and the Series 2022A Bonds, assuming no optional redemptions.

Fiscal Year Ending June 30	Series 2012A Bonds Debt Service⁽¹⁾	Series 2022A (City of Brawley)			<u>Total</u>
		<u>Principal</u>	<u>Interest⁽²⁾</u>	<u>Annual Debt Service⁽²⁾</u>	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
Total					

⁽¹⁾ Includes amounts expected to refunded with proceeds of the Series 2022A Bonds.

⁽²⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2012B Bonds, the Series 2018A Bonds and the Series 2022B Bonds, assuming no optional redemptions.

Fiscal Year Ending June 30	Series 2012B Bonds Debt Service⁽¹⁾	Series 2018A Bonds Debt Service	Series 2022B (City of Calexico)			<u>Total</u>
			<u>Principal</u>	<u>Interest⁽²⁾</u>	<u>Annual Debt Service⁽²⁾</u>	
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
Total						

⁽¹⁾ Includes amounts expected to refunded with proceeds of the Series 2022B Bonds.

⁽²⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2012C Bonds, the Series 2018B and the Series 2022C Bonds, assuming no optional redemptions.

Fiscal Year Ending June 30	Series 2012C Bonds Debt Service⁽¹⁾	Series 2018B Bonds Debt Service	Series 2022C (City of Calipatria)			<u>Total</u>
			<u>Principal</u>	<u>Interest⁽²⁾</u>	<u>Annual Debt Service⁽²⁾</u>	
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
Total						

⁽¹⁾ Includes amounts expected to refunded with proceeds of the Series 2022C Bonds.

⁽²⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2012D Bonds and the Series 2022D Bonds, assuming no optional redemptions.

Fiscal Year Ending <u>June 30</u>	Series 2012D Bonds		Series 2022D (City of Imperial)		<u>Total</u>
	<u>Annual</u> <u>Debt Service⁽¹⁾</u>	<u>Principal</u>	<u>Interest⁽²⁾</u>	<u>Annual Debt</u> <u>Service⁽²⁾</u>	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
Total					

⁽¹⁾ Includes amounts expected to refunded with proceeds of the Series 2022D Bonds.

⁽²⁾ Totals may not add due to rounding.

The following table sets forth the annual debt service requirements for the Series 2012E Bonds and the Series 2022E Bonds, assuming no optional redemptions.

Fiscal Year Ending	Series 2012E Bonds		Series 2022E (County of Imperial)		<u>Total</u>
	<u>June 30</u>	<u>Annual Debt Service⁽¹⁾</u>	<u>Principal</u>	<u>Interest⁽²⁾</u>	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
Total					

⁽¹⁾ Includes amounts expected to be refunded with proceeds of the Series 2022E Bonds.

⁽²⁾ 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	06/30/2047

Source: *California Sales and Use Tax Rates by County and City*; 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, 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, 2018 was \$149,870. The amount retained by the CDTFA for the fiscal year ending June 30, 2019 is \$157,100. The amount retained by the CDTFA for

the fiscal year ending June 30, 2020 is \$ _____. 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, 2021 will be \$ _____.

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

As originally adopted, the Expenditure Plan provided that amounts payable to the CDTFA and the administrative expenses of the Authority of a maximum of one percent (1%) of the Measure D Sales Tax Revenues were to be deducted from the Measure D Sales Tax Revenues prior to allocating the Measure D Sales Tax Revenues to the other authorized uses permitted under the Expenditure Plan. On July 25, 2018, the Board of Directors of the Authority (the "Board of Directors") adopted Resolution No. 072518-6A ("Resolution No. 072518-6A"), which amended the Ordinance's Expenditure Plan to permit the Authority to deduct amounts from the Measure D Sales Tax Revenues for the purpose of paying expenses of the Authority that are in addition to the 1% deduction for administrative expenses that was previously in place. Under the amendment to the Expenditure Plan, the 1% cap on amounts that can be deducted from Measure D Sales Tax Revenues for the payment of Authority expenses applies only to amounts that are to be used for the payment of salaries and benefits of Authority staff. The Authority is now permitted to deduct additional amounts from Measure D Sales Tax Revenues for Authority expenses attributable 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 such purposes. See "APPENDIX G – THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND EXPENDITURE PLAN" for a copy of Resolution No. 072518-6A.

Pursuant to the Expenditure Plan, as amended by Resolution No. 072518-6A, after the deduction of (i) amounts payable to the CDTFA, (ii) expenses of the Authority attributable 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, and (iii) administrative expenses of the Authority, which consist of the payment of salaries and benefits of Authority staff, of a maximum of one percent (1%) of the Measure D Sales Tax Revenues, 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 Ordinance¹;

¹ 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.

- (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 services²;
- (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 Brawley, Calexico, Calipatria, Imperial and the County pursuant to (iii) and (iv), above, constitute Brawley Pledged Allocable Sales Tax Revenues, Calexico Pledged Allocable Sales Tax Revenues, Calipatria Pledged Allocable Sales Tax Revenues, Imperial Pledged Allocable Sales Tax Revenues and County Pledged Allocable Sales Tax Revenues, respectively. The Brawley Pledged Allocable Sales Tax Revenues are pledged to the payment of the Outstanding Series 2012A Bonds and Series 2022A Bonds. The Calexico Pledged Allocable Sales Tax Revenues are pledged to the payment of the Outstanding Series 2012B Bonds, the Series 2018A Bonds and the Series 2022B Bonds. The Calipatria Pledged Allocable Sales Tax Revenues are pledged to the payment of the Outstanding Series 2012C Bonds, the Series 2018B Bonds and the Series 2022B Bonds. The Imperial Pledged Allocable Sales Tax Revenues are pledged to the payment of the Outstanding Series 2012D Bonds and Series 2022D Bonds. The Imperial Pledged Allocable Sales Tax Revenues are pledged to the payment of the Outstanding Series 2012E Bonds and Series 2022E Bonds.

The Authority deducts 1% of the Measure D Sales Tax Revenues for administrative expenses which consist of the payment of salaries and benefits of Authority staff, 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. In addition, pursuant to the amendment of the Expenditure Plan under Resolution No. 072518-6A, the Authority deducts additional amounts of Measure D Sales Tax Revenues to pay Authority expenses attributable 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. Fiscal Year ended June 30, 2019 was the first Fiscal Year that the Authority deducted the additional amounts authorized by Resolution No. 072518-6A, and in such Fiscal Year, the amount deducted by the Authority for expenses attributable 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, was \$130,579. For Fiscal Year ended June 30, 2020, the Authority expects to deduct \$128,582 for such expenses. **[CONFIRM]**

² 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.

HISTORICAL MEASURE D SALES TAX ALLOCATIONS AND PLEDGED ALLOCABLE SALES TAX REVENUES

The table below provides the (i) annual amounts received from CDTFA, (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. The data provided for Fiscal Year 2019-20 is unaudited. [UPDATE/CONFIRM TABLE]

Historical Measure D Sales Tax Receipts, Fees, Set-Asides and Distributions

<u>Fiscal Year</u>	(A) Revenue Received from <u>CDTFA</u>	(B) 1% Maximum Administration <u>Fee</u>	(C) 2% Transit <u>Reserve</u>	(D) Up to 5% Maximum for Imperial County State <u>Highways</u>	(A)-(B)-(C)-(D) = (E) Total Distribution including Flat Amount to <u>Each Local Agency</u>
2014-15	\$13,589,299	\$149,870	\$299,739	\$749,348	\$12,390,342
2015-16	14,525,958	147,247	294,493	736,234	13,347,984
2016-17	13,954,436	138,581	277,162	692,905	12,845,788
2017-18	14,994,816	149,563	299,125	747,813	13,798,315
2018-19	14,976,773	195,223	299,535	748,839	13,733,176
2019-20	14,845,969	199,627	296,919	742,298	13,904,044

Source: The Authority.

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

**Brawley
Pledged Allocable
Sales Tax Revenues**

Fiscal Year	(A) Flat Allocation⁽¹⁾	Total Population⁽²⁾	Maintained Mileage	(B)	
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	(A)+(B) = (C) Brawley Pledged Allocable Sales Tax Revenues
2014-15	\$150,000	25,723	86.87	\$1,269,667	\$1,419,667
2015-16	150,000	26,099	86.87	1,547,801	1,697,801
2016-17	150,000	26,392	86.87	1,444,447	1,594,447
2017-18	150,000	26,754	87.47	1,632,648	1,782,648
2018-19	150,000	27,243	87.47	1,575,711	1,725,711
2019-20	150,000	27,163	87.47	1,558,310	1,708,310

⁽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 residents on federal military installations and group quarters’ residents in state mental institutions, and state and federal correctional institutions from its calculations.

⁽³⁾ Allocations to Local Agencies after the flat allocation are allocated on the following basis: (i) 80% based on total population using the most recent Department of Finance population estimates and as calculated as of January 1 of each year and used to calculate the succeeding Fiscal Year’s appropriation limit; and (ii) 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

Source: The Authority.

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**Calexico
Pledged Allocable
Sales Tax Revenues**

<u>Fiscal Year</u>	(A) Flat Allocation⁽¹⁾	Total Population⁽²⁾	Maintained Mileage	(B)	(A)+(B) = (C)
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	Calexico Pledged Allocable Sales Tax Revenues
2014-15	\$150,000	40,464	97.43	\$1,966,820	\$2,116,820
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
2017-18	150,000	40,821	97.43	2,571,467	2,721,467
2018-19	150,000	41,099	97.43	2,348,561	2,498,561
2019-20	150,000	42,098	97.43	2,344,690	2,494,690

⁽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 residents on federal military installations and group quarters’ residents in state mental institutions, and state and federal correctional institutions from its calculations.

⁽³⁾ Allocations to Local Agencies after the flat allocation are allocated on the following basis: (i) 80% based on total population using the most recent Department of Finance population estimates and as calculated as of January 1 of each year and used to calculate the succeeding Fiscal Year’s appropriation limit; and (ii) 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

Source: The Authority.

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**Calipatria
Pledged Allocable
Sales Tax Revenues**

<u>Fiscal Year</u>	(A) <u>Flat Allocation</u>⁽¹⁾	<u>Total Population</u>⁽²⁾	<u>Maintained Mileage</u>	(B) Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	(A)+(B) = (C) Calipatria Pledged Allocable Sales Tax Revenues
2014-15	\$150,000	3,667	23.30	\$175,767	\$325,767
2015-16	150,000	3,719	23.30	218,882	368,882
2016-17	150,000	3,631	23.30	208,648	358,648
2017-18	150,000	3,696	23.30	226,848	376,848
2018-19	150,000	3,744	23.30	225,883	375,883
2019-20	150,000	3,809	23.30	225,010	375,010

⁽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 residents on federal military installations and group quarters’ residents in state mental institutions, and state and federal correctional institutions from its calculations.

⁽³⁾ Allocations to Local Agencies after the flat allocation are allocated on the following basis: (i) 80% based on total population using the most recent Department of Finance population estimates and as calculated as of January 1 of each year and used to calculate the succeeding Fiscal Year’s appropriation limit; and (ii) 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

Source: The Authority.

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**Imperial
Pledged Allocable
Sales Tax Revenues**

<u>Fiscal Year</u>	(A) Flat Allocation⁽¹⁾	Total Population⁽²⁾	Maintained Mileage	(B)	
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	(A)+(B) = (C) Imperial Pledged Allocable Sales Tax Revenues
2014-15	\$150,000	16,677	71.20	\$ 874,813	\$1,024,813
2015-16	150,000	17,415	71.20	1,038,088	1,188,088
2016-17	150,000	18,134	71.20	996,466	1,146,466
2017-18	150,000	18,627	71.20	1,104,758	1,254,758
2018-19	150,000	19,341	80.55	1,133,934	1,283,934
2019-20	150,000	19,898	80.55	1,134,456	1,284,456

⁽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 residents on federal military installations and group quarters’ residents in state mental institutions, and state and federal correctional institutions from its calculations.

⁽³⁾ Allocations to Local Agencies after the flat allocation are allocated on the following basis: (i) 80% based on total population using the most recent Department of Finance population estimates and as calculated as of January 1 of each year and used to calculate the succeeding Fiscal Year’s appropriation limit; and (ii) 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

Source: The Authority.

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**County of Imperial
Pledged Allocable
Sales Tax Revenues**

<u>Fiscal Year</u>	(A) Flat Allocation⁽¹⁾	Total Population⁽²⁾	Maintained Mileage	(B)	(A)+(B) = (C)
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	County Pledged Allocable Sales Tax Revenues
2014-15	\$150,000	33,489	2567.99	\$3,555,107	\$3,705,107
2015-16	150,000	33,834	2567.99	4,043,313	4,193,313
2016-17	150,000	36,117	2567.99	3,840,336	3,990,336
2017-18	150,000	35,756	2567.99	4,145,754	4,295,754
2018-19	150,000	35,946	2572.15	3,485,571	3,635,571
2019-20	150,000	34,013	2572.15	4,029,705	4,179,705

⁽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 residents on federal military installations and group quarters’ residents in state mental institutions, and state and federal correctional institutions from its calculations.

⁽³⁾ Allocations to Local Agencies after the flat allocation are allocated on the following basis: (i) 80% based on total population using the most recent Department of Finance population estimates and as calculated as of January 1 of each year and used to calculate the succeeding Fiscal Year’s appropriation limit; and (ii) 20% based on maintained street and road mileage as certified and/or submitted to the California Department of Transportation by each Local Agency annually.

Source: The Authority.

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PLEDGED ALLOCABLE SALES TAX REVENUES COVERAGE

As described in this Official Statement, the Series 2012A Bonds are payable from the Brawley Pledged Allocable Sales Tax Revenues, the Series 2012B Bonds and the Series 2018A Bonds are payable from the Calexico Pledged Allocable Sales Tax Revenues, the Series 2012C Bonds and the Series 2018B Bonds are payable from the Calipatria Pledged Allocable Sales Tax Revenues, the Series 2012D Bonds are payable from the Imperial Pledged Allocable Sales Tax Revenues and the Series 2012E Bonds are payable from the Imperial Pledged Allocable Sales Tax Revenues. The tables below provide the maximum annual debt service coverage for the last five fiscal year for: (i) the Series 2012A Bonds; (ii) the Series 2012B and the Series 2018A Bonds; (iii) the Series 2012C and the Series 2018B Bonds, (iv) the Series 2012D Bonds; and (v) the Series 2012E Bonds.

2012A Bonds Historical Maximum Annual Debt Service Coverage			
Fiscal Year	Brawley Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2014-15	\$1,419,667		
2015-16	1,697,801		
2016-17	1,594,447		
2017-18	1,782,648		
2018-19	1,725,711		
2019-20	1,708,310		

Source: The Authority.

2012B Bonds and 2018A Bonds Historical Maximum Annual Debt Service Coverage			
Fiscal Year	Calexico Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2014-15	\$2,116,820		
2015-16	2,552,876		
2016-17	2,330,617		
2017-18	2,721,467		
2018-19	2,498,561		
2019-20	2,494,690		

Source: The Authority

2012C Bonds and 2018B Bonds
Historical Maximum Annual Debt Service Coverage

Fiscal Year	Calipatria Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2014-15	\$325,767		
2015-16	368,882		
2016-17	358,648		
2017-18	376,848		
2018-19	375,883		
2019-20	375,010		

Source: The Authority

2012D Bonds
Historical Maximum Annual Debt Service Coverage

Fiscal Year	Imperial Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2014-15	\$1,024,813		
2015-16	1,188,088		
2016-17	1,146,466		
2017-18	1,254,758		
2018-19	1,283,934		
2019-20 ⁽¹⁾	1,284,456		

Source: The Authority.

2012E Bonds
Historical Maximum Annual Debt Service Coverage

Fiscal Year	County Pledged Allocable Sales Tax Revenues	Maximum Annual Debt Service ("MADS")	MADS Coverage
2014-15	\$3,705,107		
2015-16	4,193,313		
2016-17	3,990,336		
2017-18	4,295,754		
2018-19	3,635,571		
2019-20 ⁽¹⁾	4,179,705		

Source: The Authority.

Assuming no increase in the amount of Brawley Pledged Allocable Sales Tax Revenues, Calexico Pledged Allocable Sales Tax Revenues, Calipatria Pledged Allocable Sales Tax Revenues, Imperial Pledged Allocable Sales Tax Revenues and County Pledged Allocable Sales Tax Revenues from the respective amounts received for the Fiscal Year 2018-19 as set forth above, based on the annual debt service requirements of the Series 2012 Bonds, the Series 2018 Bonds and the Series 2018 Bonds, as applicable, set forth above under the caption "Debt Service Schedule," maximum annual debt service coverage for the bonds payable from (i) Brawley Pledged Allocable Sales Tax Revenues, (ii) Calexico Pledged Allocable Sales Tax Revenues, (iii) Calipatria Pledged Allocable Sales Tax Revenues, (iv) Imperial Pledged Allocable Sales Tax Revenues and (v) County 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.

Pro Forma Maximum Annual Debt Service Coverage			
Pledged Allocable Sales Tax Revenues of:	Pledged Allocable Sales Tax Revenues Fiscal Year 2019-20 ⁽¹⁾	Maximum Annual Debt Service ("MADS")	MADS Coverage
Brawley	\$1,708,310		
Calexico	2,496,365		
Calipatria	375,010		
Imperial	1,284,456		
Imperial County	4,179,705		

⁽¹⁾ Fiscal Year 2019-20 data is based on actual receipts and allocations for such Fiscal Year. This data is unaudited.

⁽²⁾ Includes debt service on the Series 2012A Bonds and the Series 2022A Bonds.

⁽³⁾ Includes debt service on the Series 2012B Bonds, the Series 2018A Bonds and the Series 2022A Bonds.

⁽⁴⁾ Includes debt service on the Series 2012C Bonds, the Series 2018B Bonds and the Series 2022C Bonds.

⁽⁵⁾ Includes debt service on the Series 2012D Bonds and the Series 2022D Bonds.

⁽⁶⁾ Includes debt service on the Series 2012E Bonds and the Series 2022E Bonds.

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 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. 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 the payment of salaries and benefits of Authority staff. In addition, the Authority is permitted to deduct from Measure D Sales Tax Revenues amounts necessary to pay expenses of the Authority attributable 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.

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 the review of the Authority's 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 the 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

Cheryl Viegas-Walker, Chairperson
Rosie Arreola-Fernandez, Vice
Chairperson
Robert Amparano
George Nava
Maria Nava-Froelich
Mike Goodsell
Ana Beltran
Ryan Kelley
Luis Plancarte

Local Agency

City of El Centro
City of Calexico

City of Imperial
City of Brawley
City of Calipatria
City of Holtville
City of Westmorland
County of Imperial
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.

Program Manager, David Aguirre. Mr. Aguirre serves as the Program Manager for the Authority. As Program Manager, Mr. Aguirre is responsible for oversight and processing all financial management and transaction of the Measure D Sales Tax Program. For the ICTC, Mr. Aguirre is also responsible for the 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, Mr. Aguirre oversees the staff who oversee the daily management and operations of the fixed route, paratransit and demand response transit services performed under the service contract to the ICTC.

Prior to joining the Authority, Mr. Aguirre served as a Project Manager/Administration Manager for a large engineering firm. During his 10 years with the firm, Mr. Aguirre had comparable responsibilities managing various types of projects associated with transit and roadway infrastructure, managing and working with personnel, developing budgets and managing all financial activities. Mr. Aguirre has earned a Master of Science degree in Accounting, from the University of Phoenix.

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 CDTFa.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Series 2022 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Series 2022 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such consideration.

Economy of the County and the State

On June 8, 2020, the National Bureau of Economic Research ("NBER") declared that a recession in the United States commenced in February 2020. Reportedly, this was the fastest that NBER has declared any recession since the group began formal announcements in 1979. In announcing the recession, NBER said "[T]he unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warrants the designation of this episode as a recession . . ."

The Series 2022 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 Brawley, Calexico, Calipatria, Imperial and the County after certain distributions are made pursuant to the Ordinance and less an administrative fee retained by the CDTFa. 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.” See also “INTRODUCTION—COVID-19 Pandemic.”

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 in any Fiscal Year 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.”

Under the terms of the pledge agreements entered into by each Participating Agency that had a Series of the Series 2012 Bonds issued on its behalf (the “2012 Pledge Agreements”), the Participating Agencies, including Brawley, Calexico, Calipatria, Imperial and the County, were required to deliver certain certifications to the Authority at certain points during the Fiscal Year. In all Fiscal Years following the issuance of the Series 2012 Bonds, each of Calexico and Imperial, being the Participating Agencies with a Maintenance of Effort, did not certify that it had budgeted for its Maintenance of Effort prior to the beginning of the then-upcoming Fiscal Year, as was required under the 2012 Pledge Agreements entered into by Calexico and Imperial, respectively. Calexico and Imperial each eventually

delivered the required certification; however, in each instance, such certification was delivered after the applicable Fiscal Year had begun.

As discussed above, the Authority is not permitted under the Ordinance to allocate any portion of a Local Agency's Measure D Sales Tax Revenues in any Fiscal Year until such Local Agency has certified that it has included its Maintenance of Effort in its budget. Only three Local Agencies have a Maintenance of Effort: Calexico, El Centro and Imperial. Since Fiscal Year 2012-13, each of Calexico, El Centro and Imperial have provided certifications that it anticipated expending its respective Maintenance of Effort; however, such certifications were provided to the Authority subsequent to the beginning of the applicable Fiscal Year. Pursuant to the Ordinance, the Authority was required to withhold the allocations of Measure D Sales Tax Revenues to Calexico, El Centro and Imperial until the required certification was received by the Authority. In each Fiscal Year, the Authority did not withhold any allocation of Measure D Sales Tax Revenues to any of Calexico, El Centro or Imperial.

The Authority has implemented procedures to ensure compliance by Calexico, El Centro and Imperial. The procedures included Authority staff contacting the Local Agencies on April 1 of each year to notify such Local Agencies that the certification that the Maintenance of Effort has been budgeted for in the upcoming Fiscal Year will be due by no later than May 31. At that time, the Authority also advises Calexico, El Centro and Imperial of their respective Maintenance of Effort for the upcoming Fiscal Year. On May 1 of each year, the Authority reaches out to the Local Agencies to provide a reminder regarding the delivery of the certification that the Maintenance of Effort has been budgeted for in the upcoming Fiscal Year. During the middle of May, the Authority reaches out to the Local Agencies by phone and email to remind the Local Agencies of the May 31 due date for submission of the certification.

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 XIII C and XIII D to the California Constitution. Article XIII C 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 XIII C. However, Article XIII C 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 2022 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 2022 Bonds in the event of a default in the payment of principal and interest on the Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds, or result in losses to the holders of the Series 2022 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 2022 Bonds.

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. The Authority cannot predict what impact climate change will have on Measure D Sales Tax Revenues in the future.

FINANCIAL STATEMENTS

The financial statements of the Authority for the Fiscal Year ended June 30, 2020, included in APPENDIX A of this Official Statement have been audited by The Pun Group, LLP. The Pun Group, 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 The Pun Group, 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, 2020.

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.

TAX MATTERS

General. In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Authority, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance by the Authority with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022 Bonds and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2022 Bonds and the timely payment of certain investment earnings to the United States, interest on the Series 2022 Bonds is not included in the gross income of the owners of the Series 2022 Bonds for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the

Series 2022 Bonds to be included in gross income retroactive to the date of issuance of the Series 2022 Bonds.

In the further opinion of Bond Counsel, interest on the Series 2022 Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.

Ownership of, or the receipt of interest on, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel expresses no opinion with respect to any collateral tax consequences and, accordingly, prospective purchasers of the Series 2022 Bonds should consult their tax advisors as to the applicability of any collateral tax consequences.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Certificate or in other documents pertaining to the Series 2022 Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the Series 2022 Bonds or of any action taken or not taken where such change is made or action is taken or not taken without the approval of Norton Rose Fulbright US LLP, or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP, with respect to the exclusion from gross income of the interest on the Series 2022 Bonds for federal income tax purposes.

Bond Counsel's opinion is not a guarantee of result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and judicial decisions and the representations and covenants of the Authority described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of examining the tax-exempt status of the interest on municipal obligations. If an examination of the Series 2022 Bonds is commenced, under current procedures the IRS is likely to treat the Authority as the "taxpayer," and the owners of the Series 2022 Bonds would have no right to participate in the examination process. In responding to or defending an examination of the tax-exempt status of the interest on the Series 2022 Bonds, the Authority may have different or conflicting interests from the owners. Additionally, public awareness of any future examination of the Series 2022 Bonds could adversely affect the value and Credit of the Series 2022 Bonds during the pendency of the examination, regardless of its ultimate outcome.

Tax Accounting Treatment of Bond Premium and Original Issue Discount.

Bond Premium. To the extent a purchaser acquires a Series 2022 Bond at a price in excess of the amount payable at its maturity, such excess will constitute "bond premium" under the Code. The Code and applicable Treasury Regulations provide generally that bond premium on a tax-exempt obligation is amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations) based on the obligation's yield to maturity (or shorter period in the case of certain callable obligations). The amount of premium so amortized reduces the owner's basis in such obligation for federal income tax purposes, though such amortized premium is not deductible for federal income tax purposes. This 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 the obligation.

Original Issue Discount. The excess, if any, of the stated redemption price at maturity of Series 2022 Bonds of a particular maturity over the initial offering price to the public of the Series 2022 Bonds of that maturity at which a substantial amount of such Series 2022 Bonds is sold to the public is “original issue discount.” Original issue discount accruing on a Series 2022 Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes under the same conditions and limitations as are applicable to interest payable on such Series 2022 Bond. Original issue discount on a Series 2022 Bond purchased pursuant to the initial public offering at the initial public offering price at which a substantial amount of the Series 2022 Bonds is sold to the public accrues on a semiannual basis over the term of the Series 2022 Bond on the basis of a constant yield; and within each semiannual period accrues on a ratable daily basis. The amount of original issue discount on a Series 2022 Bond accruing during each period is added to the adjusted basis of such Series 2022 Bond, which will affect the amount of taxable gain upon disposition (including sale, redemption or payment on maturity) of such Series 2022 Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers that purchase Series 2022 Bonds other than at the initial offering price and pursuant to the initial public offering.

Bond Counsel is not opining on the accounting for or consequence to a Series 2022 Bond purchaser of bond premium or original issue discount. Accordingly, persons considering the purchase of Series 2022 Bonds with bond premium or original issue discount should consult with their own tax advisors with respect to the determination of bond premium or original issue discount on such Series 2022 Bonds for federal income tax purposes, and with respect to the state and local tax consequences of owning and disposing of such Series 2022 Bonds.

Information Reporting and Backup Withholding. Interest paid on the Series 2022 Bonds will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2022 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner’s federal income tax liability so long as the required information is furnished to the IRS.

State Tax Exemption. In the further opinion of Bond Counsel, interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State of California.

Future Developments. Existing law may change to reduce or eliminate the benefit to owners of the Bonds of the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes or of the exemption of interest on the Series 2022 Bonds from State of California personal income taxation. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future change in tax law.

Forward Delivery of the Series 2022 Bonds. Assuming no change in current law, it is expected that Bond Counsel will be able to render the opinion substantially in the form of APPENDIX F to this Official Statement on the date of delivery of the Series 2022 Bonds.

CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS

Forward Delivery

The Authority anticipates that the Series 2022 Bonds will be issued and delivered by the Authority to the Underwriter (as defined herein) and purchased by the Underwriter (the “Settlement”) on or about March 8, 2022³ (the “Settlement Date”). The following is a description of certain provisions of the Forward Delivery Bond Purchase Contract, dated March __, 2021, between the Authority and the Underwriter with respect to the Series 2022 Bonds (the “Bond Purchase Contract”). This description is not to be considered a full statement of the terms of the Bond Purchase Contract and accordingly is qualified by reference thereto and is subject to the full text thereof.

Until such time as the Series 2022 Bonds are issued and delivered by the Authority and purchased by the Underwriter on the Settlement Date, certain information contained in this Official Statement may change in a material respect. The Authority agrees in the Bond Purchase Contract to update the Official Statement, if necessary in the judgment of the Underwriter or the Authority, so that the Official Statement as amended or supplemented does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Additionally, the Authority agrees in the Bond Purchase Contract to prepare an Updated Official Statement, dated a date not more than [twenty-five nor less than ten days][two-weeks] prior to the Settlement Date (the “Updated Official Statement”), which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. References under “CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS” herein as of a specific date shall mean (i) at any point in time during the period from the date of this Official Statement to but not including the date of delivery of the Updated Official Statement to the Underwriter, this Official Statement, and (ii) from and after the date of delivery of the Updated Official Statement, the Updated Official Statement, in each case as amended or supplemented.

Conditions of Settlement

The issuance and purchase of the Series 2022 Bonds on the Settlement Date are subject to the satisfaction of certain conditions set forth in the Bond Purchase Contract, including, among other things, the delivery to the Underwriter of certain documents and legal opinions on and as of the Closing Date and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Settlement Date, including the delivery to the Underwriter of: (i) the opinion of Bond Counsel, substantially in the form and to the effect set forth in APPENDIX F relating to the Series 2022 Bonds, (ii) the Updated Official Statement, and (iii) written evidence satisfactory to the Underwriter that, as of the Settlement Date, S&P has rated the Series 2022 Bonds. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure by the Authority to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt Series 2022 Bonds could prevent those conditions from being satisfied. None of the Series 2022 Bonds will be issued unless all of the Series 2022 Bonds are issued and delivered on the Settlement Date.

Termination of Bond Purchase Contract

The Underwriter has the right, between the date of the Bond Purchase Contract and the Settlement Date, by written notice to the Authority, to cancel the Underwriter’s obligation to purchase the Series 2022 Bonds if, in the Underwriter’s sole and reasonable judgment, any of the following events

³ Preliminary, subject to change.

occur during that time and cause the market price or marketability of the Series 2022 Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Series 2022 Bonds, to be materially adversely affected:

- There shall have been a Change in Law. A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter prohibit the Underwriter from completing the underwriting of the Series 2022 Bonds or selling the Series 2022 Bonds or beneficial ownership interests therein to the public, or (B) as to the Authority, would make the completion of the issuance, sale or delivery of the Series 2022 Bonds illegal.
- As a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action that continues to be proposed as of the Settlement Date), or for any other reason Bond Counsel cannot issue an opinion substantially in the form of Appendix F to the Official Statement as to the tax-exempt status of the Series 2022 Bonds.
- There shall have occurred (A) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (B) any other calamity or crisis in the financial markets of the United States or elsewhere.
- A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the U. S Securities and Exchange Commission (“SEC”) or any other governmental authority having jurisdiction.
- A general banking moratorium has been declared by federal, New York or State authorities and shall remain in effect.
- Legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Series 2022 Bonds, the Indenture, the Continuing Disclosure Agreement, the Bond Purchase Contract and the Escrow Agreement, or any comparable securities of the Authority, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, the Securities Exchange Act of 1934 or the Trust Indenture Act of 1939 or otherwise, or would be in violation of any provision of the federal securities laws.
- Any event or circumstance exists that either makes untrue or incorrect, in a material respect, any statement or information contained in the Official Statement, or is not reflected in the Official

Statement but should be reflected in the Official Statement in order to make the statements and information contained in the Official Statement not misleading in any material respect and, in either such event, the Authority refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Series 2022 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Series 2022 Bonds.

- Additional material restrictions not in force as of the date of the Bond Purchase Contract shall have been imposed upon trading in securities generally by any federal, State or New York governmental authority or by any United States national securities exchange.
- The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose as to the Series 2022 Bonds or securities of the general character of the Series 2022 Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of the Underwriter.
- The Authority does not deliver a certification as of the Settlement Date to the effect that (A) the evidence of the ratings on the Series 2022 Bonds delivered at and as of the Closing Date remains accurate or (B) the ratings on the Series 2022 Bonds at and as of the Settlement Date are as stated in such certification.

Forward Delivery Contract

The Underwriter reserve the right to obligate investors purchasing the Series 2022 Bonds to execute forward delivery contracts (each, a “Forward Delivery Contract”) in substantially the form of APPENDIX I attached hereto. The Forward Delivery Contract provides that the purchaser will remain obligated to purchase the Series 2022 Bonds, even if the purchaser decides to sell the purchased Series 2022 Bonds following the date of the Forward Delivery Contract. ***The Authority will not be a party to any Forward Delivery Contract, and the Authority is not in any way responsible for the performance thereof or for any representations or warranties contained therein.*** The rights and obligations under the Bond Purchase Contract are not conditioned or dependent upon the performance of any Forward Delivery Contract.

Additional Risks Related to the Forward Delivery Period

Between the date of the Bond Purchase Contract and the Settlement Date (the “Forward Delivery Period”), certain information contained in this Official Statement may change in material respects. Any changes in such information will not permit the Underwriter to terminate the Bond Purchase Contract or release the purchasers of their obligation to purchase the Series 2022 Bonds unless the change reflects an event described under “Termination of Bond Purchase Contract” above. In addition to the risks set forth above and under “RISK FACTORS,” purchasers of the Series 2022 Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk. No assurances can be given that the ratings assigned to the Series 2022 Bonds on the Settlement Date will not be different from those currently assigned to the Series 2022 Bonds. Issuance of the Series 2022 Bonds and the Underwriter’s obligations under the Bond Purchase Contract are not conditioned upon the assignment of any particular ratings for the Series 2022 Bonds or the maintenance of the initial ratings of the Series 2022 Bonds.

Secondary Market Risk. The Underwriter are not obligated to make a secondary market for the Series 2022 Bonds, and no assurance can be given that a secondary market will exist for the Series 2022

Bonds during the Forward Delivery Period or at any time thereafter. Prospective purchasers of the Series 2022 Bonds should assume that there will be no secondary market for the Series 2022 Bonds during the Forward Delivery Period.

Market Value Risk. The market value of the Series 2022 Bonds as of the Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the financial condition of the Authority, and federal and state tax, securities and other laws. The market value of the Series 2022 Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2022 Bonds, and that difference could be substantial. Neither the Authority nor the Underwriter make any representations as to the expected market value of the Series 2022 Bonds as of the Settlement Date.

Tax Law Risk. Subject to the other conditions of Settlement and the Underwriter's rights of termination described above, the Bond Purchase Contract obligates the Authority to deliver, and the Underwriter to accept, the Series 2022 Bonds if the Authority delivers an opinion of Bond Counsel substantially in the form and to the effect set forth in APPENDIX F relating to the Series 2022 Bonds. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion from gross income of interest payable on "state or local bonds" (such as the Series 2022 Bonds) for federal income tax purposes, the Authority might be able to satisfy the requirements for the delivery of the Series 2022 Bonds. In such event, the purchasers would be required to accept delivery of the Series 2022 Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any such changes in tax law and the consequences of such changes to the purchasers. See "TAX MATTERS" herein."

LEGAL MATTERS

The validity of the Series 2022 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 Counsel to the ICTC and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel to the Authority, and for the Underwriter by their counsel Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

RATINGS

S&P Global Ratings ("S&P") has issued its underlying ratings of "A-" with respect to the Series 2022A Bonds (City of Brawley), "BBB+" with respect to the Series 2022B Bonds (City of Calexico), "BBB+" with respect to the Series 2022C Bonds (City of Calipatria), "A-" with respect to the Series 2022D Bonds (City of Imperial) and "A-" with respect to the Series 2022E Bonds (County of Imperial). 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 Series 2022 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 Series 2022 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 Series 2022 Bonds.

UNDERWRITING

The Series 2022 Bonds are being purchased for reoffering by Barclays Capital Inc., as underwriter (the “Underwriter”), at a purchase price of \$_____ (representing \$_____ aggregate principal amount of the Series 2022 Bonds, plus net original issue premium of \$_____, less Underwriter’s discount of \$_____). The Bond Purchase Contract relating to the Series 2022 Bonds provides that the Underwriter will purchase all of the Series 2022 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Bond Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The Series 2022 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 Series 2022 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, 2023 (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 Series 2022 Bonds in complying with Rule 15c2-12, as amended (the “Rule”) of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

[In the last five years, the Authority did not timely file annual reports in connection with the 2012 Bonds for Fiscal Years 2014-15 and 2016-17. All such annual reports have since been filed. A notice of failure to file was not filed in connection with the late filing of the annual report for Fiscal Year 2016-17. The Authority attributes the late filing of the annual reports to the timing of the preparation of the Authority’s annual audit. The Authority has established new procedures that the Authority believes will allow it to file its annual reports in a timely manner going forward.] **[TO BE CONFIRMED BY UNDERWRITER]**

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 Series 2022 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 Series 2022 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, 2020

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, 2020, the County's population was estimated at 188,777. In percentage terms, the County's population grew by 0.53% annually during the period from 2015 to 2020. The following table sets forth the County's population from 2015 through 2020.

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

<u>Area</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Brawley	26,357	26,531	26,875	26,981	27,229	27,349
Calexico	40,620	40,789	40,884	40,988	41,032	40,896
Calipatria	7,415	7,492	7,524	7,410	7,141	6,843
El Centro	44,862	45,085	45,276	45,701	45,774	45,657
Holtville	6,215	6,266	6,313	6,359	6,366	6,359
Imperial	17,317	17,845	18,240	18,998	19,364	19,907
Westmorland	2,327	2,337	2,339	2,354	2,356	2,346
Unincorporated Communities	<u>38,754</u>	<u>38,593</u>	<u>39,364</u>	<u>39,482</u>	<u>39,559</u>	<u>39,420</u>
Total County ⁽¹⁾	183,867	184,938	186,815	188,273	188,821	188,777

⁽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 2014 through 2020.

COUNTY OF IMPERIAL
LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
Yearly Average for Years 2014 through 2020

<u>Year and Area</u>	<u>Labor Force</u>	<u>Civilian Employment</u>	<u>Civilian Unemployment</u>	<u>Unemployment Rate (%)</u>
<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	155,922,000	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	157,130,000	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	159,187,000	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	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
Imperial County	71,100	58,200	12,900	18.1%
California	19,398,200	18,525,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
<u>2019</u>				
Imperial County	71,300	58,300	13,000	18.2%
California	19,411,600	18,627,400	784,200	4.0
United States	163,539,000	157,538,000	6,001,000	3.7
<u>2020</u>				
Imperial County	67,100	55,300	11,900	17.7%
California	18,916,400	17,246,800	1,669,600	8.8
United States	160,742,000	147,795,000	12,947,000	8.1

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 2019.

COUNTY OF IMPERIAL
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP
For Years March 2014 through 2019

<u>Industry Group</u> ⁽¹⁾	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Wage and Salary	62,800	63,300	62,100	63,400	63,600	64,000
Total Farm	12,300	13,200	11,700	11,800	11,400	11,000
Total Nonfarm	50,500	50,100	50,400	51,600	52,100	53,000
Total Private	32,600	32,200	32,100	33,100	33,200	33,900
Goods Producing	4,000	3,600	2,900	3,100	3,200	3,600
Mining, Logging, and Construction	2,300	2,600	1,800	1,800	1,800	1,900
Manufacturing	1,600	1,000	1,100	1,300	1,400	1,600
Durable Goods	600	500	500	500	500	500
Nondurable Goods	1,100	500	600	800	900	1,100
Service Providing	46,500	46,600	47,500	48,500	48,900	49,500
Private Service Providing	28,600	28,700	29,200	30,000	30,100	30,400
Trade, Transportation & Utilities	11,900	12,100	12,300	12,400	12,300	12,100
Wholesale Trade	1,800	1,800	1,800	1,800	1,800	1,800
Retail Trade	8,100	8,200	8,000	8,000	8,000	7,900
Transportation, Warehousing & Utilities	2,100	2,100	2,400	2,600	2,500	2,400
Information	300	300	300	300	300	300
Financial Activities	1,500	1,500	1,400	1,300	1,300	1,200
Professional & Business Services	2,600	2,300	2,400	2,600	2,600	2,500
Educational & Health Services	7,500	7,500	7,800	8,100	8,400	9,000
Leisure & Hospitality	4,000	4,200	4,400	4,400	4,300	4,400
Other Services	800	800	900	900	900	900
Government	17,900	17,900	18,200	18,500	18,900	19,100
Federal Government	2,300	2,200	2,100	2,100	2,100	2,100
State & Local Government	15,600	15,700	16,100	16,400	16,800	17,000
State Government	2,600	2,600	2,700	2,700	2,700	2,800
Local Government	13,000	13,100	13,400	13,700	14,100	14,200
Local Government Excluding	7,000	6,900	7,100	7,200	7,400	7,500
Education						
Special Districts plus Indian Tribes	2,900	2,900	3,000	3,000	3,100	3,100
	62,800	63,300	62,100	63,400	63,600	64,000

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest employers within the County as of May 2019, listed alphabetically.

COUNTY OF IMPERIAL
Major Employers
(sorted in alphabetical order by employer name)

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
8A Packing LLC	El Centro	Labor Organizations
Academic Services	Imperial	Schools-Universities & Colleges Academic
Calipatria State Prison	Calipatria	Government Offices-State
Centinela State Prison	Imperial	Government Offices-State
Central Union High School	El Centro	Schools
Costco Wholesale	El Centro	Wholesale Clubs
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 Offices-County
Imperial County Ofc-Edu Fndtn	El Centro	Educational Associations
Imperial County Sheriff	El Centro	Government Offices-County
Imperial Date Gardens	Winterhaven	Nurserymen
Imperial Irrigation District	El Centro	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)
Target	El Centro	Department Stores
United States Gypsum Co	Imperial	Gypsum & Gypsum Products (Mfrs)
US Border Patrol	El Centro	Government Offices-Us
Vulcan-Bn Geothermal Power	Calipatria	Power Plants
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, 2020 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. Total taxable sales during calendar year 2019 in the County were reported to be \$2.76 billion, a 1.04% decrease over the total taxable sales of \$2.79 billion reported during calendar year 2018.

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>
2015 ⁽¹⁾	1,153	1,612,423	3,509	2,652,906
2016	2,361	1,622,931	3,554	2,481,424
2017	2,247	1,711,889	3,444	2,563,116
2018	2,337	1,778,646	3,702	2,793,206
2019	2,219	1,853,398	3,602	2,764,235

⁽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 2014 through 2019.

IMPERIAL COUNTY Total Building Permit Valuations (Valuations in Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Permit Valuation						
New Single-family	\$33,809.0	\$26,492.3	\$48,224.3	\$36,490.5	\$53,710.4	\$49,234.9
New Multi-family	9,582.3	20,797.8	7,761.8	773.7	10,626.7	36,793.8
Res.						
Alterations/Additions	<u>4,211.5</u>	<u>6,386.9</u>	<u>10,004.3</u>	<u>5,116.4</u>	<u>5,183.1</u>	<u>4,984.2</u>
Total Residential ⁽¹⁾	\$47,602.8	\$53,677.0	\$65,990.4	\$42,390.6	\$69,520.2	\$91,013.1
 New Commercial	 \$ 6,833.1	 \$18,009.0	 \$22,447.5	 \$ 63,056.3	 \$48,303.7	 \$20,712.1
New Industrial	10,009.0	2,000.0	1,239.2	1,977.2	160.0	30.0
New Other	3,971.0	13,405.1	48,814.3	94,446.4	73,121.1	23,516.7
Com.						
Alterations/Additions	<u>12,257.6</u>	<u>13,616.3</u>	<u>18,720.0</u>	<u>12,701.0</u>	<u>29,858.3</u>	<u>18,683.1</u>
Total Nonresidential ⁽¹⁾	\$33,070.7	\$47,030.4	\$91,221.0	\$172,181.0	\$151,443.2	\$62,942.0
 New Dwelling Units						
Single Family	179	125	230	191	279	267
Multiple Family	<u>59</u>	<u>133</u>	<u>41</u>	<u>8</u>	<u>133</u>	<u>394</u>
TOTAL	238	258	271	199	412	661

⁽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 \$2,015,843,000 in 2019. The following table provides an agricultural production summary from 2014 through 2019.

COUNTY OF IMPERIAL TOTAL AGRICULTURAL PRODUCTION For Years 2014 through 2019

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Livestock	\$410,512,000	\$502,065,000	\$468,176,000	\$486,176,000	\$532,130,000	\$522,309,000
Field Crops	530,849,000	422,319,000	381,181,000	381,181,000	507,849,000	498,165,000
Vegetables & Melon Crops	723,260,000	805,021,000	1,006,345,000	1,006,345,000	984,472,000	799,424,000
Fruit & Nut Crops	95,909,000	83,277,000	80,098,000	80,098,000	83,909,000	75,636,000
Seed & Nursery Crops	93,818,000	107,673,000	123,057,000	123,057,000	109,210,000	113,690,000
Apiary Products	<u>4,441,000</u>	<u>4,779,000</u>	<u>4,357,000</u>	<u>4,357,000</u>	<u>8,461,000</u>	<u>6,619,000</u>
TOTAL	\$1,858,789,000	\$1,925,134,000	\$2,063,214,000	\$2,081,214,000	\$2,226,031,000	\$2,015,843,000

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 Refunding Bonds (Limited Tax Bonds), Series 2022A, \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022B, \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022C, \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022D and \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds) Series 2022E (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 Tenth Supplemental Indenture, an Eleventh Supplemental Indenture, a Twelfth Supplemental Indenture, a Thirteenth Supplemental Indenture and a Fourteenth Supplemental Indenture, each dated as of March 1, 2022 (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>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“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, 2023, 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.

The Trustee shall have no duty to review, verify or analyze such Annual Report and shall hold such Annual Report solely as a repository for the benefit of the Owners. The Trustee shall not be deemed to have notice of any information contained therein, or default or Event of Default which may be disclosed therein in any manner.

Section 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 September 13, 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 for each of (i) the City of Brawley, (ii) the City of Calexico, (iii) the City of Calipatria, (iv) the City of Imperial and (v) the County of Imperial.

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;
- (9) bankruptcy, insolvency, receivership or similar proceedings; or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

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;

(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; or

(8) Incurrence of a Financial Obligation of the Authority or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect holders of the applicable series of 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.

It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Authority. The Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided to it under this Agreement, and has no liability to any person, including any holder of Bonds, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Authority shall not be construed to mean that the

Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Authority.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Dissemination Agent 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; Governing Law. 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 not be liable hereunder except for its negligence or willful misconduct. 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 and expenses) 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.

This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California.

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
1503 N. Imperial Avenue, Suite 104
El Centro, California 92243
Attention: Executive Director
Telephone: (760) 592-4494
Facsimile: (760) 592-4410

To the
Dissemination Agent: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, California 90071
Telephone: (213) 630-6249
Facsimile: (213) 630-6480

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: _____, 2022

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 Refunding Bonds (Limited Tax Bonds), Series 2022A, Series 2022B, Series 2022C, Series 2022D and Series 2022E
Date of Issuance: March __, 2022

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 S&P Global Ratings' 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 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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

Subject to satisfaction of certain conditions and to the occurrence of certain events described under the heading "CERTAIN FORWARD DELIVERY CONSIDERATIONS WITH RESPECT TO THE SERIES 2022 BONDS," Bond Counsel, expects to be able to render on the Settlement Date its final approving opinions with respect to the Series 2022 Bonds in substantially the following forms:

[Closing Date]

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

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)
Series 2022A
(City of Brawley)

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 Refunding Bonds (Limited Tax Bonds), Series 2022A (City of Brawley) (the "Series 2022A 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 2022A 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 Tenth Supplemental Indenture, dated as of March 1, 2022 (the "Tenth Supplemental Indenture," and together with the Master Indenture, as so supplemented and amended, the "Indenture"), by and between ICLTA and the Trustee. The Series 2022A Bonds are being issued to provide funds to finance certain transportation projects of the City of Brawley, California (the "Participating Agency") and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Tenth 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 2022A 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 2022A 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. Assuming compliance by the ICLTA with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022A Bonds and certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), regarding the use, expenditure and investment of proceeds of the Series 2022A Bonds, and the timely payment of certain investment earnings to the United States, interest on the Series 2022A Bonds is not includable in the gross income of the owners of the Series 2022A Bonds for federal income tax purposes. We can give no opinion or assurance about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure to comply with the covenants and requirements described above may cause interest on the Series 2022A Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Bonds.
4. Interest on the Series 2022A Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.
5. Interest on the Series 2022A Bonds is exempt from personal income taxes imposed by the State of California.

We express no opinion regarding other federal or State of California tax consequences caused by the ownership of, or the accrual or receipt of interest on, the Series 2022A Bonds.

Certain requirements and procedures contained or referred to in the Indenture or other documents pertaining to the Series 2022A Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect of any change to any document pertaining to the Series 2022A Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income for federal income tax purposes of the interest on the Series 2022A Bonds.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2022A 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. The enforceability of the Series 2022A Bonds and the Indenture are 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.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material, if any, relating to the Series 2022A 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; 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
1503 North Imperial Avenue, Suite 104
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)
Series 2022B
(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 Refunding Bonds (Limited Tax Bonds), Series 2022B (City of Calexico) (the "Series 2022B 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 2022B 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 Eleventh Supplemental Indenture, dated as of March 1, 2022 (the "Eleventh Supplemental Indenture," and together with the Master Indenture, as so supplemented and amended, the "Indenture"), by and between ICLTA and the Trustee. The Series 2022B 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 Eleventh 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 2022B 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 2022B 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. Assuming compliance by the ICLTA with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022B Bonds and certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2022B Bonds, and the timely payment of certain investment earnings to the United States, interest on the Series 2022B Bonds is not includable in the gross income of the owners of the Series 2022B Bonds for federal income tax purposes. We can give no opinion or assurance about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure to comply with the covenants and requirements described above may cause interest on the Series 2022B Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022B Bonds.
4. Interest on the Series 2022B Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.
5. Interest on the Series 2022B Bonds is exempt from personal income taxes imposed by the State of California.

We express no opinion regarding other federal or State of California tax consequences caused by the ownership of, or the accrual or receipt of interest on, the Series 2022B Bonds.

Certain requirements and procedures contained or referred to in the Indenture or other documents pertaining to the Series 2022B Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect of any change to any document pertaining to the Series 2022B Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income for federal income tax purposes of the interest on the Series 2022B Bonds.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2022B 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. The enforceability of the Series 2022B Bonds and the Indenture are 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.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material, if any, relating to the Series 2022B 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result

and are not binding on the Internal Revenue Service or the State of California; 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
1503 North Imperial Avenue, Suite 104
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)
Series 2022C
(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 Refunding Bonds (Limited Tax Bonds), Series 2022C (City of Calipatria) (the “Series 2022C 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 2022C 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 Twelfth Supplemental Indenture, dated as of March 1, 2022 (the “Twelfth Supplemental Indenture,” and together with the Master Indenture, as so supplemented and amended, the “Indenture”), by and between ICLTA and the Trustee. The Series 2022C 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 Twelfth 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 2022C 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 2022C 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. Assuming compliance by the ICLTA with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022C Bonds and certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2022C Bonds, and the timely payment of certain investment earnings to the United States, interest on the Series 2022C Bonds is not includable in the gross income of the owners of the Series 2022C Bonds for federal income tax purposes. We can give no opinion or assurance about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure to comply with the covenants and requirements described above may cause interest on the Series 2022C Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022C Bonds.
4. Interest on the Series 2022C Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.
5. Interest on the Series 2022C Bonds is exempt from personal income taxes imposed by the State of California.

We express no opinion regarding other federal or State of California tax consequences caused by the ownership of, or the accrual or receipt of interest on, the Series 2022C Bonds.

Certain requirements and procedures contained or referred to in the Indenture or other documents pertaining to the Series 2022C Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect of any change to any document pertaining to the Series 2022C Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income for federal income tax purposes of the interest on the Series 2022C Bonds.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2022C 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. The enforceability of the Series 2022C Bonds and the Indenture are 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.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material, if any, relating to the Series 2022C 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result

and are not binding on the Internal Revenue Service or the State of California; 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
1503 North Imperial Avenue, Suite 104
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)
Series 2022D
(City of Imperial)

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 Refunding Bonds (Limited Tax Bonds), Series 2022D (City of Imperial) (the “Series 2022D 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 2022D 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 Thirteenth Supplemental Indenture, dated as of March 1, 2022 (the “Thirteenth Supplemental Indenture,” and together with the Master Indenture, as so supplemented and amended, the “Indenture”), by and between ICLTA and the Trustee. The Series 2022D Bonds are being issued to provide funds to finance certain transportation projects of the City of Imperial, California (the “Participating Agency”) and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Thirteenth 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 2022D 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 2022D 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. Assuming compliance by the ICLTA with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022D Bonds and certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2022D Bonds, and the timely payment of certain investment earnings to the United States, interest on the Series 2022D Bonds is not includable in the gross income of the owners of the Series 2022D Bonds for federal income tax purposes. We can give no opinion or assurance about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure to comply with the covenants and requirements described above may cause interest on the Series 2022D Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022D Bonds.
4. Interest on the Series 2022D Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.
5. Interest on the Series 2022D Bonds is exempt from personal income taxes imposed by the State of California.

We express no opinion regarding other federal or State of California tax consequences caused by the ownership of, or the accrual or receipt of interest on, the Series 2022D Bonds.

Certain requirements and procedures contained or referred to in the Indenture or other documents pertaining to the Series 2022D Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect of any change to any document pertaining to the Series 2022D Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income for federal income tax purposes of the interest on the Series 2022D Bonds.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2022D 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. The enforceability of the Series 2022D Bonds and the Indenture are 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.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material, if any, relating to the Series 2022D 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result

and are not binding on the Internal Revenue Service or the State of California; 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
1503 North Imperial Avenue, Suite 104
El Centro, California 92243

\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds)
Series 2022E
(County of Imperial)

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 Refunding Bonds (Limited Tax Bonds), Series 2022E (County of Imperial) (the "Series 2022E 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 2022D 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 Fourteenth Supplemental Indenture, dated as of March 1, 2022 (the "Fourteenth Supplemental Indenture," and together with the Master Indenture, as so supplemented and amended, the "Indenture"), by and between ICLTA and the Trustee. The Series 2022E Bonds are being issued to provide funds to finance certain transportation projects of the County of Imperial, California (the "Participating Agency") and other purposes.

As bond counsel, we have reviewed the Ordinance, the Master Indenture, the Fourteenth 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 2022E 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 2022E 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. Assuming compliance by the ICLTA with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the Series 2022E Bonds and certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), regarding the use, expenditure and investment of proceeds of the Series 2022E Bonds, and the timely payment of certain investment earnings to the United States, interest on the Series 2022E Bonds is not includable in the gross income of the owners of the Series 2022E Bonds for federal income tax purposes. We can give no opinion or assurance about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure to comply with the covenants and requirements described above may cause interest on the Series 2022E Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022E Bonds.
4. Interest on the Series 2022E Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax.
5. Interest on the Series 2022E Bonds is exempt from personal income taxes imposed by the State of California.

We express no opinion regarding other federal or State of California tax consequences caused by the ownership of, or the accrual or receipt of interest on, the Series 2022E Bonds.

Certain requirements and procedures contained or referred to in the Indenture or other documents pertaining to the Series 2022E Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect of any change to any document pertaining to the Series 2022E Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income for federal income tax purposes of the interest on the Series 2022E Bonds.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Series 2022E 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. The enforceability of the Series 2022E Bonds and the Indenture are 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.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material, if any, relating to the Series 2022E 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 hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; 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 AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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; and

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

WHEREAS, the Authority assisted the [Participating Agency] in financing certain transportation projects for the [Participating Agency] 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 20__, which are payable only from the [Participating Agency] Sales Tax Revenues (the “Series 20__ Bonds”); and

WHEREAS, in connection with issuance of the Series 20__ Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the [Participating Agency] pledged the [Participating Agency] Sales Tax Revenues to the payment of the Series 20__ Bonds; and

WHEREAS, the [Participating Agency] and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the [Participating Agency] to pledge, under this Agreement, the [Participating Agency]

Sales Tax Revenues to the payment of the Series 20__ Bonds, any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the [Participating Agency] Sales Tax Revenues (collectively, the “[Participating Agency] Measure D 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 by a ____ Supplemental Indenture, dated as of May 1, 2012 (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 Authority agrees that after application of the [Participating Agency] Sales Tax Revenues to pay the debt service on the [Participating Agency] Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the [Participating Agency] Measure D Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the [Participating Agency] Tax Revenues received to be remitted to the [Participating Agency] for uses consistent with the 2008 Ordinance.

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 any [Participating Agency] Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to any [Participating Agency] Measure D Bonds (and all past due amounts relating thereto) the Authority shall cause the remainder of the [Participating Agency] 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 [Participating Agency] Measure D 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 applicable series of [Participating Agency] Measure D 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 [Participating Agency] Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any [Participating Agency] Measure D

Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) 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.

(b) In connection with the issuance of a Series of [Participating Agency] Measure D Bonds, the [Participating Agency] shall deliver a certificate, dated the date of closing of such Series of [Participating Agency] Measure D Bonds, certifying that the representation delivered by the [Participating Agency] in Section 5.01(a) of this Agreement is true and correct as of such date of closing.

Section 5.02. Expenditure on Approved Projects. (a) The [Participating Agency] hereby covenants to use proceeds of any [Participating Agency] Measure D Bonds and any [Participating Agency] Sales Tax Revenues received by the [Participating Agency] 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 [Participating Agency] Measure D 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 a Series of [Participating Agency] Measure D 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 applicable Series of [Participating Agency] Measure D Bonds proceeds or [Participating Agency] Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of Imperial Measure D Bonds, the [Participating Agency] shall deliver a certificate, dated the date of closing of such Series of [Participating Agency] Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of [Participating Agency] Measure D Bonds being issued and the

projects to be financed with the proceeds of such Series of [Participating Agency] Measure D Bonds.

Section 5.03. Reserved.

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 [Participating Agency] 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:

1503 N. Imperial Ave., Ste 104
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 [Participating Agency] Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the [Participating Agency] Measure D 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 _____
Authorized Officer

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 Amended and Restated Pledge Agreement, dated as of March 1, 2022, by and between the County 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 an Amended and Restated Pledge Agreement, dated as of March 1, 2022 (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 [Participating Agency] 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 I

FORM OF FORWARD DELIVERY CONTRACT

[TO COME]

APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ESCROW DEPOSIT AGREEMENT

This Escrow Deposit Agreement, dated as of March 1, 2022 (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 BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, as escrow agent hereunder (the “Escrow Agent”) and as trustee with respect to the 2012 Bonds (the “Trustee”).

W I T N E S S E T H:

WHEREAS, the 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 and certain ordinances adopted by the Authority, the Authority is authorized to issue limited tax bonds secured by and payable from the proceeds of a portion of a voter-approved one-half of one percent retail transactions and use tax (the “Measure D Sales Tax”) applicable in the incorporated and unincorporated territory of the County of Imperial (the “County”) that is allocable to the local agencies located within the County;

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, the City of Calipatria, the City of Imperial and the County (together, the “Participating Local Agencies”), respectively, to finance, among other things, costs of certain road and transportation projects for the benefits of the respective Participating Local Agencies: (i) \$8,155,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012A (City of Brawley), of which [\$5,610,000] remains outstanding (the “2012A Bonds”), (ii) \$15,410,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico), of which [\$10,600,000] remains outstanding (the “2012B Bonds”), (iii) \$2,305,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria), of which [\$1,580,000] remains outstanding (the “2012C Bonds”), (iv) \$6,170,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial), of which [\$4,245,000] remains outstanding (the “2012D Bonds”) and (v) \$21,935,000 Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E (County of Imperial), of which [\$15,060,000] remains outstanding (the “2012E Bonds, and, together with the 2012A Bonds, the 2012B Bonds, the 2012C Bonds and the 2012D Bonds, 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 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 Board of Directors of the Authority (the “Board of Directors”) has determined that it is in the best interests of the Authority and the Participating Local Agencies that a portion of the 2012 Bonds be defeased, refunded and redeemed, and that refunding bonds be issued pursuant to the Act and the Indenture for that purpose;

WHEREAS, the Authority has authorized the issuance of its: (i) \$_____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022A (City of Brawley) (the “2022A Refunding Bonds”), for the purpose, among other things, of defeasing and redeeming a

portion of the 2012A Bonds (such portion herein referred to as the “Refunded 2012A Bonds”); (ii) \$ _____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022B (City of Calexico) (the “2022B Refunding Bonds”), for the purpose, among other things, of defeasing and redeeming a portion of the 2012B Bonds (such portion herein referred to as the “Refunded 2012B Bonds”); (iii) \$ _____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022C (City of Calipatria) (the “2022C Refunding Bonds”), for the purpose, among other things, of defeasing and redeeming a portion of the 2012C Bonds such portion herein referred to as the “Refunded 2012C Bonds”); (iv) \$ _____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022D (City of Imperial) (the “2022D Refunding Bonds”), for the purpose, among other things, of defeasing and redeeming a portion of the 2012D Bonds (such portion herein referred to as the “Refunded 2012D Bonds”); and (v) \$ _____ Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022E (County of Imperial) (the “2022E Refunding Bonds” and, together with the 2022A Refunding Bonds, the 2022B Refunding Bonds, the 2022C Refunding Bonds and the 2022D Refunding Bonds, the “2022 Refunding Bonds”), for the purpose, among other things, of defeasing and redeeming a portion of the 2012E Bonds (such portion herein referred to as the “Refunded 2012E Bonds” and, together with the Refunded Series 2012A Bonds, the Refunded Series 2012B Bonds, the Refunded Series 2012C Bonds and the Refunded Series 2012D Bonds, the “Refunded 2012 Bonds”);

NOW, THEREFORE, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Each party hereto, as to itself and not as to the other party, hereby represents, warrants and agrees that:

Section 1.1 Authorization. The execution, delivery and performance of this Agreement by such party are within such party’s respective powers and have been duly authorized by all necessary action of such party.

Section 1.2 No Conflict. (a) The Authority represents, warrants and agrees to its current actual knowledge that the execution, delivery and performance of this Agreement will not violate or conflict with (i) the Indenture, or any other agreement, indenture, mortgage, lease or other instrument to which the Authority is a party of by which it is bound or subject to; (ii) the Constitution or laws of the State of California; or (iii) any decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates or other requirements of any court or other governmental or public entity with jurisdiction over the Authority or its operations. The Escrow Agent represents and warrants that the execution, delivery and performance of this Agreement will not violate or conflict with (i) the articles of association or bylaws of the Escrow Agent; and (ii) any decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates or other requirements of any court or other governmental or public entity with jurisdiction over the trust powers and operation of the Escrow Agent.

Section 1.3 Binding Obligation. This Agreement has been duly executed by, and is a legally valid and binding obligation of each party, enforceable against such party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights, and by general principles of equity.

Section 1.4 Title to Moneys Deposited in Escrow. The Authority represents that the Authority has good, sufficient and legal title to the moneys deposited in the applicable Escrow Fund established hereunder free and clear of all liens other than those created hereby.

Section 1.5 Duties of Parties. The Authority hereby directs and the Escrow Agent accepts the duties set forth herein, in order that the Refunded 2012 Bonds shall be effectively and legally defeased in accordance with their terms and applicable provisions of law. For this purpose, the Authority will deposit, and the Escrow Agent shall apply, proceeds of the sale of the 2022 Refunding Bonds as specified herein, and for no other purpose. The Escrow Agent hereby covenants and agrees to perform its duties set forth herein in accordance with the terms hereof.

ARTICLE II

ESTABLISHMENT OF ESCROW FUNDS

Section 2.1 Creation of Escrow Funds. The Authority hereby directs the Escrow Agent to establish:

(a) a special escrow fund to be designated as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012A (City of Brawley) Escrow Fund” (the “2012A Escrow Fund”), into which the Escrow Agent shall deposit proceeds of the 2022A Refunding Bonds in the amount of \$_____, comprised of \$_____ in cash and \$_____ of which shall be invested in certain Investment Securities (as defined in Indenture) described in clause (A) of the definition thereof (“Escrow Securities”) as set forth in Schedule A hereto, which is incorporated herein by this reference;

(b) a special escrow fund to be designated as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012B (City of Calexico) Escrow Fund,” (the “2012B Escrow Fund”) into which the Escrow Agent shall deposit proceeds of the 2022B Refunding Bonds in the amount of \$_____, comprised of \$_____ in cash and \$_____ of which shall be invested in Escrow Securities as set forth in Schedule A hereto;

(c) a special escrow fund to be designated as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012C (City of Calipatria) Escrow Fund,” (the “2012C Escrow Fund”) into which the Escrow Agent shall deposit proceeds of the 2022C Refunding Bonds in the amount of \$_____, comprised of \$_____ in cash and \$_____ of which shall be invested in Escrow Securities as set forth in Schedule A hereto;

(d) a special escrow fund to be designated as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012D (City of Imperial) Escrow Fund,” (the “2012D Escrow Fund”) into which the Escrow Agent shall deposit proceeds of the 2022D Refunding Bonds in the amount of \$_____, comprised of \$_____ in cash and \$_____ of which shall be invested in Escrow Securities as set forth in Schedule A hereto; and

(e) a special escrow fund to be designated as the “Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2012E (County of Imperial) Escrow Fund,” (the “2012E Escrow Fund”) into which the Escrow Agent shall deposit proceeds of the 2022E Refunding Bonds in the amount of \$_____, comprised of \$_____ in cash and \$_____ of which shall be invested in Escrow Securities as set forth in Schedule A hereto.

The Authority hereby irrevocably directs the Escrow Agent to make the deposits and investments as set forth hereinabove.

Section 2.2 Terms of Indenture and Refunded 2012 Bonds. Receipt is hereby acknowledged by the Escrow Agent of copies of the Indenture. Reference herein to, or citation herein of, any provision of the Indenture or the terms of the respective Refunded 2012 Bonds shall be deemed to be incorporated as a part hereof in the same manner and with the same effect as if it or they were fully set forth herein.

Section 2.3 Permitted Investments. The Authority hereby irrevocably directs the Escrow Agent to take such actions as may be necessary to assure that the amount so deposited in the respective Escrow Fund shall be invested in Escrow Securities, so as to be available to pay: (a) interest on the Refunded 2012 Bonds becoming due and payable on and prior to June 1, 2022 and (b) the redemption price (*i.e.*, 100.0% of the principal amount) on June 1, 2022 of the Refunded 2012 Bonds maturing on and after June 1, 2023, it being the intention of the Authority that the principal of and interest paid on such Escrowed Securities on deposit in the respective Escrow Fund, together with any uninvested cash on deposit therein, will be sufficient for such purposes, as of the date of calculation, and that such Escrowed Securities will mature, bear interest and be available to pay: (a) interest on the Refunded 2012 Bonds becoming due and payable on and prior to June 1, 2022 and (b) the redemption price (*i.e.*, 100.0% of the principal amount) on June 1, 2022 of the Refunded 2012 Bonds maturing on and after June 1, 2023. The Authority hereby represents that such respective Escrowed Securities are comprised of Investment Securities (as defined in Indenture) described in clause (A) of the definition thereof. Any conflict in provisions respecting the defeasance of the Refunded 2012 Bonds between the foregoing and the Indenture shall be governed by the Indenture. If the Escrow Agent learns that the Department of the Treasury or the Bureau of Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the Authority with respect to funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the Authority's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 2.4 Deposit of Moneys. The Escrow Agent hereby acknowledges receipt of the deposit of the moneys into the respective Escrow Fund as described in Section 2.1 hereof.

Section 2.5 Purpose of Deposit. The deposit by the Authority of the moneys into the respective Escrow Fund shall constitute an irrevocable deposit thereof for the uses and purposes specified in this Agreement and in the provisions of the Indenture, as applicable, and the respective series of Refunded 2012 Bonds expressly referred to herein, and such moneys and Escrowed Securities, together with all interest thereon, shall be held and applied solely for such uses and purposes. Such moneys and Escrowed Securities, along with the proceeds of investment thereof, shall be held by the Escrow Agent separate and apart from all other funds and shall not be commingled with other moneys for any purpose.

Section 2.6 Investments; Authority Covenants. (a) Except as otherwise expressly provided in Sections 2.1 and 2.3, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Escrowed Securities held hereunder or to sell, transfer or otherwise dispose of the Escrowed Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder.

(b) The Authority hereby agrees that it will not take action or fail to take action which would (i) affect adversely the exclusion from gross income for federal income tax purposes of interest on the Refunded 2012 Bonds, or (ii) adversely affect the status of the Refunded 2012 Bonds as being deemed no longer Outstanding under the Indenture.

Section 2.7 Handling of Investment Proceeds. The Authority hereby directs the Escrow Agent to collect the matured principal of and payments of interest on the Escrowed Securities as the same become due and payable and deposit the same in the respective Escrow Fund. Not later than the date on which any payment on any of the Refunded 2012 Bonds is required to be made, as set forth in Schedule B, or if such date is not a Business Day (being any day other than a Saturday or Sunday or a day on which the Escrow Agent and banks and trust companies located in New York, New York, or Los Angeles, California, are not authorized or required to remain closed and on which the New York Stock Exchange is open) then not later than the

Business Day next succeeding such date, the Escrow Agent shall transmit, from the funds in the respective Escrow Fund, the applicable amount set forth in Schedule B attached hereto. The Escrow Agent may conclusively rely upon Schedule B with respect to all information set forth therein and may conclusively rely upon any written directions of the Authority with respect to any of the matters described in this paragraph.

If at any time it shall appear to the Escrow Agent that the money in the respective Escrow Fund, including the anticipated proceeds of the Escrowed Securities, will not be sufficient to make all payments required hereunder and under the terms of the Refunded 2012 Bonds, the Escrow Agent shall give notice thereof to the Authority in accordance with Section 5.4 hereof of the amount of such deficiency and the Authority agrees to pay the amount of such deficiency into the respective Escrow Fund from any source of lawfully available moneys. In no event shall the Escrow Agent be liable for such deficiency.

Any moneys held by the Escrow Agent for the payment and discharge of the principal or redemption price of or interest on any of the Refunded 2012 Bonds which remain unclaimed for 18 months after the date when such payments have become due and payable, shall be paid to the Authority (without liability for interest) to be used for any of its lawful purposes and the Escrow Agent shall thereupon be released and discharged with respect thereto and the Owners of Refunded 2012 Bonds shall look only to the Authority for the payment of the principal of or interest on such Refunded 2012 Bonds.

Section 2.8 Notices to Owners of Refunded 2012 Bonds. The Authority hereby irrevocably instructs the Escrow Agent (as Trustee) to:

(1) provide, within three (3) business days of the date of deposit of amounts pursuant to Section 2.1 hereof, a notice substantially in the forms of Schedule C that an irrevocable deposit has been made with the Escrow Agent and that the respective series of Refunded 2012 Bonds has been deemed to be paid in accordance with the Indenture, (i) by first class mail to the Owners (as defined in the Indenture) of the respective series of Refunded 2012 Bonds and to the Depositories (as defined in the Indenture) and (ii) by electronic means of communication to the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access System (referred to as “EMMA”), at www.emma.msrb.org; and

(2) provide, at least thirty (30) days but not more than sixty (60) days prior to June 1, 2022 (*i.e.*, the Redemption Date), notices substantially in the forms of Schedule D of the redemption of the respective series of Refunded 2012 Bonds to be redeemed on such date (i) by first class mail to the Owners (as defined in the Indenture) of the respective series of Refunded 2012 Bonds and to the Depositories (as defined in the Indenture) and (ii) by electronic means of communication to the MSRB through EMMA, all in accordance with the Indenture.

The Escrow Agent hereby confirms that it will take all actions required to be taken by it under the Indenture and this Agreement in order to effectuate the defeasance, redemption and payment of the Refunded 2012 Bonds as provided herein. The sole remedy for the Escrow Agent’s failure to post the notices described in this section on EMMA shall be an action in mandamus by the holders of the Refunded 2012 Bonds for specific performance or similar remedy to compel performance.

Section 2.9 Compensation; Indemnification. (a) The Authority agrees to pay and shall pay to the Escrow Agent as compensation in full for all services to be rendered by the Escrow Agent under this Agreement the amounts set forth in a separate schedule of fees and expenses, as modified from time to time in writing between the Authority and the Escrow Agent and shall reimburse the Escrow Agent for its out-of-pocket expenses (including legal fees and expenses) incurred hereunder. Any payment to the Escrow Agent pursuant to this Section shall be made from any moneys of the Authority lawfully available therefor, but the Escrow Agent shall have no lien whatsoever upon any of the moneys or Escrowed Securities in the respective Escrow Fund for any such payment.

(b) The Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees, officers, directors and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the Authority or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the respective Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees. In no event shall the Authority or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement and the earlier removal or resignation of the Escrow Agent.

Section 2.10 Books and Records; Limited Liability. The Escrow Agent agrees to maintain books and records for the respective Escrow Fund and to account separately for deposits therein, investments thereof, earnings thereon and losses (if any) with respect thereto. The Escrow Agent shall only act in accordance with the specific provisions set forth herein and shall not assume any implied duties or obligations hereunder.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Escrow Agent hereunder.

The Escrow Agent shall have no obligation to make any payment or disbursement of any type, risk its own funds, or incur any financial liability in the performance of its duties under this Agreement unless the Authority shall have deposited sufficient funds therefor with the Escrow Agent. The Escrow Agent may rely and shall be protected in acting upon the written or oral instructions of authorized representatives of the Authority or of their respective agents relating to any matter or action undertaken as Escrow Agent under this Agreement.

The liability of the Escrow Agent for the payment of moneys as hereinabove set forth respecting the payment of the Refunded 2012 Bonds shall be limited to the principal of and interest on the Escrowed Securities and other securities purchased hereunder. The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer, prepayment, substitution or other disposition made pursuant to this Agreement in compliance with the provisions hereof or the sufficiency of the Escrowed Securities or any uninvested moneys held hereunder to accomplish the discharge of the Refunded 2012 Bonds. The Escrow Agent shall not have any lien whatsoever upon any of the moneys deposited in accordance with Section 2.1 hereof for the payments of fees and expenses for services by it under this Agreement until after all payments required pursuant hereto in accordance herewith. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the Authority, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representations as to the sufficiency of the Escrowed Securities to be purchased pursuant hereto and any uninvested moneys to accomplish the refunding of the Refunded 2012 Bonds or to the validity of this Agreement as to the Authority and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be bond counsel to the Authority, and in

reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be provided or established prior to taking, suffering, or omitting any action under this Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the Authority. The Escrow Agent undertakes such duties as are expressly set forth herein, and no implied duties or obligations of the Escrow Agent shall be read into this Agreement. The Escrow Agent may resign at any time upon 30 days' written notice to the Authority.

The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may execute any of the duties or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions, acts of civil or military authority or governmental action or other similar occurrences.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

ARTICLE III

TERMINATION OF AGREEMENT

Section 3.1 Termination of Agreement. It is the intention of the Authority that the proceeds of the Escrowed Securities shall be applied on the dates and at the prices shown on Schedule B, to the payment of the Refunded 2012 Bonds in accordance with their terms until the redemption date for the Refunded 2012 Bonds. The Escrow Agent agrees to liquidate the Escrowed Securities in accordance with their terms and to apply the proceeds thereof to the payment of principal of and interest on the Refunded 2012 Bonds as aforesaid; any moneys remaining in the respective Escrow Fund following such payment in whole on the redemption date shown on Schedule B shall, after payment of any amounts due the Escrow Agent, be transferred to the Authority. Upon the completion of such transfer, if any, this Agreement shall be terminated and of no further force or effect, except for the provisions which, by their terms, survive.

ARTICLE IV

FEES OF ESCROW AGENT

Section 4.1 Fees of Escrow Agent. The Authority shall pay to the Escrow Agent fees and expenses as are mutually agreed upon by the Authority and the Escrow Agent as and for payment in full for the services of the Escrow Agent as escrow agent hereunder, through and including the final redemption of the Refunded 2012 Bonds as set forth herein.

It is also understood that the fee agreed upon for the services of the Escrow Agent hereunder shall be considered compensation for its ordinary services as contemplated by these instructions, but in the event that the conditions of this escrow are not promptly fulfilled or that the Escrow Agent renders any service hereunder not provided for in the foregoing instructions or that there is an assignment of any interest in the subject matter of this escrow, or modification hereof, or that any controversy arises hereunder or that the Escrow Agent is made a party to, or intervenes in, or, in good faith, interpleads in, any litigation pertaining to this escrow or the subject matter thereof, the Escrow Agent shall be reasonably compensated by the Authority for such extraordinary services and reimbursed for all costs and expenses, plus interest charged at the maximum rate permitted by law occasioned by such default, delay, controversy or litigation, including, without limitation, the fees and disbursements of legal counsel to the Escrow Agent.

Under no circumstances shall the Escrow Agent be entitled to assert a lien against the cash or Escrowed Securities held in the respective Escrow Fund to provide security for the payment of the fees described in this Section.

ARTICLE V

MISCELLANEOUS

Section 5.1 Severability of Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 5.2 Execution in Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

Section 5.3 Applicable Law. This Agreement shall be governed by the laws of the State of California, applicable to contracts made and performed in said State.

Section 5.4 Notices. All notices, demands and formal actions under this Agreement shall be in writing and mailed, telegraphed or delivered to:

The Authority: Imperial County Local Transportation Authority
1503 N. Imperial Avenue, Suite 104
El Centro, California 92243
Attention: Executive Director

The Escrow Agent: The Bank of New York Mellon Trust Company, N.A.
400 S. Hope, Suite 500
Los Angeles, California 90071
Attention: Trust Services

Section 5.5 Amendments. This Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of one hundred percent (100%) in aggregate principal amount of Refunded 2012 Bonds then unpaid as to principal shall have been filed with the Escrow Agent. This Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only: (i) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Authority; (ii) to cure, correct or supplement any ambiguous or defective provision contained herein; or (iii) in regard to questions arising hereunder as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel provided to the Escrow Agent, shall not materially adversely affect the interests of the Owners of the Refunded 2012 Bonds, and that such amendment will not cause interest on the Refunded 2012 Bonds to become subject to inclusion in gross income for purposes of federal income taxation.

IN WITNESS WHEREOF, the Authority has entered into this Escrow Deposit Agreement with the Escrow Agent as of the date first above written.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

By: _____
Executive Director

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

By: _____
Authorized Officer

SCHEDULE A

DESCRIPTION OF THE ESCROWED SECURITIES

[(Exhibits B _____ from the Verification Report)]

SCHEDULE B

DEBT SERVICE REQUIREMENTS

[(Exhibits _____ from the Verification Report)]

SCHEDULE C

FORM OF NOTICE OF DEFEASANCE

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012A
(City of Brawley)**

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that the Imperial County Local Transportation Authority (the “Authority”) has deposited with The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), under the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the First Supplemental Indenture (the “Indenture”), by and between the Authority and the Trustee, cash and direct obligations of the Treasury Department of the United States of America, obligations of certain federal agencies which obligations represent the full faith and credit of the United States of America and direct obligations of certain federal agencies which are obligations that are not fully guaranteed by the full faith and credit of the United States of America, paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient (as evidenced by a verification report delivered to the Escrow Agent, on which the Escrow Agent is relying) (i) to pay interest on the Bonds listed in the below table through June 1, 2022, and (ii) to pay on June 1, 2022 the redemption price (*i.e.*, 100% of the principal amount) of the \$4,860,000 principal amount of the Bonds listed in the below table.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number⁽¹⁾</u> <u>(45272E)</u>
2022	\$ 380,000	3.00%	BF1
2023	390,000	3.25	BG9
2032	4,470,000	4.00	BH7

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Authority.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

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

FORM OF NOTICE OF DEFEASANCE

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012B (City of Calexico)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that the Imperial County Local Transportation Authority (the “Authority”) has deposited with The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), under the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Second Supplemental Indenture (the “Indenture”), by and between the Authority and the Trustee, cash and direct obligations of the Treasury Department of the United States of America, obligations of certain federal agencies which obligations represent the full faith and credit of the United States of America and direct obligations of certain federal agencies which are obligations that are not fully guaranteed by the full faith and credit of the United States of America, paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient (as evidenced by a verification report delivered to the Escrow Agent, on which the Escrow Agent is relying) (i) to pay interest on the Bonds listed in the below table through June 1, 2022, and (ii) to pay on June 1, 2022 the redemption price (*i.e.*, 100% of the principal amount) of the \$9,155,000 principal amount of the Bonds listed in the below table.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number⁽¹⁾</u> <u>(45272E)</u>
2022	\$ 735,000	3.00%	BT1
2023	755,000	5.00	BU8
2032	8,400,000	4.00	BV6

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Authority.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

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

FORM OF NOTICE OF DEFEASANCE

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012C (City of Calipatria)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that the Imperial County Local Transportation Authority (the “Authority”) has deposited with The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), under the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Third Supplemental Indenture (the “Indenture”), by and between the Authority and the Trustee, cash and direct obligations of the Treasury Department of the United States of America, obligations of certain federal agencies which obligations represent the full faith and credit of the United States of America and direct obligations of certain federal agencies which are obligations that are not fully guaranteed by the full faith and credit of the United States of America, paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient (as evidenced by a verification report delivered to the Escrow Agent, on which the Escrow Agent is relying) (i) to pay interest on the Bonds listed in the below table through June 1, 2022, and (ii) to pay on June 1, 2022 the redemption price (*i.e.*, 100% of the principal amount) of the \$1,370,000 principal amount of the Bonds listed in the below table.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number⁽¹⁾</u> <u>(45272E)</u>
2022	\$ 105,000	3.00%	CF0
2023	110,000	3.25	CG8
2032	1,260,000	5.00	CH6

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Authority.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

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

FORM OF NOTICE OF DEFEASANCE

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012D (City of Imperial)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that the Imperial County Local Transportation Authority (the “Authority”) has deposited with The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), under the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Fourth Supplemental Indenture (the “Indenture”), by and between the Authority and the Trustee, cash and direct obligations of the Treasury Department of the United States of America, obligations of certain federal agencies which obligations represent the full faith and credit of the United States of America and direct obligations of certain federal agencies which are obligations that are not fully guaranteed by the full faith and credit of the United States of America, paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient (as evidenced by a verification report delivered to the Escrow Agent, on which the Escrow Agent is relying) (i) to pay interest on the Bonds listed in the below table through June 1, 2022, and (ii) to pay on June 1, 2022 the redemption price (*i.e.*, 100% of the principal amount) of the \$3,675,000 principal amount of the Bonds listed in the below table.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number⁽¹⁾</u> <u>(45272E)</u>
2022	\$ 290,000	3.00%	CT0
2023	295,000	3.25	CU7
2032	3,380,000	5.00	CV5

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Authority.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

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

FORM OF NOTICE OF DEFEASANCE

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012E (County of Imperial)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that the Imperial County Local Transportation Authority (the “Authority”) has deposited with The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), under the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Fifth Supplemental Indenture (the “Indenture”), by and between the Authority and the Trustee, cash and direct obligations of the Treasury Department of the United States of America, obligations of certain federal agencies which obligations represent the full faith and credit of the United States of America and direct obligations of certain federal agencies which are obligations that are not fully guaranteed by the full faith and credit of the United States of America, paying interest and principal in an amount which, together with the amounts held as cash, shall be sufficient (as evidenced by a verification report delivered to the Escrow Agent, on which the Escrow Agent is relying) (i) to pay interest on the Bonds listed in the below table through June 1, 2022, and (ii) to pay on June 1, 2022 the redemption price (*i.e.*, 100% of the principal amount) of the \$13,015,000 principal amount of the Bonds listed in the below table.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number⁽¹⁾</u> <u>(45272E)</u>
2022	\$ 1,045,000	3.00%	DF9
2023	1,075,000	5.00	DG7
2032	11,940,000	4.00	DH5

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Defeasance. It is included solely for the convenience of the Authority.

IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY

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

SCHEDULE D

FORM OF NOTICE OF REDEMPTION TO THE OWNERS OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012A (City of Brawley)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that, pursuant to the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the First Supplemental Indenture (the “Indenture”), by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), the Authority has directed the Trustee to call for redemption, on June 1, 2022 (the “Redemption Date”), all of the outstanding Bonds, all as more fully identified below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u> <u>(45272E)</u>	<u>Bond Number</u>
2022	\$ 380,000	3.00%	BF1	R-10
2023	390,000	3.25	BG9	R-11
2032	4,470,000	4.00	BH7	R-12

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Owners.

On June 1, 2022, the Bonds to be redeemed will be payable at a redemption price of 100% of the principal amount together with interest accrued thereon to (but not including) the Redemption Date. On the Redemption Date, if the deposit of moneys has been made as provided above, there shall become due and payable upon each Bond to be redeemed, to the person whose name appears on the registration books of the Trustee as the registered owner thereof, the redemption price thereof as set forth above. From and after the Redemption Date, interest on the Bonds to be redeemed will cease to accrue.

On June 1, 2022, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Trustee for the Bonds at:

If by First Class/Registered/Certified Mail:

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only:

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only:

The Bank of New York
Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclays Street, 1st Floor
New York, NY 10286

BONDOWNER'S COMMUNICATIONS: 800-254-2826

Bondowners presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bondowner via first class mail. If payment of the redemption price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the redemption price.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

DATED: _____, 2022

By: The Bank of New York Mellon Trust Company, N.A.,
as Trustee

FORM OF NOTICE OF REDEMPTION TO THE OWNERS OF
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012B
(City of Calexico)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that, pursuant to the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Second Supplemental Indenture (the “Indenture”), by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), the Authority has directed the Trustee to call for redemption, on June 1, 2022 (the “Redemption Date”), all of the outstanding Bonds, all as more fully identified below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u> <u>(45272E)</u>	<u>Bond Number</u>
2022	\$ 735,000	3.00%	BT1	R-10
2023	755,000	5.00	BU8	R-11
2032	8,400,000	4.00	BV6	R-12

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Owners.

On June 1, 2022, the Bonds to be redeemed will be payable at a redemption price of 100% of the principal amount together with interest accrued thereon to (but not including) the Redemption Date. On the Redemption Date, if the deposit of moneys has been made as provided above, there shall become due and payable upon each Bond to be redeemed, to the person whose name appears on the registration books of the Trustee as the registered owner thereof, the redemption price thereof as set forth above. From and after the Redemption Date, interest on the Bonds to be redeemed will cease to accrue.

On June 1, 2022, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Trustee for the Bonds at:

<u>If by First Class/Registered/Certified Mail:</u>	<u>Express Delivery Only:</u>	<u>By Hand Only:</u>
The Bank of New York Mellon Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust 111 Sanders Creek Parkway East Syracuse, NY 13057	The Bank of New York Mellon Global Corporate Trust Corporate Trust Window 101 Barclays Street, 1 st Floor New York, NY 10286

BONDOWNER’S COMMUNICATIONS: 800-254-2826

Bondowners presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bondowner via first class mail. If payment of the redemption price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the redemption price.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

DATED: _____, 2022

By: The Bank of New York Mellon Trust Company, N.A.,
as Trustee

FORM OF NOTICE OF REDEMPTION TO THE OWNERS OF
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012C
(City of Calipatria)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that, pursuant to the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Third Supplemental Indenture (the “Indenture”), by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), the Authority has directed the Trustee to call for redemption, on June 1, 2022 (the “Redemption Date”), all of the outstanding Bonds, all as more fully identified below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u> <u>(45272E)</u>	<u>Bond Number</u>
2022	\$ 105,000	3.00%	CF0	R-10
2023	110,000	3.25	CG8	R-11
2032	1,260,000	5.00	CH6	R-12

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Owners.

On June 1, 2022, the Bonds to be redeemed will be payable at a redemption price of 100% of the principal amount together with interest accrued thereon to (but not including) the Redemption Date. On the Redemption Date, if the deposit of moneys has been made as provided above, there shall become due and payable upon each Bond to be redeemed, to the person whose name appears on the registration books of the Trustee as the registered owner thereof, the redemption price thereof as set forth above. From and after the Redemption Date, interest on the Bonds to be redeemed will cease to accrue.

On June 1, 2022, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Trustee for the Bonds at:

If by First Class/Registered/Certified Mail:

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only:

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only:

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclays Street, 1st Floor
New York, NY 10286

BONDOWNER’S COMMUNICATIONS: 800-254-2826

Bondowners presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bondowner via first class mail. If payment of the redemption price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the redemption price.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

DATED: _____, 2022

By: The Bank of New York Mellon Trust Company, N.A.,
as Trustee

FORM OF NOTICE OF REDEMPTION TO THE OWNERS OF
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012D
(City of Imperial)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that, pursuant to the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Fourth Supplemental Indenture (the “Indenture”), by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), the Authority has directed the Trustee to call for redemption, on June 1, 2022 (the “Redemption Date”), all of the outstanding Bonds, all as more fully identified below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u> <u>(45272E)</u>	<u>Bond Number</u>
2022	\$ 290,000	3.00%	CT0	R-10
2023	295,000	3.25	CU7	R-11
2032	3,380,000	5.00	CV5	R-12

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Owners.

On June 1, 2022, the Bonds to be redeemed will be payable at a redemption price of 100% of the principal amount together with interest accrued thereon to (but not including) the Redemption Date. On the Redemption Date, if the deposit of moneys has been made as provided above, there shall become due and payable upon each Bond to be redeemed, to the person whose name appears on the registration books of the Trustee as the registered owner thereof, the redemption price thereof as set forth above. From and after the Redemption Date, interest on the Bonds to be redeemed will cease to accrue.

On June 1, 2022, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Trustee for the Bonds at:

If by First Class/Registered/Certified Mail: *Express Delivery Only:* *By Hand Only:*

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclays Street, 1st Floor
New York, NY 10286

BONDOWNER’S COMMUNICATIONS: 800-254-2826

Bondowners presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bondowner via first class mail. If payment of the redemption price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the redemption price.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

DATED: _____, 2022

By: The Bank of New York Mellon Trust Company, N.A.,
as Trustee

FORM OF NOTICE OF REDEMPTION TO THE OWNERS OF
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2012E
(County of Imperial)

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the “Bonds”) that, pursuant to the Indenture, dated as of May 1, 2012, as supplemented and amended, including as supplemented by the Fifth Supplemental Indenture (the “Indenture”), by and between the Imperial County Local Transportation Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), the Authority has directed the Trustee to call for redemption, on June 1, 2022 (the “Redemption Date”), all of the outstanding Bonds, all as more fully identified below:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u> <u>Number⁽¹⁾</u> <u>(45272E)</u>	<u>Bond Number</u>
2022	\$ 1,045,000	3.00%	DF9	R-10
2023	1,075,000	5.00	DG7	R-11
2032	11,940,000	4.00	DH5	R-12

⁽¹⁾ Neither the Authority nor the Trustee shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Owners.

On June 1, 2022, the Bonds to be redeemed will be payable at a redemption price of 100% of the principal amount together with interest accrued thereon to (but not including) the Redemption Date. On the Redemption Date, if the deposit of moneys has been made as provided above, there shall become due and payable upon each Bond to be redeemed, to the person whose name appears on the registration books of the Trustee as the registered owner thereof, the redemption price thereof as set forth above. From and after the Redemption Date, interest on the Bonds to be redeemed will cease to accrue.

On June 1, 2022, all of the Bonds to be redeemed will become due and payable at the redemption price aforesaid, and payment will be made upon presentation and surrender to the Trustee for the Bonds at:

If by First Class/Registered/Certified Mail: *Express Delivery Only:* *By Hand Only:*

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclays Street, 1st Floor
New York, NY 10286

BONDOWNER’S COMMUNICATIONS: 800-254-2826

Bondowners presenting their bonds in person for same day payment must surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bondowner via first class mail. If payment of the redemption price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the redemption price.

IMPORTANT NOTICE

Federal law requires the Trustee to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

DATED: _____, 2022

By: The Bank of New York Mellon Trust Company, N.A.,
as Trustee

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

\$ _____
Series 2022A
(City of Brawley)

\$ _____
Series 2022B
(City of Calexico)

\$ _____
Series 2022C
(City of Calipatria)

\$ _____
Series 2022D
(City of Imperial)

\$ _____
Series 2022E
(County of Imperial)

**FORWARD DELIVERY
BOND PURCHASE CONTRACT**

_____, 2021

Imperial County Local Transportation Authority
1405 North Imperial Avenue, Suite 1
El Centro, CA 92243

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc. (the “**Purchaser**”), hereby offers to enter into this Forward Delivery Bond Purchase Contract (the “**Purchase Contract**”) with you, the Imperial County Local Transportation Authority (the “**Authority**”), for the purchase by the Purchaser and the sale by the Authority of \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), consisting of \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022A (City of Brawley) (the “**Series 2022A Bonds**”), \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022B (City of Calexico) (the “**Series 2022B Bonds**”), \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022C (City of Calipatria) (the “**Series 2022C Bonds**”), \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022D (City of Imperial) (the “**Series 2022D Bonds**”) and \$_____ aggregate principal amount of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022E (County of Imperial) (the “**Series 2022E 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, 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 Purchaser. If this offer is not so accepted, it is subject to withdrawal by the Purchaser upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the hereinafter defined Indenture.

Section 1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties and agreements herein set forth, the Purchaser hereby agrees to purchase from the Authority, 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 Purchaser, all (but not less than all) of the Bonds. The Bonds of each Series shall be dated the Delivery Date (hereinafter defined) and shall have the maturities and bear interest at the interest rates per annum all as set forth on Schedule 1 hereto. Interest on the Bonds will be payable from the date of delivery of the Bonds on June 1 and December 1 in each year and the first interest payment will be due on _____, 2022. The Bonds will be subject to optional [and mandatory] redemption as shown in the Disclosure Statement (as hereinafter defined). Notwithstanding anything to the contrary and notwithstanding the market value of the Bonds on the date of delivery thereof, the aggregate purchase price for the Bonds (the “**Aggregate Purchase Price**”) to be paid by the Purchaser to the Authority shall be equal to \$_____ (representing (i) the aggregate principal amount of the Bonds of \$_____, plus (ii) the original issue premium for the Bonds, less (iii) a Purchaser’s commitment fee of \$_____). The Aggregate Purchase Price to be paid by the Purchaser shall represent the sum of the purchase prices for each Series of the Bonds as follows:

(1) \$_____ aggregate principal amount of Series 2022A Bonds at the purchase price of \$_____ (representing the aggregate principal amount of the Series 2022A Bonds, plus an original issue premium of \$_____, and less a Purchaser’s commitment fee of \$_____) (the “**Series 2022A Purchase Price**”);

(2) \$_____ aggregate principal amount of Series 2022B Bonds at the purchase price of \$_____ (representing the aggregate principal amount of the Series 2022B Bonds, plus an original issue premium of \$_____, and less a Purchaser’s commitment fee of \$_____) (the “**Series 2022B Purchase Price**”);

(3) \$_____ aggregate principal amount of Series 2022C Bonds at the purchase price of \$_____ (representing the aggregate principal amount of the Series 2022C Bonds, plus an original issue premium of \$_____, and less a Purchaser’s commitment fee of \$_____) (the “**Series 2022C Purchase Price**”);

(4) \$_____ aggregate principal amount of Series 2022D Bonds at the purchase price of \$_____ (representing the aggregate principal amount of the Series 2022D Bonds, plus an original issue premium of \$_____, and less a Purchaser’s commitment fee of \$_____) (the “**Series 2022D Purchase Price**”); and

(5) \$_____ aggregate principal amount of Series 2022E Bonds at the purchase price of \$_____ (representing the aggregate principal amount of the Series 2022E Bonds, plus an original issue premium of \$_____, and less a Purchaser's commitment fee of \$_____) (the "**Series 2022E Purchase Price**").]

The Bonds shall be as further described in the Disclosure 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 _____, 2021 (the "**Supplemental Indentures**" and, together with the Master Indenture, the "**Indenture**"), each by and between the Authority and the Trustee. The proceeds of the Bonds will be used to (i) effect the refunding on a current basis of certain of the Authority's outstanding bonds described in the Disclosure Statement (the "**Refunded Bonds**"), (ii) fund, or purchase reserve sureties for, the bond reserve funds established for each Series of Bonds; and (iii) pay costs of issuance of the Bonds. The refunding and defeasance of the Refunded Bonds will be accomplished pursuant to an Escrow Deposit Agreement, to be dated the Delivery Date of the Bonds (the "**Escrow Agreement**"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "**Escrow Agent**"). The amounts held pursuant to the terms of the Escrow Agreement will be held and applied, in accordance with the Escrow Agreement, to pay the redemption price of and accrued interest on the Refunded Bonds on June 1, 2022.

Each of the City of Brawley, the City of Calexico, the City of Calipatria, the City of Imperial and the County of Imperial (collectively, the "**Local Agencies**") will enter into a Pledge Agreement, dated as of _____, 202__ (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 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 Supplemental Indentures, the Pledge Agreements, the Escrow Agreement, the Continuing Disclosure Agreement, dated as of _____, 20__ (the "**Continuing Disclosure Agreement**" and, together with this Purchase Contract, the Indenture, the Pledge Agreements, the Sales Tax Administration Agreement and the Escrow 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 _____, 2021 (the "**Authority Resolution**"). The Pledge Agreements and the Letters of Representations of the Local Agencies set forth in Exhibit A hereto and made a part of this Purchase Contract by this reference (the "**Letters 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**."

As provided in the forward commitment of _____ (the "**Insurer**"), the payment of principal of and interest on each Series of Bonds is expected to be secured by a

municipal bond insurance policy issued for such Series of Bonds (each an “**Insurance Policy**,” collectively, the “**Insurance Policies**”) to be issued simultaneously with the issuance of the Bonds by the Insurer. The Insurer has also committed to issue reserve surety policies for each of the Series of Bonds (each, a “**Reserve Surety Policy**” and collectively, the “**Reserve Surety Policies**”).

Section 2. Delivery of the Disclosure Statement and Other Documents. Within seven calendar days of the acceptance hereof by the Authority, the Authority shall deliver, or cause to be delivered, to the Purchaser an executed copy of the Disclosure Statement relating to the Bonds, signed on behalf of the Authority by a duly authorized officer of the Authority, substantially in the form attached hereto as Appendix I, with only such changes therein as shall have been accepted by the Purchaser. The Disclosure Statement, including the cover page, all appendices thereto, and all information incorporated therein by reference, is herein referred to as the “Disclosure Statement,” except that if the Disclosure Statement has been amended, supplemented or updated between the date hereof and the date upon which the Bonds are delivered to the Purchaser, the term “Disclosure Statement” shall, from and after the date of such amendment, supplement or update, refer to the Disclosure Statement as so amended, supplemented or updated. The Authority hereby agrees that it will prepare and deliver to the Purchaser an updated Disclosure Statement, which shall be dated a date not more than two weeks prior to Closing (as herein defined). The Authority hereby authorizes and approves the Disclosure Statement by execution thereof by a duly authorized officer of the Authority.

Section 3. The Closing. At 8:00 a.m., California Time, on _____, 2022, or at such other time or on such earlier or later date as the Authority and the Purchaser mutually agrees upon, the Authority and the Trustee will deliver or cause to be delivered to the Purchaser 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 shall deliver the other documents hereinafter mentioned 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 Purchaser. Subject to the terms and conditions hereof, upon acceptance of such delivery and release of the Bonds by the Authority and the Trustee, the Purchaser will pay the Aggregate Purchase Price of the Bonds as set forth in Section 1 hereof in immediately available funds to the order of the Trustee (such delivery of and payment for the Bonds is herein called the “**Closing**,” and the date of such delivery and payment is hereinafter called the “**Delivery Date**”). The Bonds shall be prepared in fully registered, book-entry only form, and shall be made available to the Purchaser and DTC at least one business day prior to the Delivery Date for purposes of inspection.

Section 4. Authority Representations, Warranties and Agreements. The Authority represents and warrants to the Purchaser as of the date hereof and as of the Delivery Date, 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, impose and collect the Measure D Sales Tax (as defined in the Disclosure Statement), issue the Bonds to refund the Refunded Bonds, and enter into and

perform its duties under the Authority Legal Documents; the Ordinance and the Authority Resolution have each been duly adopted and have not been rescinded; and this Purchase Contract constitutes, and the Bonds, when issued and delivered in accordance with the Indenture and this Purchase Contract, and the other 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) Pledge Under the Indenture. The Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge and lien it purports to create as set forth in the Indenture.

(c) No Conflict. The adoption of the Authority Resolution, the issuance of the Bonds 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 property is bound, nor will any such adoption, execution and delivery or compliance 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 pledged to secure the Bonds or under the terms of any such law, regulation, decree or other instrument, except as provided by the Bonds and the Indenture.

(d) 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, 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 transactions contemplated by the Disclosure Statement and the Authority Resolution or the due performance by the Authority of its obligations under such Authority Legal Documents.

(e) 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 affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or 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, or contesting the powers of the Authority to impose and collect the Measure D Sales Tax, nor to best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, the Authority Resolution or the Authority Legal Documents.

(f) 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 or to impose and collect the Measure D Sales Tax, 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.

(g) Due Approval of the Disclosure Statement and Other Actions. By official action of the Authority prior to or concurrently with the execution hereof, the Authority has duly approved the Disclosure Statement and the use thereof by the Purchaser, 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 Disclosure Statement, the Authority Resolution and the Authority Legal Documents.

(h) Disclosure Statement Correct and Complete. At the time of the Authority's acceptance hereof, the Disclosure Statement is true and correct in all material respects and such Disclosure Statement 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.

(i) Amendment of Disclosure Statement. After the date of this Purchase Contract, (1) the Authority will not (except for the update in connection with Closing as contemplated by Section 2 hereof), adopt or effect any amendment of or supplement to the Disclosure Statement without the consent of the Purchaser. The Authority will advise the Purchaser promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Disclosure Statement in connection with the issuance and sale of the Bonds.

(j) Agreement to Amend Disclosure Statement. Between the date hereof and the Delivery Date, the Authority shall [apprise the Purchaser of all material developments, if any, occurring with respect to the Authority and] provide the Authority with such information regarding the Authority, its current financial condition and ongoing operations as the Purchaser may reasonable request. If at any time between the date of this Purchase Contract and the Delivery Date, any event occurs, of which the Authority has knowledge, as a result of which the Disclosure Statement would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, the Authority will notify the Purchaser of such event and if, in the Purchaser's reasonable judgment, such event requires the preparation of a supplement or amendment to the Disclosure Statement, the Authority will prepare an amendment or supplement to the Disclosure Statement; provided, that all expenses thereby incurred will be paid for by the Authority.

(k) Amendments to Disclosure Statement Correct and Complete. If the information contained in the Disclosure Statement is amended or supplemented pursuant to Section 4(j) of this Purchase Contract, at the time of each supplement or amendment thereto, and the Disclosure Statement as updated pursuant to Section 2 hereof, as of the date of its delivery and at all times subsequent thereto up to and including the Delivery Date, the Disclosure Statement will be true and correct in all material respects and will 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.

(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 has the legal authority to apply, and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to the all of the terms and provisions of the Indenture, and covenants that it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or that would cause interest with respect to the Bonds to be subject to California personal income taxes.

(n) Authority Financial Statements. The financial statements of, and other financial information regarding, the Authority in the Disclosure 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. Except as disclosed in the Disclosure Statement, there has not been any material adverse change in the financial condition of the Authority since June 30, 2020 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(o) Continuing Disclosure Compliance. Except as disclosed in the Disclosure 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 Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

(p) Certificates Constitute Representation. Any certificate, signed by any official of the Authority authorized to do so in connection with the transactions described in this Purchase Contract, shall be deemed a representation and warranty by the Authority to the Purchaser as to the statements made therein.

(q) No Parity Bonds. Prior to the Delivery Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money payable from the Pledged Allocable Sales Tax Revenues of any of the Local Agencies, without the prior written approval of the Purchaser.

(r) No Amendments. The Authority will not amend, nor consent to the amendment of, the Ordinance or the Indenture, without the prior written consent of the Purchaser.

(s) No IRS Notice. Neither the Authority, nor to the best of its knowledge, the owners of the Refunded Bonds, has received any written notice from the Internal Revenue Service or the Department of the Treasury challenging or questioning in any way the exclusion or interest on the Refunded Bonds from gross income for federal income tax purposes.

Section 5. Purchaser's Representations, Warranties and Agreements. The Purchaser represents, warrants to and agrees with the Authority that, as of the date of hereof and as of the Delivery Date:

(a) No Third-Party Payments. The Purchaser 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 Purchaser, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract; and

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

Section 6. Conditions to the Obligations of the Purchaser. The Purchaser has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the Authority contained herein and of 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 on each of the dates set forth below, the performance by the Authority and the Local Agencies of their respective obligations hereunder and under the Letters of Representations, and upon the opinions of Bond Counsel, counsel to the Trustee, respective counsel to the Local Agencies, counsel to the Authority and counsel to the Purchaser described hereafter. Accordingly, the Purchaser'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 and (ii) the accuracy in all material respects, in the reasonable judgment of the Purchaser, 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) Delivery of Documents on the Date Hereof. Concurrently with the execution of this Purchase Contract, the Purchaser shall have received the following documents, in each case, satisfactory in form and substance to the Purchaser and Purchaser's Counsel:

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

(2) Letters of Representation. The executed Letters of Representation of each of the Local Agencies;

(3) Bond Counsel Letter Regarding Bonds. A letter from Bond Counsel, dated the date hereof and addressed to the Authority and the Purchaser, to the effect that assuming satisfaction by the Authority, the Local Agencies and the Purchaser of their respective obligations to be satisfied under this Purchase Contract and the issuance of the Bonds, and assuming no change in any applicable law, regulations or rulings, or in interpretations thereof, it is not aware of any reason that will prevent it from delivering on the Delivery Date its approving opinions in substantially the forms included as Appendix [F] to the Disclosure Statement;

(4) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, dated the date hereof, addressed to the Authority and the Purchaser, substantially in the form attached as Exhibit B hereto;

(5) Bond Counsel Letter Regarding Defeasance. A letter from Bond Counsel, dated the date hereof and addressed to the Authority and the Purchaser, to the effect that assuming satisfaction by the Authority and the Purchaser of their respective obligations to be satisfied under this Purchase Contract and the issuance of the Bonds, it is not aware of any reason that will prevent it from delivering on the Delivery Date an opinion or opinions to the effect that the Refunded Bonds have been deemed to have been legally defeased and discharged and are no longer outstanding pursuant to the terms of the Indenture;

(6) Forward Commitments for Insurance and Sureties. The forward commitment of the Insurer to deliver, subject to the terms thereof, the Insurance Policies and Reserve Surety Policies with respect to the Bonds on the Delivery Date; and

(7) Miscellaneous. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the date hereof, of the representations and warranties contained herein and in the Letters of Representations and the due performance or satisfaction by 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.

(b) Delivery of Legal Documents, Disclosure Statement and Related Documents. Within seven calendar days of the date of execution of this Purchase Contract, the Purchaser shall have received the following documents, in each case, satisfactory in form and substance to the Purchaser and Purchaser's Counsel:

(1) Legal Documents. Executed counterparts of the Supplemental Indentures, the Pledge Agreements and the Continuing Disclosure Agreement for release upon Closing, and with respect to any of the other Legal Documents not previously executed, copies thereof in substantially the form to be delivered at the respective date of execution and delivery thereof;

(2) Disclosure Statement. The Disclosure Statement signed by the Authority, in accordance with Section 2 of this Purchase Contract;

(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 Purchaser, dated the date the Disclosure Statement is delivered to the Purchaser, 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 Disclosure Statement, as of its 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, 2020,” 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 such firm expresses 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; and

(4) Opinion of Purchaser’s Counsel. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, counsel for the Purchaser, dated the Delivery Date and addressed to the Purchaser, satisfactory in form and substance to the Purchaser.

(c) Delivery Date Conditions to Closing. At the Delivery Date, each of the following shall have occurred or shall be accurate and true, as applicable:

(1) Bring-down of Representations. The representations, warranties and agreements of the Authority contained herein and of the Local Agencies contained in their respective Letters of Representations shall be true, complete and correct on and as of the Delivery Date;

(2) Authorization, Execution and Delivery of Documents. At the Closing, the Ordinance, the Authority Resolution and the Local Agency Resolutions shall remain in full force and effect, and the Bonds and the Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Purchaser, with only such changes as shall have been agreed to in writing by the Purchaser, shall be in full force and effect, and shall not have been amended, modified or supplemented;

(3) Use of Proceeds. The proceeds of the sale of the Bonds shall have been paid to the Trustee, for deposit and use as described in the Disclosure Statement, as required by the Indenture and the Escrow Agreement; and

(4) Performance of Obligations. The Authority and the Local Agencies shall perform or shall have performed or caused to be performed all obligations required under or specified in this Purchase Contract to be performed at or prior to Closing.

(d) Purchaser Rights of Termination Prior to Closing. The Purchaser shall have the right to terminate this Purchase Contract and cancel its obligation to purchase the Bonds by notifying the Authority of its election to do so (and stating the reason for such termination) if at any time on or after the date hereof and on or prior to the Delivery Date, any of the following shall have occurred:

(1) Legislation, Judicial Decisions or Rulings. Legislation shall be introduced in or enacted (or resolution passed) by the Congress, or an order, ruling, or decree issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made 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 or Other Calamity. The United States shall be engaged, alone or as a participant, in any outbreak or escalation of hostilities (including, without limitation, an act of terrorism), or any other calamity or crisis shall exist relating to the effective operation of the government of, or the financial community in, the United States as of the Delivery Date;

(3) Banking Moratorium. The declaration of a general banking moratorium by federal, New York or California authorities or a material disruption in commercial banking or securities settlement, payment or clearance services is in effect as of the Delivery Date;

(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, the Purchaser;

(5) Regarding Federal Securities Laws. An order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or Disclosure 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, issuance or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Disclosure Statement, is or would be in violation of any federal securities law as amended and then in effect;

(6) Disclosure Statement Untrue or Incomplete. Any event occurring, or information becoming known which, in the reasonable judgment of the Purchaser, makes untrue in any material respect any material statement or information contained in the Disclosure Statement, or has the effect that the Disclosure 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) Indenture Event of Default. An event of default shall have occurred and be continuing under the Indenture;

(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; or

(9) Litigation. Any action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body is 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, or contesting the powers of the Authority to impose and collect the Measure D Sales Tax.

(e) Delivery of Documents at Closing. At or prior to the Closing, in addition to the requirements of other parties, the Purchaser shall have received the following documents, in each case satisfactory in form and substance to the Purchaser and its counsel:

(1) Approving Opinions of Bond Counsel. The approving opinions of Bond Counsel in substantially the forms included as Appendix F to the Disclosure Statement, dated the Delivery Date, addressed to the Authority, the Purchaser and the Trustee (or a reliance letter to the Purchaser and Trustee);

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, dated the Delivery Date, addressed to the Authority and the Purchaser, substantially in the form attached as Exhibit B 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 Purchaser, dated the Delivery Date, 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 Disclosure Statement, as of its

date and as of the Delivery 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, 2020,” 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 such firm expresses 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 Counsel to Local Agencies. Opinions of the respective counsel to each Local Agency, dated the Delivery Date, in form and substance satisfactory to the Purchaser, addressed to the Authority, the Trustee and the Purchaser, 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 applicable Series of 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 applicable Series of Bonds on behalf of the Local Agency or the Local Agency Legal Documents, (ii) in any way contesting or affecting the validity of the applicable Series of 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 Delivery Date, in form and substance satisfactory to the Purchaser, addressed to the Authority, the Trustee and the Purchaser, 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 – 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 Disclosure 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 Disclosure 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 public agencies in the State of California;

(vi) No Consents Required – Disclosure 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 Disclosure Statement that has not already been obtained or taken; and

(vii) Disclosure 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 Disclosure Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Disclosure Statement (including the Appendices attached thereto), nothing has come to his attention which would lead him to believe that the Disclosure 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 Disclosure Statement and as of the Delivery Date, 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 Counsel to Trustee and Escrow Agent. An opinion of counsel to the Trustee and the Escrow Agent, dated the Delivery Date, in form and substance satisfactory to the Purchaser, addressed to the Authority and the Purchaser substantially in the form attached as Exhibit C hereto.

(7) Opinion of Purchaser's Counsel. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, counsel for the

Purchaser, dated the Delivery Date and addressed to the Purchaser, satisfactory in form and substance to the Purchaser.

(8) Authority No Litigation Certificate. A certificate, dated the Delivery Date, signed by a duly authorized official of the Authority satisfactory in form and substance to the Purchaser and counsel to the Purchaser, 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 Disclosure Statement or this Purchase Contract;

(9) Legal Documents. A copy of each of the Legal Documents, duly executed by the respective parties thereto.

(10) Specimen Bonds. Specimen copies of the Bonds.

(11) Updated Disclosure Statement. The update of, or supplement to, the Disclosure Statement containing updated disclosure, duly executed by the Authority.

(12) Trustee and Escrow Agent Resolution. A certified copy of the general resolution of the Trustee and Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee and Escrow Agent, which resolution authorizes the execution and delivery of the Bonds, the Indenture and the Escrow Agreement.

(13) Trustee's and Escrow Agent's Representations, Warranties and Agreements. A certificate of the Trustee and Escrow Agent (collectively, "BNY"), dated the Delivery Date that as of the Delivery Date:

(i) Due Organization and Existence – BNY 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 United States of America, and has the full power and authority to enter into and perform its duties under the Legal Documents to which BNY is a party and to execute and deliver the Bonds to the Purchaser pursuant to the terms of the Indenture;

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

(iii) No Conflict – the execution and delivery by BNY of the Legal Documents to which BNY 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 material agreement or material instrument to which BNY 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 BNY or any of its activities or properties, which conflict, breach or default would materially adversely affect the ability of BNY 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 BNY;

(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 BNY’s authority to perform a trust business (all of which routine filing, to the best of BNY’s knowledge, have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over BNY is or will be required for the execution and delivery by BNY of the Legal Documents to which BNY is a party or the execution and delivery of the Bonds; and

(v) No Litigation – to BNY’s knowledge, 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 BNY or in any way affecting the existence of BNY or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the BNY’s participation in, or in any way contesting the powers of BNY with respect to, the transactions contemplated by the Bonds, the Indenture and the Escrow Agreement, including the authentication or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture;

(14) Resolutions. A copy of each Local Agency Resolution and of the Authority Resolution, certified as of the Delivery Date;

(15) Local Agency Bring-Down Certificate. A certificate of an authorized officer of each Local Agency, dated the Delivery Date, confirming as of such date the representations and warranties of the Local Agency contained in Exhibit A to this Purchase Contract;

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

(17) Ratings. Evidence of the ratings assigned to the Bonds by [identify rating agency or agencies];

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

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

(20) Verification Report. A copy of the report of _____, as verification agent, in form and substance acceptable to Bond Counsel and the Purchaser.

(21) Defeasance Opinion. An opinion or opinions of Bond Counsel, dated the Delivery Date, in form and substance satisfactory to the Purchaser and addressed to the Purchaser, to the effect that the Refunded Bonds have been legally defeased and discharged.

(22) Bond Insurance and Surety Policies. A copy of each Insurance Policy insuring the payment of principal of and interest on the applicable Series of Bonds in accordance with the terms thereof and of each Reserve Surety Policy providing for the related bond reserve fund for the applicable Series of Bonds, all as described in the Disclosure Statement, together with:

(i) a certificate(s) of the Insurer in form and substance satisfactory to the Purchaser, including a certification of the appropriate agent of the Insurer evidencing Insurer's determination that the information contained in the Disclosure Statement regarding the Insurer, the Insurance Policies and the Reserve Surety Policies with respect to the Bonds is accurate;

(ii) an opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Purchaser and the Authority in form and substance acceptable to counsel to the Purchaser, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the state of its incorporation; (ii) the Insurance Policies and the Reserve Surety Policies constitute the legal, valid and binding obligations of the Insurer enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (iii) the information contained in the Disclosure Statement under the caption "BOND INSURANCE" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(iii) any other documents required by the Insurer.

(23) Miscellaneous. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel for the Purchaser 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 Disclosure 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.

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

If the Purchaser's obligations contained in this Purchase Contract shall be terminated by the Purchaser for any reason permitted by Section 6(d) of this Purchase Contract, this Purchase Contract shall terminate and neither the Purchaser nor the Authority shall have any further obligations hereunder except that the respective obligations of the Authority and the Purchaser set forth in Section 8 and Section 9 hereof shall continue in full force and effect.

Section 7. Issuer Events of Default. The occurrence at any time with respect to the Authority of any of the following events constitutes an event of default (an "Issuer Event of Default") with respect to the Authority hereunder:

(i) the Authority shall fail or be unable to satisfy the conditions to the Purchaser's obligations under this Purchase Contract, including, without limitation, the inability or failure of the Authority to issue and sell the Bonds to the Purchaser;

(ii) due to the adoption of, or any change in, any applicable federal or State law after the date on which this Purchase Contract is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date (including any litigation brought against the Authority), it becomes unlawful for the Authority to complete the issuance, sale or delivery of the Bonds or otherwise perform any absolute or contingent obligation in respect of this Purchase Contract or to comply with any other material provision of this Purchase Contract;

(iii) this Purchase Contract or any provision hereof shall for any reason cease to be valid and binding on the Authority, or the Authority takes any action with the result that this Purchase Contract or a provision hereof shall for any reason cease to be valid and binding on the Authority, in accordance with its terms or shall be declared by a court of competent jurisdiction to be null and void, or the validity or enforceability of this Purchase Contract or any provision hereof shall be contested by the Authority or a proceeding shall be commenced by the Authority seeking to establish the invalidity or unenforceability of this Purchase Contract or any provision hereof; or

(iv) after the date of execution of this Purchase Contract there is (1) any legislation enacted by the Congress of the United States or favorably reported out of a committee or adopted by either house thereof (if such legislation has a proposed effective date which is on or before the Delivery Date), or (2) any federal or State law, rule or regulation enacted by any governmental body, department or agency (if such law, rule or regulation has an effective date which is on or before the Delivery Date), either of which would prevent (or have the retroactive effect of preventing, if enacted, adopted, passed or finalized) the delivery of the opinions set forth in Appendix F of the Disclosure Statement; provided, that any such change that results in interest on the Bonds becoming subject to federal income tax, if unrelated to any action or inaction by the Authority, as

determined by the Purchaser in its sole discretion, shall not constitute an Issuer Event of Default.

If at any time an Issuer Event of Default has occurred and is then continuing, the Purchaser may, by not more than five (5) days' notice to the Authority specifying the relevant Issuer Event of Default, designate a day not earlier than the day such notice is given to the Authority as a date for termination of this Purchase Contract (an "Early Termination Date"). If notice designating an Early Termination Date is given, (i) the Early Termination Date will occur on the date so designated, whether or not the relevant Issuer Event of Default is then continuing, (ii) on or as soon as reasonably practicable following the occurrence of the Early Termination Date, the Purchaser will calculate its losses and costs in connection with such Issuer Event of Default and shall provide to the Authority a statement (A) showing such calculations and (B) giving details of the relevant account to which any amount payable to it is to be paid. Such amounts shall be payable by the Authority on the day that notice of the amount payable is given to the Authority. In addition to its receipt of any loss, the Purchaser shall pursue any remedies available at law or in equity.

Section 8. Expenses.

(a) The Authority shall pay or reimburse all costs and expenses incident to the execution and delivery of the Bonds to the Purchaser, including, but not limited to: (i) the fees and expenses of the Authority and its counsel; (ii) the fees and expenses of Bond Counsel, Disclosure Counsel and counsel to the Purchaser; (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 and delivery of the Disclosure 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) fees of DTC, the California Debt and Investment Advisory Commission and the MSRB (if any), (ix) the Purchaser's disbursements for telephone conference calls and travel and lodging undertaken at the request of the Authority; and (x) expenses incurred on behalf of the employees of the Purchaser or the Authority which are incidental to the issuance of the Bonds, including, but not limited to, meals, transportation and lodging of those employees. In the event that the Purchaser incurs or advances the cost of any expense for which the Authority is responsible hereunder, the Authority shall reimburse the Purchaser at or prior to Closing

Section 9. Indemnification.

(a) To the extent permitted by law, the Authority agrees to indemnify and hold harmless the Purchaser 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 Disclosure 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 Disclosure 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.

(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 Purchaser, 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.

Section 10. 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., 400 South Hope Street, Los Angeles, CA 90071, Attention: Cristina Garchitorea.

(b) Purchaser. Any such notice or other communication to be given to the Purchaser may be given by delivering the same in writing to Barclays Capital Inc. [745 Seventh Avenue, 19th floor, New York, New York 10019, Attention: _____].

(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 11. Acknowledgment. The Authority and the Local Agencies each acknowledges and agrees that (i) with respect to the engagement of the Purchaser by the Authority, including in connection with 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 Purchaser, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Purchaser is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor or fiduciary of the Local Agencies or the Authority, (iii) the Purchaser 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 Purchaser has provided other services or is currently providing other services to the Local Agencies or the Authority on other matters) and the Purchaser has no obligation to the Local Agencies or the Authority with respect to the transactions 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 Purchaser hereby informs the Authority and the Local Agencies and the Authority and the Local Agencies each hereby acknowledges that the Purchaser 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 12. 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 13. 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 Purchaser), and will not confer any rights upon any other person. The rights and obligations of the Authority hereunder may not be assigned. The Authority hereby acknowledges and understands that the Purchaser may assign its rights and obligations under this Purchase Contract to any third party (the "Assignee").

The Authority hereby agrees that upon any assignment by the Purchaser, the Assignee shall have all rights, obligations, liabilities and remedies in respect of this Purchase Contract as if the Authority and such Assignee had entered into this Purchase Contract, including, without limitation, the right to enforce or be liable under the terms hereof and the right to either enforce the Authority's obligation to issue and deliver the Bonds, or to receive the payments hereunder, if any, directly from the Authority.

The Authority hereby consents to the assignment and delegation by the Purchaser to the Assignee of all of the rights, duties, obligations, and remedies of the Purchaser under this Purchase Contract and to the immediate assignment by the Purchaser to the Assignee of payments hereunder, if any, from the Authority without any further action by the Assignee, the Purchaser or the Authority. The Authority hereby agrees that the Authority shall, at the direction

of the Assignee, accept performance hereunder from the Assignee and hereby acknowledges that, at the direction of the Assignee, shall immediately enjoy all of the Purchaser's rights and remedies in respect of this Purchase Contract.

The Authority hereby waives any defense or claim it may have concerning the legality of any assignment hereunder and agrees that the validity of any such assignment will not be affected by (i) any insolvency, bankruptcy, liquidation, reorganization, dissolution, winding up or other similar proceeding involving or affecting the Authority; (ii) any change in the ownership or the identity or structure of the Authority, whether by consolidation, merger or otherwise; or (iii) any other circumstance which might otherwise constitute a defense available to the Authority in respect of such assignment.

Section 14. Survival. The provisions of Section 8 and Section 9 hereof shall survive termination or cancellation of this Purchase Contract. All representations, warranties and agreements of the Authority, the Local Agencies or the Purchaser 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 Purchaser; or (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract.

Section 15. Governing Law. This Purchase Contract shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 16. Waiver of Rights by Purchaser. The Purchaser shall have the right to waive all or any part of any one or more of the terms and conditions specified herein. Any such waiver must be in writing and delivered by the Purchaser to the Authority prior to the Closing. No such waiver of any particular part of or the entirety of any particular one or more of such terms and conditions of the Authority shall serve to waive any other term or condition hereof or part thereof, but only the term or terms, condition or conditions or part or parts thereof specifically waived in such waiver, nor shall acceptance of delivery of the Bonds and payment therefor by the Purchaser serve as such waiver, provided the foregoing shall not be construed under any circumstances so as to negate or undo any transaction after the Delivery Date.

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 Purchaser (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 the Authority in writing as heretofore specified shall constitute the entire agreement between the Authority and the Purchaser.

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

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

BARCLAYS CAPITAL INC.

By: _____

Name:

Title:

Accepted and Agreed to at __:__ am/pm on
_____, 2021:

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

By: _____

Name:

Title:

Signature Page

SCHEDULE 1

MATURITIES, AMOUNTS, RATES AND PRICES

\$ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES
2022A
(City of Brawley)**

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Purchase</u> <u>Price</u>	<u>Yield</u>	<u>CUSIP</u>
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* [Priced to par call on June 1, 20__.]

[Redemption Provisions to be inserted]

\$ _____
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES
2022B
(City of Calexico)

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Purchase <u>Price</u>	<u>Yield</u>	<u>CUSIP</u>
--	--	---------------------------------------	--	---------------------	---------------------

* [Priced to par call on June 1, 20__.]

[Redemption Provisions to be inserted]

\$ _____
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES
2022C
(City of Calipatria)

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Purchase <u>Price</u>	<u>Yield</u>	<u>CUSIP</u>
--	--	---------------------------------------	--	---------------------	---------------------

* [Priced to par call on June 1, 20__.]

[Redemption Provisions to be inserted]

\$ _____
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES
2022D
(City of Imperial)

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Purchase <u>Price</u>	<u>Yield</u>	<u>CUSIP</u>
--	--	---------------------------------------	--	---------------------	---------------------

* [Priced to par call on June 1, 20__.]

[Redemption Provisions to be inserted]

\$ _____
IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES
2022E
(County of Imperial)

Maturity Date <u>(June 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Purchase <u>Price</u>	<u>Yield</u>	<u>CUSIP</u>
--	--	---------------------------------------	--	---------------------	---------------------

* [Priced to par call on June 1, 20__.]

[Redemption Provisions to be inserted]

EXHIBIT A

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

_____, 2021

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

Ladies and Gentlemen:

The City of Brawley (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022A (City of Brawley)(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 Tenth Supplemental Indenture, dated as of _____, 202__ (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 _____, 202__ (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 Supplemental Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, dated as of the date hereof (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 Forward Delivery Bond Purchase Contract, dated _____, 2021 (the “Purchase Contract”), by and between the Authority and Barclays Capital Inc. (the “Purchaser”).

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 it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Local Agency Bonds or that would cause interest with respect to the Local Agency Bonds to be subject to California personal income taxes.

Very truly yours,

City of Brawley

By: _____

Name:

Title:

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

_____, 2021

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

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 Refunding Bonds (Limited Tax Bonds), Series 2022B (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 Eleventh Supplemental Indenture, dated as of _____ 202__ (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 _____, 202_ (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 Supplemental Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, dated as of the date hereof (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 Forward Delivery Bond Purchase Contract, dated _____, 2021 (the “Purchase Contract”), by and between the Authority and Barclays Capital Inc. (the “Purchaser”).

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 it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Local Agency Bonds or that would cause interest with respect to the Local Agency Bonds to be subject to California personal income taxes.

Very truly yours,

City of Calexico

By: _____
Name:
Title:

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

_____, 2021

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

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 Refunding Bonds (Limited Tax Bonds), Series 2022C (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 a Twelfth Supplemental Indenture, dated as of _____, 202__ (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 _____, 202_ (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 Supplemental Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, dated as of the date hereof (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 Forward Delivery Bond Purchase Contract, dated _____, 2021 (the “Purchase Contract”), by and between the Authority and Barclays Capital Inc. (the “Purchaser”).

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 it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Local Agency Bonds or that would cause interest with respect to the Local Agency Bonds to be subject to California personal income taxes.

Very truly yours,

City of Calipatria

By: _____
Name:
Title:

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

_____, 2021

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

Ladies and Gentlemen:

The City of Imperial (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022D (City of Imperial)(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 Thirteenth Supplemental Indenture, dated as of _____, 202__ (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 _____, 202__ (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 Supplemental Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, dated as of the date hereof (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 Forward Delivery Bond Purchase Contract, dated _____, 2021 (the “Purchase Contract”), by and between the Authority and Barclays Capital Inc. (the “Purchaser”).

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 it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Local Agency Bonds or that would cause interest with respect to the Local Agency Bonds to be subject to California personal income taxes.

Very truly yours,

City of Imperial

By: _____
Name:
Title:

**LETTER OF REPRESENTATIONS OF
LOCAL AGENCY
(County of Imperial)**

_____, 2021

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

Ladies and Gentlemen:

The County of Imperial (the “Local Agency”) proposes to cause the issuance and delivery of Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022E (County of Imperial) (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 Fourteenth Supplemental Indenture, dated as of _____, 202__ (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 _____, 202__ (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 Supplemental Indenture, the Pledge Agreement, the Continuing Disclosure Agreement, dated as of the date hereof (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 Forward Delivery Bond Purchase Contract, dated _____, 2021 (the “Purchase Contract”), by and between the Authority and Barclays Capital Inc. (the “Purchaser”).

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 it will not take or omit to take any action which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Local Agency Bonds or that would cause interest with respect to the Local Agency Bonds to be subject to California personal income taxes.

Very truly yours,

County of Imperial

By: _____
Name:
Title:

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[PC Signing Date][Delivery Date]

Imperial County Local Transportation Authority
1405 North Imperial Avenue, Suite 1
El Centro, CA 92243

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

Ladies and Gentlemen:

This opinion is addressed to you pursuant to Section [6(a)(5)][6(e)(2)] of the Forward Delivery Bond Purchase Contract (together with the Letters of Representations attached thereto), dated _____, 2021 (the “Purchase Contract”), by and between Barclays Capital Inc. (the “Purchaser”) 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 Refunding 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 _____, 202__ (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.

[TO BE INCLUDED AT DELIVERY DATE:] [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 Disclosure Statement under the captions “THE SERIES 2022 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 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. [TO BE INCLUDED AT PC EXECUTION:] [The Purchase Contract has been duly executed and delivered by the Authority and (assuming due authorization, execution and

delivery against the other party 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.]

[TO BE INCLUDED AT CLOSING/DELIVERY DATE:] [The Purchase Contract and the Continuing Disclosure Agreement have been duly executed and delivered by the Authority and (assuming due authorization, execution and delivery against the other parties thereto) are valid and binding agreements 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. [TO BE INCLUDED AT PC EXECUTION:] [Assuming no change in law from that which is in effect on the date hereof, the Bonds, if issued, will not be subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture will be exempt from qualification under the Trust Indenture Act of 1939, as amended.]

[TO BE INCLUDED AT CLOSING/DELIVERY DATE:] [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 C

FORM OF OPINION OF COUNSEL TO TRUSTEE AND ESCROW BANK

_____, 202__

Imperial County Local Transportation Authority
El Centro, California

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019

Re: Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds
(Limited Tax Bonds), Series 2022A, 2022B, 2022C, 2022D and 2022E

Ladies and Gentlemen:

I am a Managing Counsel in the Legal Department of The Bank of New York Mellon Trust Company, N.A. (“BNY Mellon”) and I am delivering this opinion in connection with the execution and delivery of (i) that certain Tenth Supplemental Indenture dated as of _____, 202__ (the “Tenth Supplemental Indenture”), between Imperial County Local February Authority (the “Issuer”) and BNY Mellon, as trustee (the “Trustee”), (ii) that certain Eleventh Supplemental Indenture dated as of _____, 202__ (the “Eleventh Supplemental Indenture”), between the Authority and the Trustee, (iii) that certain Twelfth Supplemental Indenture dated as of _____, 202__ (the “Twelfth Supplemental Indenture”), (iv) that certain Thirteenth Supplemental Indenture dated as of _____, 202__ (the “Thirteenth Supplemental Indenture”) and (v) that certain Fourteenth Supplemental Indenture dated as of _____, 202__ (the “Fourteenth Supplemental Indenture” and, together with the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture and the Thirteenth Supplemental Indenture, the “Supplemental Indentures”), between the Authority and the Trustee. The Supplemental Indentures amend and supplement that certain Indenture dated as of May 1, 2012 (as amended and supplemented through the date hereof, together with the Supplemental Indentures, the “Indenture”), between the Authority and the Trustee and the Escrow Deposit Agreement, dated as of the date hereof (the “Escrow Agreement”), by and between the Authority and BNY Mellon as escrow agent. All capitalized terms used herein not otherwise defined shall be as defined in the Indenture.

In rendering the opinions set forth below, I have examined the originals, or copies certified to my satisfaction, of such agreements (including, without limitation, the Indenture and the Escrow Agreement), certificates and other statements of government officials and corporate officers of BNY Mellon, documents and other papers as I deemed relevant and necessary as a basis for such opinion and have relied as to factual matters on representations, warranties and

other statements therein. With respect to parties other than BNY Mellon, in such examination, I have assumed the authenticity of all documents submitted to me as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to me as copies. In my examination of documents (including, without limitation, the Indenture) executed by parties other than BNY Mellon, I have also assumed that, if the opinions set forth in paragraphs (1) through (4) below referred to such parties and such documents, such opinions would be true and correct with respect to such parties and such documents.

The opinions expressed herein are limited to the laws of the State of California and the Federal law of the United States, and I do not express any opinion herein concerning any other law.

Based upon the foregoing, I am of the opinion that:

(1) BNY Mellon is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Supplemental Indentures and the Escrow Agreement, and to perform its obligations under the Indenture and the Escrow Agreement.

(2) The execution and delivery by BNY Mellon of the Supplemental Indentures and the Escrow Agreement, and its performance of its obligations under the Indenture and the Escrow Agreement, have been and are as of the date hereof duly authorized by all necessary corporate action.

(3) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by BNY Mellon of the Supplemental Indentures and the Escrow Agreement.

(4) The Supplemental Indentures and the Escrow Agreement have been duly executed and delivered by BNY Mellon and constitute the valid and legally binding obligations of BNY Mellon enforceable against it in accordance with their terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

My opinions are subject to the following assumptions and qualifications:

I express no opinion as to (a) any transactions not specifically referred to herein; (b) any provision of the Indenture or the Escrow Agreement to the extent it provides that a party is entitled to recover more than its actual damages under the Indenture or the Escrow Agreement, as applicable; (c) any right, remedy or provision of the Indenture or the Escrow Agreement (including without limitation any termination payment provisions thereof) which, if determined to be a penalty, a court or other authority or body may have the discretion to invalidate or decline to enforce; (d) the enforcement of rights with respect to indemnification and contribution obligations; (e) any provision relating to severability; (f) any provision purporting to waive or limit rights to trial by jury, oral amendments to written agreements or rights of set-off, (g) any provision relating to submission to jurisdiction, venue or service of process, (h) any provision purporting to prohibit, restrict or require the consent of the other party for the transfer of, or the creation, attachment or perfection of a security interest in, the Indenture or the Escrow

Agreement or an interest therein, which may be limited by applicable law or considerations of public policy; (i) any provision that provides that the rights of the parties to the Indenture or the Escrow Agreement may not be assigned by a party without the prior written consent of the other party or parties, which may be limited by the Uniform Commercial Code; (j) the tax consequences of any transaction under the Indenture; (k) any Federal securities laws, pension and employee benefit laws (e.g., ERISA), anti-money laundering laws, trading with the enemy laws, or other laws of special or general application not normally covered in an opinion on capacity and enforceability, in accordance with market practice; or (l) the priority, perfection, attachment or validity of any security interest created under the Indenture or the enforcement of remedies in connection therewith.

This opinion is based upon facts and law in existence on the date hereof and I disclaim any obligation to advise you of any changes therein occurring after the date hereof. This opinion is given for the use and benefit of the addressees and no other party or entity is entitled to rely on it.

Very truly yours,

Rhea L. Ricard
Managing Counsel

APPENDIX I

[FORM OF DISCLOSURE STATEMENT
TO FOLLOW THIS COVER PAGE]

AMENDED AND RESTATED
PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF BRAWLEY

Dated as of March 1, 2022

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THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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 BRAWLEY, 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,

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 “Brawley Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority assisted the City in financing 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 2012A, which are payable only from the Brawley Sales Tax Revenues (the “Series 2012A Bonds”);

WHEREAS, in connection with issuance of the Series 2012A Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the City pledged the Brawley Sales Tax Revenues to the payment of the 2012A Bonds;

WHEREAS, the City and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the City to pledge, under this Agreement, the Brawley Sales Tax Revenues to the payment of the Series 2012A Bonds, any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the Brawley Sales Tax Revenues (collectively, the “City of Brawley Measure D 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 by a First Supplemental Indenture, dated as of May 1, 2012 (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 City hereby pledges and assigns all Brawley Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the City of Brawley Measure D Bonds at any time Outstanding.

Section 2.02. Application of Brawley Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Brawley Sales Tax Revenues to pay the debt service on the City of Brawley Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the City of Brawley Measure D Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the Brawley 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 City of Brawley Measure D Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall be payable from the Brawley Sales Tax Revenues and/or the proceeds of the City of Brawley Measure D 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 City of Brawley Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any City of Brawley Measure D Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) 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.

(b) In connection with the issuance of a Series of City of Brawley Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Brawley Measure D Bonds, certifying that the representation delivered by the City in Section 5.01(a) of this Agreement is true and correct as of such date of closing.

Section 5.02. Expenditure on Approved Projects. (a) The City hereby covenants to use proceeds of the City of Brawley Measure D Bonds and any Brawley 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 City of Brawley Measure D Bonds and any Brawley 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 a Series of City of Brawley Measure D Bonds or any Brawley 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 Brawley Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to such Series of City of Brawley Measure D Bonds proceeds or Brawley Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of City of Brawley Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Brawley Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Brawley Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Brawley Measure D Bonds.

Section 5.03. Compliance with Tax Covenants. (a) 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 2012A Bonds, the City provided a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

(b) In connection with the issuance of a Series of City of Brawley Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Brawley Measure D Bonds, providing the covenant found in Section 5.03(a) modified to reflect such Series of City of Brawley Measure D Bonds. Moreover, to the extent required by Bond Counsel, the City, on or prior to the closing date of such Series of City of Brawley Measure D Bonds, shall deliver a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto, with the appropriate revisions to reflect the Series of City of Brawley Measure D Bonds to be issued and the projects to be financed with such Series.

Section 5.04. Annual Expenditure Report. The City hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Brawley 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 104
El Centro, California 92243
Attention: Executive Director

(b) City:

383 W. Main Street
Brawley, California 92227
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 City of Brawley Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the City of Brawley Measure D 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 BRAWLEY

By _____
City Manager

APPENDIX A

[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0. Because the City's Maintenance of Effort Requirement over the life of the Bonds will be \$0, the City will not be required to file this Certificate in subsequent Fiscal Years.]

FORM OF CERTIFICATE OF THE CITY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the City of Brawley, 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 Amended and Restated Pledge Agreement, dated as of March 1, 2022, 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 BRAWLEY

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE CITY REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

**[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0.
Accordingly, only the Certification under 2) below will be required to be provided]**

I, _____, an Authorized Officer of the City of Brawley, California (the "City"), DO
HEREBY CERTIFY as follows

1) that, as required pursuant to an Amended and Restated Pledge Agreement, dated as of March 1, 2022 (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 Brawley 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 BRAWLEY

By: _____
Authorized Officer

APPENDIX C

§ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2012A**

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 Brawley, 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 [Closing Date], 20 ____.

CITY OF BRAWLEY

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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TENTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

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

Dated as of March 1, 2022

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022A**

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

Tenth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____

Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022A

This Tenth Supplemental Indenture, dated as of March 1, 2022 (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 2012A, in the aggregate principal amount of \$8,155,000 (the “Series 2012A Bonds”), pursuant to the terms of the Indenture and the First Supplemental Indenture, dated as of May 1, 2012 (the “First Supplemental Indenture”), by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of [\$5,610,000];

WHEREAS, the Authority now desires to refund a portion of the Series 2012A Bonds through the issuance of its Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022A (the “Series 2022A Bonds”), in the aggregate principal amount of \$ _____;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022A 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 (as such term is defined in the Indenture);

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2022A 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 35

DEFINITIONS

SECTION 35.01 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.

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

Brawley 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 13.12 of the First Supplemental Indenture.

City means the City of Brawley, California.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

Escrow Agreement means that certain escrow agreement, dated as of March 1, 2022, by and between the Issuer and the Escrow Agreement

Series 2022A Bond Reserve Fund means the fund by that name established pursuant to Section 36.07 hereof.

Series 2022A Bond Reserve Requirement means, as of any date of calculation, [an amount equal to the least of (i) ten percent (10%) of the initial principal amount of the Series 2022A Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2022A Bonds exceeds two percent (2%), ten percent (10%) of the proceeds of the Series 2022A Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022A Bonds, and (iii) Maximum Annual Debt Service on the Series 2022A Bonds.]

Series 2022A Costs of Issuance Fund means the fund by that name established pursuant to Section 36.05.

Series 2022A 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 36.15.

Series 2022A Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 36.13.

Series 2022A Interest Payment Date means each June 1 and December 1, commencing [June 1, 2022].

[**Series 2022A Insurance Policy** means the insurance policy issued by the Series 2022A Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2022A Bonds when due.]

[**Series 2022A Insurer** means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

Series 2022A Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 36.14.

Series 2022A Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2022A Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2022A Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 36.16.

[**Series 2022A Reserve Policy** means the debt service reserve insurance policy issued by the Series 2022A Insurer and deposited in the Series 2022A Bond Reserve Fund.]

ARTICLE 36

TERMS OF SERIES 2022A BONDS

SECTION 36.01 Authorization and Terms of Series 2022A 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 Refunding Bonds (Limited Tax Bonds), Series 2022A,” 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 2022A Project.

(B) The Series 2022A 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 underwriter of the Series 2022A Bonds shall assign a letter or number or letter and number, or a combination thereof to each Series 2022A Bond to distinguish it from other Series 2022A Bonds. Registered ownership of the Series 2022A 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 2022A 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 2022A 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 2022A Interest Payment Date by check mailed by first class mail on such Series 2022A Interest Payment Date to the Owner thereof as of the close of business on the Series 2022A Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2022A Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2022A 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 2022A 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.

Prior to any transfer of the Series 2020A Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 36.02 Form of Series 2022A Bonds. The Series 2022A 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 2022A Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 30.01.

SECTION 36.03 Issuance of the Series 2022A 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 2022A Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 36.04 Application of Proceeds of the Series 2022A Bonds. The proceeds of the sale of the Series 2022A Bonds, \$_____, comprised of \$_____ aggregate principal amount, less an original issue discount of \$_____, less an underwriter's discount of \$_____, [and less the amount of \$_____, which was wired directly to the Series 2022A Insurer for the payment of the premiums for the Series 2022A Insurance Policy and the Series 2022A Reserve Policy], 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 2022A Costs of Issuance Fund, which is established pursuant to Section 36.05, the sum of \$_____.

(B) The Trustee shall transfer the sum of \$_____ to the Escrow Agent for deposit in the escrow fund established pursuant to the Escrow Agreement for the purpose of refunding the Series 2012A Bonds.

(C) The Trustee shall deposit in the Series 2022A Bond Reserve Fund, which is established pursuant to Section 36.07, the sum of \$_____, representing the amount necessary to fund the Series 2022A Bond Reserve Requirement.

The Trustee may establish temporary funds or accounts to facilitate such transfers.

SECTION 36.05 Establishment and Application of the Series 2022A Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022A Costs of Issuance Fund." Amounts in the Series 2022A Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2022A 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 reimbursed from the Series 2022A Costs of Issuance Fund. 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 2022A Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022A Bonds shall be transferred to the Series 2022A Interest Account.

SECTION 36.06 [Reserved].

SECTION 36.07 Establishment, Funding and Application of the Series 2022A Bond Reserve Fund; Bond Reserve Requirement for the Series 2022A Bonds. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022A Bond Reserve Fund." All amounts in the Series 2022A Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2022A Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2022A Interest Account or the Series 2022A Principal Account relating to the Series 2022A Bonds; or, (ii) together with any other moneys available therefor, (x) for the

payment of all of the Series 2022A Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2022A Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2022A Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2022A Bonds, the amount on deposit in the Series 2022A Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2022A Bond Reserve Requirement applicable to all Series 2022A 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 2022A Bonds.

SECTION 36.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2022A Bond Reserve Fund, the Series 2022A Costs of Issuance Fund 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 36.09 Optional Redemption of Series 2022A Bonds. The Series 2022A Bonds 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 36.10 Mandatory Redemption of Series 2022A Bonds. The Series 2022A 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 36.11 Pledge of Brawley Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2022A Bonds

and any Parity Obligations, there are irrevocably pledged to the Trustee, all Brawley Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2022A Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2022A Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2022A 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 Brawley 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 36.12 Application of Brawley Sales Tax Revenues. The Brawley Sales Tax Revenues held in the Brawley Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 36.13 Establishment of the Series 2022A Interest Account and Application of the Series 2022A Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022A 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 2022A Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 36.14 Establishment of the Series 2022A Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022A 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 2022A Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 36.15 Establishment of the Series 2022A Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022A 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 2022A Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 36.16 Establishment of the Series 2022A Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022A 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 2022A Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 37

MISCELLANEOUS PROVISIONS

SECTION 37.01 Terms of Series 2022A 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 2022A 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 37.02 Provisions Relating to Series 2022A Insurance Policy. So long as the Series 2022A Insurance Policy is in effect or amounts are owed to the Series 2022A Insurer, the following provisions shall govern the Series 2022A Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 37.03 Provisions Relating to Series 2022A Reserve Policy. So long as the Series 2022A Reserve Policy is in effect, the following provisions shall govern the Series 2022A Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 37.04 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 37.05 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

Exhibit A

[Form of Series 2022A Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2020A**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	_____, 2022	

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, 2022], 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 Tenth Supplemental Indenture thereto, dated as of March 1, 2022 (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 by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Refunding 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 2022A 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 2022A Bond, and to all the provisions thereof the registered holder of this Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bond may be exchanged for a like aggregate principal amount of Series 2022A Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2022A 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 2022A Bond. Upon such transfer a new fully registered Series 2022A Bond or Series 2022A 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 2022A Bond, and in the issuing of this Series 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 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.

INSURANCE STATEMENT

[TO COME, IF APPLICABLE]

Exhibit B

[Form of Requisition – Series 2022A Costs of Issuance Fund]

REQUISITION NO. ____

Series 2022A Costs of Issuance Fund

The undersigned, _____, _____ of the Imperial County Local Transportation Authority (the “ICLTA”), hereby directs and certifies that:

(a) The ICLTA hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the ICLTA and the Trustee, as supplemented and amended, including as supplemented by the Tenth Supplemental Indenture, dated as of March 1, 2022 (together with the Master Indenture, as so supplemented and amended, the “Indenture”), to pay from the moneys in the Series 2022A Costs of Issuance Fund established pursuant to the Indenture, the amount shown on Schedule I attached hereto to the parties indicated thereon. Amounts shall be debited from the 2022A Account on a *pro rata* basis.

(b) The names of the payees, the purpose for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred, is presently due and payable and is a proper charge against the Series 2022A Costs of Issuance Fund. None of the Items for which payment is requested has been reimbursed previously from the Series 2022A Costs of Issuance Fund.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of _____
____, 2022.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
[Title]

Schedule I

Series 2022A Costs of Issuance Fund

Item	Payee	Purpose	Amount
			\$

AMENDED AND RESTATED
PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF CALEXICO

Dated as of March 1, 2022

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THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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,

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 “Calexico Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority assisted the City in financing 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 2012B, which are payable only from the Calexico Sales Tax Revenues (the “Series 2012B Bonds”);

WHEREAS, in connection with issuance of the Series 2012B Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the City pledged the Calexico Sales Tax Revenues to the payment of the 2012B Bonds;

WHEREAS, the City and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the City to pledge, under this Agreement, the Calexico Sales Tax Revenues to the payment of the Series 2012A Bonds, the Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A (City of Calexico), any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the Calexico Sales Tax Revenues (collectively, the “City of Calexico Measure D 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 by a Second Supplemental Indenture, dated as of May 1, 2012 (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 City hereby pledges and assigns all Calexico Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the City of Calexico Measure D Bonds at any time Outstanding.

Section 2.02. Application of Calexico Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Calexico Sales Tax Revenues to pay the debt service on the City of Calexico Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the City of Calexico Measure D Bonds (and all past due amounts relating thereto) the Authority shall cause the remainder of the City of Calexico Measure D Bonds 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 City of Calexico Measure D Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall be payable from the Calexico Sales Tax Revenues and/or the proceeds of the City of Calexico Measure D 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 City of Calexico Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any City of Calexico Measure D Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) 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.

(b) In connection with the issuance of a Series of City of Calexico Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calexico Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Calexico Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Calexico Measure D Bonds.

Section 5.02. Expenditure on Approved Projects. (a) The City hereby covenants to use proceeds of the City of Calexico Measure D Bonds and any Calexico 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 City of Calexico Measure D Bonds and any Calexico 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 a Series of City of Calexico Measure D Bonds or any Calexico 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 Calexico Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the applicable Series of City of Calexico Measure D Bonds proceeds or Calexico Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of City of Calexico Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calexico Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Calexico Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Calexico Measure D Bonds.

Section 5.03. Compliance with Tax Covenants. (a) 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 2012B Bonds, the City

provided a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

(b) In connection with the issuance of a Series of City of Calexico Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calexico Measure D Bonds, providing the covenant found in Section 5.03(a) modified to reflect such Series of City of Calexico Measure D Bonds. Moreover, to the extent required by Bond Counsel, the City, on or prior to the closing date of such Series of City of Calexico Measure D Bonds, shall deliver a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto, with the appropriate revisions to reflect the Series of City of Calexico Measure D Bonds to be issued and the projects to be financed with such Series.

Section 5.04. Annual Expenditure Report. The City hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all Calexico 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 City of Calexico Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the City of Calexico Measure D 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

**[The Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$1,049,905.
Amounts for subsequent Fiscal Years should be calculated pursuant to the Ordinance]**

**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 Amended and Restated Pledge Agreement, dated as of March 1, 2022, 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 an Amended and Restated Pledge Agreement, dated as of March 1, 2022 (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 2012B**

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 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 [Closing Date].

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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ELEVENTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

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

Dated as of March 1, 2022

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022B**

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

Eleventh Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022B

This Eleventh Supplemental Indenture, dated as of March 1, 2022 (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, which are currently outstanding in the aggregate principal amount of [\$11,285,000];

WHEREAS, the Authority has previously issued its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A, in the aggregate principal amount of \$12,375,000 (the “Series 2018A Bonds”), pursuant to the terms of the Indenture and the Seventh Supplemental Indenture, dated as of May 1, 2018, by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of \$ _____;

WHEREAS, the Series 2012B Bonds and Series 2018A Bonds are both payable from Callexico Sales Tax Revenues (as defined herein);

WHEREAS, the Authority now desires to refund all or a portion of the Series 2012B Bonds through the issuance of its Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022B (the “Series 2022B Bonds”), in the aggregate principal amount of \$ _____;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022B 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 (as such term is defined in the Indenture);

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2022B 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 38

DEFINITIONS

SECTION 38.01 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.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

Escrow Agreement means that certain escrow agreement, dated as of March 1, 2022, by and between the Issuer and the Escrow Agreement

Series 2022B Bond Reserve Fund means the fund by that name established pursuant to Section 39.07 hereof.

Series 2022B Bond Reserve Requirement means, as of any date of calculation, [an amount equal to the least of (i) ten percent (10%) of the initial principal amount of the Series 2022B Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2022B Bonds exceeds two percent (2%), ten percent (10%) of the proceeds of the Series 2022B Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022B Bonds, and (iii) Maximum Annual Debt Service on the Series 2022B Bonds.]

Series 2022B Costs of Issuance Fund means the fund by that name established pursuant to Section 39.05.

Series 2022B 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 39.15.

Series 2022B Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 39.13.

Series 2022B Interest Payment Date means each June 1 and December 1, commencing [June 1, 2022].

[**Series 2022B Insurance Policy** means the insurance policy issued by the Series 2022B Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2022B Bonds when due.]

[**Series 2022B Insurer** means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

Series 2022B Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 39.14.

Series 2022B Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2022B Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2022B Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 39.16.

[**Series 2022B Reserve Policy** means the debt service reserve insurance policy issued by the Series 2022B Insurer and deposited in the Series 2022B Bond Reserve Fund.]

ARTICLE 39

TERMS OF SERIES 2022B BONDS

SECTION 39.01 Authorization and Terms of Series 2022B 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 Refunding Bonds (Limited Tax Bonds), Series 2022B,” 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 2022B Project.

(B) The Series 2022B 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 underwriter of the Series 2022B Bonds shall assign a letter or number or letter and number, or a combination thereof to each Series 2022B Bond to distinguish it from other Series 2022B Bonds. Registered ownership of the Series 2022B 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 2022B 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>
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Interest on the Series 2022B 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 2022B Interest Payment Date by check mailed by first class mail on such Series 2022B Interest Payment Date to the Owner thereof as of the close of business on the Series 2022B Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2022B Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2022B 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 2022B 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.

Prior to any transfer of the Series 2022B Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall

conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 39.02 Form of Series 2022B Bonds. The Series 2022B 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 2022B Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 39.01.

SECTION 39.03 Issuance of the Series 2022B 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 2022B Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 39.04 Application of Proceeds of the Series 2022B Bonds. The proceeds of the sale of the Series 2022B Bonds, \$_____, comprised of \$_____ aggregate principal amount, less an original issue discount of \$_____, less an underwriter's discount of \$_____, [and less the amount of \$_____, which was wired directly to the Series 2022B Insurer for the payment of the premiums for the Series 2022B Insurance Policy and the Series 2022B Reserve Policy], 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 2022B Costs of Issuance Fund, which is established pursuant to Section 39.05, the sum of \$_____.

(B) The Trustee shall transfer the sum of \$_____ to the Escrow Agent for deposit in the escrow fund established pursuant to the Escrow Agreement for the purpose of refunding the Series 2012C Bonds.

(C) The Trustee shall deposit in the Series 2022B Bond Reserve Fund, which is established pursuant to Section 39.07, the sum of \$_____, representing the amount necessary to fund the Series 2022B Bond Reserve Requirement.

The Trustee may establish temporary funds or accounts to facilitate such transfers.

SECTION 39.05 Establishment and Application of the Series 2022B Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022B Costs of Issuance Fund." Amounts in the Series 2022B Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2022B 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 reimbursed from the Series 2022B Costs of Issuance Fund. 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 2022B Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022B Bonds shall be transferred to the Series 2022B Interest Account.

SECTION 39.06 [Reserved].

SECTION 39.07 Establishment, Funding and Application of the Series 2022B Bond Reserve Fund; Bond Reserve Requirement for the Series 2022B Bonds. There is hereby established and maintained with the Trustee a fund designated as the “Series 2022B Bond Reserve Fund.” All amounts in the Series 2022B Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2022B Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2022B Interest Account or the Series 2022B Principal Account relating to the Series 2022B Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2022B Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2022B Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2022B Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2022B Bonds, the amount on deposit in the Series 2022B Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2022B Bond Reserve Requirement applicable to all Series 2022B 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 2022B Bonds.

SECTION 39.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2022B Bond Reserve Fund, the Series 2022B Costs of Issuance Fund 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 39.09 Optional Redemption of Series 2022B Bonds. The Series 2022B Bonds 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 39.10 Mandatory Redemption of Series 2022B Bonds. The Series 2022B 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 39.11 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 2018A Bonds, the Series 2022B 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 2022B Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2022B Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2022B 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 39.12 Application of Calexico Sales Tax Revenues. The Calexico Sales Tax Revenues held in the Calexico Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 39.13 Establishment of the Series 2022B Interest Account and Application of the Series 2022B Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022B 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 2022B Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 39.14 Establishment of the Series 2022B Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022B 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 2022B Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 39.15 Establishment of the Series 2022B Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022B 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 2022B Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 39.16 Establishment of the Series 2022B Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022B 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 2022B Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 40

MISCELLANEOUS PROVISIONS

SECTION 40.01 Terms of Series 2022B 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 2022B 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 40.02 Provisions Relating to Series 2022B Insurance Policy. So long as the Series 2022A Insurance Policy is in effect or amounts are owed to the Series 2022B Insurer, the following provisions shall govern the Series 2022B Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 40.03 Provisions Relating to Series 2022B Reserve Policy. So long as the Series 2022B Reserve Policy is in effect, the following provisions shall govern the Series 2022B Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 40.04 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 40.05 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

Exhibit A

[Form of Series 2022B Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2022B**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	March __, 2022	

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 [June 1, 2022], 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 Eleventh Supplemental Indenture thereto, dated as of March 1, 2022 (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 by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Refunding 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 2022B 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 2022B Bond, and to all the provisions thereof the registered holder of this Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B Bond may be exchanged for a like aggregate principal amount of Series 2022B Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2022B 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 2022B Bond. Upon such transfer a new fully registered Series 2022B Bond or Series 2022B 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 2022B Bond, and in the issuing of this Series 2022B 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 2022B 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 2022B 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 2022B 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 2022B 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 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 2022B Costs of Issuance Fund]

REQUISITION NO. ____

Series 2022B Costs of Issuance Fund

The undersigned, _____, _____ of the Imperial County Local Transportation Authority (the “ICLTA”), hereby directs and certifies that:

(a) The ICLTA hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the ICLTA and the Trustee, as supplemented and amended, including as supplemented by the Eleventh Supplemental Indenture, dated as of March 1, 2022 (together with the Master Indenture, as so supplemented and amended, the “Indenture”), to pay from the moneys in the Series 2022B Costs of Issuance Fund established pursuant to the Indenture, the amount shown on Schedule I attached hereto to the parties indicated thereon. Amounts shall be debited from the 2022B Account on a *pro rata* basis.

(b) The names of the payees, the purpose for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred, is presently due and payable and is a proper charge against the Series 2022B Costs of Issuance Fund. None of the Items for which payment is requested has been reimbursed previously from the Series 2022B Costs of Issuance Fund.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of March __, 2022.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
[Title]

Schedule I

Series 2022B Costs of Issuance Fund

Item	Payee	Purpose	Amount
			\$

AMENDED AND RESTATED
PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF CALIPATRIA

Dated as of March 1, 2022

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THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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, 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 “Calipatria Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority assisted the City in financing 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 2012C which are payable only from the Calipatria Sales Tax Revenues (the “Series 2012C Bonds”);

WHEREAS, in connection with issuance of the Series 2012C Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the City pledged the Calipatria Sales Tax Revenues to the payment of the 2012C Bonds;

WHEREAS, the City and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the City to pledge, under this Agreement, the Calipatria Sales Tax Revenues to the payment of the Series 2012A Bonds, the Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018B (City of Calipatria), any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the Calipatria Sales Tax Revenues (collectively, the “City of Calipatria Measure D 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 by a Third Supplemental Indenture, dated as of May 1, 2012 (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 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 City of Calipatria Measure D Bonds at any time Outstanding.

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 City of Calipatria Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the City of Calipatria Measure D Bonds (and all past due amounts relating thereto) the Authority shall cause the remainder of the City of Calipatria Measure D Bonds 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 City of Calipatria Measure D Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall be payable from the Calipatria Sales Tax Revenues and/or the proceeds of the City of Calipatria Measure D 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 City of Calipatria Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any City of Calipatria Measure D Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) 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.

(b) In connection with the issuance of a Series of City of Calipatria Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calipatria Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Calipatria Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Calipatria Measure D Bonds.

Section 5.02. Expenditure on Approved Projects. (a) The City hereby covenants to use proceeds of the City of Calipatria Measure D 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 City of Calipatria Measure D 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 any City of Calipatria Measure D 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 applicable Series of City of Calipatria Measure D Bonds proceeds or Calipatria Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of City of Calipatria Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calipatria Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Calipatria Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Calipatria Measure D Bonds.

Section 5.03. Compliance with Tax Covenants. (a) 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 2012C Bonds, the City provided a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

(b) In connection with the issuance of a Series of City of Calipatria Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Calipatria Measure D Bonds, providing the covenant found in Section 5.03(a) modified to reflect such Series of City of Calipatria Measure D Bonds. Moreover, to the extent required by Bond Counsel, the City, on or prior to the closing date of such Series of City of Calipatria Measure D Bonds, shall deliver a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto, with the appropriate revisions to reflect the Series of City of Calipatria Measure D Bonds to be issued and the projects to be financed with such Series.

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 104
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 City of Calipatria Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the City of Calipatria Measure D 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

[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0. Because the City's Maintenance of Effort Requirement over the life of the Bonds will be \$0, the City will not be required to file this Certificate in subsequent Fiscal Years.]

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 Amended and Restated Pledge Agreement, dated as of March 1, 2022, 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

**[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0.
Accordingly, only the Certification under 2) below will be required to be provided]**

**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 an Amended and Restated Pledge Agreement, dated as of March 1, 2022 (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 2012C**

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 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 [Closing Date].

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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TWELFTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

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

Dated as of March 1, 2022

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022C**

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

Twelfth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022C

This Twelfth Supplemental Indenture, dated as of March 1, 2022 (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 Second Supplemental Indenture, dated as of May 1, 2012 (the “Second Supplemental Indenture”), by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of [\$1,680,000];

WHEREAS, the Authority has previously issued its Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2018A, in the aggregate principal amount of \$1,450,000 (the “Series 2018B Bonds”), pursuant to the terms of the Indenture and the Eighth Supplemental Indenture, dated as of May 1, 2018, by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of \$ _____;

WHEREAS, the Series 2012C Bonds and Series 2018B Bonds are both payable from Calipatria Sales Tax Revenues (as defined herein);

WHEREAS, the Authority now desires to refund all or a portion of the Series 2012C Bonds through the issuance of its Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022C (the “Series 2022C Bonds”), in the aggregate principal amount of \$ _____;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022C 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 (as such term is defined in the Indenture);

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2022C 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 41

DEFINITIONS

SECTION 41.01 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 16.12 of the Second Supplemental Indenture.

City means the City of Calipatria, California.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

Escrow Agreement means that certain escrow agreement, dated as of March 1, 2022, by and between the Issuer and the Escrow Agreement

Series 2022C Bond Reserve Fund means the fund by that name established pursuant to Section 42.07 hereof.

Series 2022C Bond Reserve Requirement means, [as of any date of calculation, an amount equal to the least of (i) ten percent (10%) of the initial principal amount of the Series 2022C Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2022C Bonds exceeds two percent (2%), ten percent (10%) of the proceeds of the Series 2022C Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022C Bonds, and (iii) Maximum Annual Debt Service on the Series 2022C Bonds.]

Series 2022C Costs of Issuance Fund means the fund by that name established pursuant to Section 42.05.

Series 2022C 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 42.15.

Series 2022C Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 42.13.

Series 2022C Interest Payment Date means each June 1 and December 1, commencing [June 1, 2022].

[**Series 2022C Insurance Policy** means the insurance policy issued by the Series 2022C Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2022C Bonds when due.]

[**Series 2022C Insurer** means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

Series 2022C Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 42.14.

Series 2022C Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2022C Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2022C Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 42.16.

[**Series 2022C Reserve Policy** means the debt service reserve insurance policy issued by the Series 2022C Insurer and deposited in the Series 2022C Bond Reserve Fund.]

ARTICLE 42

TERMS OF SERIES 2022C BONDS

SECTION 42.01 Authorization and Terms of Series 2022C 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 Refunding Bonds (Limited Tax Bonds), Series 2022C,” 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 2022C Project.

(B) The Series 2022C 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 underwriter of the Series 2022C Bonds shall assign a letter or number or letter and number, or a combination thereof to each Series 2022C Bond to distinguish it from other Series 2022C Bonds. Registered ownership of the Series 2022C 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 2022C 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 2022C 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 2022C Interest Payment Date by check mailed by first class mail on such Series 2022C Interest Payment Date to the Owner thereof as of the close of business on the Series 2022C Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2022C Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2022C 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 2022C 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.

Prior to any transfer of the Series 2020C Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information

SECTION 42.02 Form of Series 2022C Bonds. The Series 2022C 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 2022C Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 42.01.

SECTION 42.03 Issuance of the Series 2022C 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 2022C Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 42.04 Application of Proceeds of the Series 2022C Bonds. The proceeds of the sale of the Series 2022C Bonds, \$_____, comprised of \$_____ aggregate principal amount, less an original issue discount of \$_____, less an underwriter's discount of \$_____, [and less the amount of \$_____, which was wired directly to the Series 2022C Insurer for the payment of the premiums for the Series 2022C Insurance Policy and the Series 2022C Reserve Policy], 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 2022C Costs of Issuance Fund, which is established pursuant to Section 42.05, the sum of \$_____.

(B) The Trustee shall transfer the sum of \$_____ to the Escrow Agent for deposit in the escrow fund established pursuant to the Escrow Agreement for the purpose of refunding the Series 2012C Bonds.

(C) The Trustee shall deposit in the Series 2022C Bond Reserve Fund, which is established pursuant to Section 42.07, the sum of \$_____, representing the amount necessary to fund the Series 2022C Bond Reserve Requirement.

The Trustee may establish temporary funds or accounts to facilitate such transfers.

SECTION 42.05 Establishment and Application of the Series 2022C Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022C Costs of Issuance Fund." Amounts in the Series 2022C Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2022C 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 reimbursed from the Series 2022C Costs of Issuance Fund. 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 2022C Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022C Bonds shall be transferred to the Series 2022C Interest Account.

SECTION 42.06 [Reserved].

SECTION 42.07 Establishment, Funding and Application of the Series 2022C Bond Reserve Fund; Bond Reserve Requirement for the Series 2022C Bonds. There is hereby established and maintained with the Trustee a fund designated as the “Series 2022C Bond Reserve Fund.” All amounts in the Series 2022C Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2022C Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any deficiency in the Series 2022C Interest Account or the Series 2022C Principal Account relating to the Series 2022C Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2022C Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2022C Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2022C Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2022C Bonds, the amount on deposit in the Series 2022C Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2022C Bond Reserve Requirement applicable to all Series 2022C 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 2022C Bonds.

SECTION 42.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2022C Bond Reserve Fund, the Series 2022C Costs of Issuance Fund 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 42.09 Optional Redemption of Series 2022C Bonds. The Series 2018C Bonds 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 42.10 Mandatory Redemption of Series 2022C Bonds. The Series 2022C 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 42.11 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 2018B Bonds, the Series 2022C 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 2022C Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2022C Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2022C 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 42.12 Application of Calipatria Sales Tax Revenues. The Calipatria Sales Tax Revenues held in the Calipatria Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 42.13 Establishment of the Series 2022C Interest Account and Application of the Series 2022C Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022C 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 2022C Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 42.14 Establishment of the Series 2022C Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022C 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 2022C Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 42.15 Establishment of the Series 2022C Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022C 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 2022C Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 42.16 Establishment of the Series 2022C Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022C 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 2022C Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 43

MISCELLANEOUS PROVISIONS

SECTION 43.01 Terms of Series 2022C 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 2022C 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 43.02 Provisions Relating to Series 2022C Insurance Policy. So long as the Series 2022C Insurance Policy is in effect or amounts are owed to the Series 2022C Insurer, the following provisions shall govern the Series 2022C Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 43.03 Provisions Relating to Series 2022C Reserve Policy. So long as the Series 2022C Reserve Policy is in effect, the following provisions shall govern the Series 2022C Bonds notwithstanding anything to the contrary set forth in the Indenture:

[TO COME]

SECTION 43.04 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 43.05 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

Exhibit A

[Form of Series 2022C Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2022C**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	March __, 2022	

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 [June 1, 2022], 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 Twelfth Supplemental Indenture thereto, dated as of March 1, 2022 (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 by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Refunding 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 2022C 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 2022C Bond, and to all the provisions thereof the registered holder of this Series 2022C 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 2022C 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 2022C 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 2022C 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 2022C Bond may be exchanged for a like aggregate principal amount of Series 2022C Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2022C 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 2022C Bond. Upon such transfer a new fully registered Series 2022C Bond or Series 2022C 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 2022C Bond, and in the issuing of this Series 2022C 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 2022C 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 2022C 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 2022C 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 2022C 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 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 2022C Costs of Issuance Fund]

REQUISITION NO. ____

Series 2022C Costs of Issuance Fund

The undersigned, _____, _____ of the Imperial County Local Transportation Authority (the “ICLTA”), hereby directs and certifies that:

(a) The ICLTA hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the ICLTA and the Trustee, as supplemented and amended, including as supplemented by the Twelfth Supplemental Indenture, dated as of March 1, 2022 (together with the Master Indenture, as so supplemented and amended, the “Indenture”), to pay from the moneys in the Series 2022C Costs of Issuance Fund established pursuant to the Indenture, the amount shown on Schedule I attached hereto to the parties indicated thereon. Amounts shall be debited from the 2022C Account on a *pro rata* basis.

(b) The names of the payees, the purpose for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred, is presently due and payable and is a proper charge against the Series 2022C Costs of Issuance Fund. None of the Items for which payment is requested has been reimbursed previously from the Series 2022C Costs of Issuance Fund.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of March __, 2022.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
[Title]

Schedule I

Series 2022C Costs of Issuance Fund

Item	Payee	Purpose	Amount
			\$

AMENDED AND RESTATED
PLEDGE AGREEMENT

By and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

CITY OF IMPERIAL

Dated as of March 1, 2022

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THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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 IMPERIAL, 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, 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 assisted the City in financing 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 2012 in one or more series, which are payable only from the Imperial Sales Tax Revenues (the “Series 2012D Bonds”);

WHEREAS, in connection with issuance of the Series 2012D Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the City pledged the Imperial Sales Tax Revenues to the payment of the 2012D Bonds;

WHEREAS, the City and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the City to pledge, under this Agreement, the Imperial Sales Tax Revenues to the payment of the Series 2012D Bonds, any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the Imperial Sales Tax Revenues (collectively, the “City of Imperial Measure D 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 by a Fourth Supplemental Indenture, dated as of May 1, 2012 (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 City hereby pledges and assigns all Imperial Sales Tax Revenues unconditionally and irrevocably on a first priority basis to the Trustee for the payment of debt service on the City of Imperial Measure D Bonds at any time Outstanding.

Section 2.02. Application of Imperial Sales Tax Revenues and Remittance to the City. The Authority agrees that after application of the Imperial Sales Tax Revenues to pay the debt service on the City of Imperial Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the City of Imperial Measure D 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 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 City of Imperial Measure D Bonds. The payment of such costs and expenses shall not be a general fund obligation of the City and shall be payable from the Imperial Sales Tax Revenues and/or the proceeds of the City of Imperial Measure D 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 City of Imperial Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any City of Imperial Measure D Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) 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.

(b) In connection with the issuance of a Series of City of Imperial Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Imperial Measure D Bonds, certifying that the representation delivered by the City in Section 5.01(a) of this Agreement is true and correct as of such date of closing.

Section 5.02. Expenditure on Approved Projects. (a) The City hereby covenants to use proceeds of the City of Imperial Measure D Bonds and any Imperial 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 City of Imperial Measure D Bonds and any Imperial 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 a Series of City of Imperial Measure D Bonds or any Imperial 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 Imperial Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the applicable Series of City of Imperial Measure D Bonds proceeds or Imperial Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of City of Imperial Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Imperial Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of City of Imperial Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of City of Imperial Measure D Bonds.

Section 5.03. Compliance with Tax Covenants. (a) 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 2012D Bonds, the City provided a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

(b) In connection with the issuance of a Series of City of Imperial Measure D Bonds, the City shall deliver a certificate, dated the date of closing of such Series of City of Imperial Measure D Bonds, providing the covenant found in Section 5.03(a) modified to reflect such Series of City of Imperial Measure D Bonds. Moreover, to the extent required by Bond Counsel, the City, on or prior to the closing date of such Series of City of Imperial Measure D Bonds, shall deliver a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto, with the appropriate revisions to reflect the Series of City of Imperial Measure D Bonds to be issued and the projects to be financed with such Series.

Section 5.04. Annual Expenditure Report. The City 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 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 104
El Centro, California 92243
Attention: Executive Director

(b) City:

420 South Imperial Avenue
Imperial, California 92251
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 City of Imperial Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the City of Imperial Measure D 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 IMPERIAL

By _____
City Manager

APPENDIX A

[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0. Because the City's Maintenance of Effort Requirement over the life of the Bonds will be \$0, the City will not be required to file this Certificate in subsequent Fiscal Years.]

FORM OF CERTIFICATE OF THE CITY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the City of Imperial, 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 Amended and Restated Pledge Agreement, dated as of March 1, 2022, 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 IMPERIAL

By: _____
Authorized Officer

APPENDIX B

**FORM OF CERTIFICATE OF THE CITY REGARDING
EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT
AND EXPENDITURE ON QUALIFIED PROJECTS**

**[The City's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0.
Accordingly, only the Certification under 2) below will be required to be provided]**

I, _____, an Authorized Officer of the City of Imperial, California (the "City"), DO
HEREBY CERTIFY as follows

1) that, as required pursuant to an Amended and Restated Pledge Agreement, dated as of
March 1, 2022 (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 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__.

CITY OF IMPERIAL

By: _____
Authorized Officer

APPENDIX C

§ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2012D**

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 Imperial, 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 [Closing Date].

CITY OF IMPERIAL

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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THIRTEENTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

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

Dated as of March 1, 2022

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022D**

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

Thirteenth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____

Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022D

This Thirteenth Supplemental Indenture, dated as of March 1, 2022 (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 Refunding Bonds (Limited Tax Bonds), Series 2012D, in the aggregate principal amount of \$6,170,000 (the “Series 2012D Bonds”), pursuant to the terms of the Indenture and the Fourth Supplemental Indenture, dated as of May 1, 2012 (the “Fourth Supplemental Indenture”), by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of [\$4,515,000];

WHEREAS, the Authority now desires to refund all or a portion of the Series 2012D Bonds through the issuance of its Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022D (the “Series 2022D Bonds”), in the aggregate principal amount of \$ _____;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022D 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 (as such term is defined in the Indenture);

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2022D 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 44

DEFINITIONS

SECTION 44.01 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 Imperial, California.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

Escrow Agreement means that certain escrow agreement, dated as of March 1, 2022, by and between the Issuer and the Escrow Agreement.

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

Imperial 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 22.12 of the Fourth Supplemental Indenture.

Series 2022D Bond Reserve Fund means the fund by that name established pursuant to Section 45.07 hereof.

Series 2022D Bond Reserve Requirement means, as of any date of calculation, [an amount equal to the least of (i) ten percent (10%) of the initial principal amount of the Series 2022D Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2022D Bonds exceeds two percent (2%), ten percent (10%) of the proceeds of the Series 2022D Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022D Bonds, and (iii) Maximum Annual Debt Service on the Series 2022D Bonds.]

Series 2022D Costs of Issuance Fund means the fund by that name established pursuant to Section 45.05.

Series 2022D 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 45.15.

Series 2022D Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 45.13.

Series 2022D Interest Payment Date means each June 1 and December 1, commencing [June 1, 2022].

[**Series 2022D Insurance Policy** means the insurance policy issued by the Series 2022D Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2022D Bonds when due.]

[**Series 2022D Insurer** means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

Series 2022D Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 45.14.

Series 2022D Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2022D Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2022D Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 45.16.

[**Series 2022D Reserve Policy** means the debt service reserve insurance policy issued by the Series 2022D Insurer and deposited in the Series 2022D Bond Reserve Fund.]

ARTICLE 45

TERMS OF SERIES 2022D BONDS

SECTION 45.01 Authorization and Terms of Series 2022D 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 Refunding Bonds (Limited Tax Bonds), Series 2022D,” 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 2022D Project.

(B) The Series 2022D 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 underwriter of the Series 2022D Bonds shall assign a letter or number or letter and number, or a combination thereof to each Series 2022D Bond to distinguish

it from other Series 2022D Bonds. Registered ownership of the Series 2022D 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 2022D 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 2022D 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 2022D Interest Payment Date by check mailed by first class mail on such Series 2022D Interest Payment Date to the Owner thereof as of the close of business on the Series 2022D Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2022D Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2022D 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 2022D 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.

Prior to any transfer of the Series 2022D Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 45.02 Form of Series 2022D Bonds. The Series 2022D 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 2022D Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 45.01.

SECTION 45.03 Issuance of the Series 2022D 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 2022D Bonds in an aggregate principal amount of \$ _____ upon the order of the Issuer.

SECTION 45.04 Application of Proceeds of the Series 2022D Bonds. The proceeds of the sale of the Series 2022D Bonds, \$ _____, comprised of \$ _____ aggregate principal amount, less an original issue discount of \$ _____, less an underwriter's discount of \$ _____, [and less the amount of \$ _____, which was wired directly to the Series 2022D Insurer for the payment of the premiums for the Series 2022D Insurance Policy and the Series 2022D Reserve Policy], 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 2022D Costs of Issuance Fund, which is established pursuant to Section 45.05, the sum of \$ _____.

(B) The Trustee shall transfer the sum of \$ _____ to the Escrow Agent for deposit in the escrow fund established pursuant to the Escrow Agreement for the purpose of refunding the Series 2012C Bonds.

(C) The Trustee shall deposit in the Series 2022D Bond Reserve Fund, which is established pursuant to Section 45.07, the sum of \$ _____, representing the amount necessary to fund the Series 2022D Bond Reserve Requirement.

The Trustee may establish temporary funds or accounts to facilitate such transfers.

SECTION 45.05 Establishment and Application of the Series 2022D Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022D Costs of Issuance Fund." Amounts in the Series 2022D Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2022D 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 reimbursed from the Series 2022D Costs of Issuance Fund. 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 2022D Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022D Bonds shall be transferred to the Series 2022D Interest Account.

SECTION 45.06 [Reserved].

SECTION 45.07 Establishment, Funding and Application of the Series 2022D Bond Reserve Fund; Bond Reserve Requirement for the Series 2022D Bonds. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022D Bond Reserve Fund." All amounts in the Series 2022D Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2022D Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any

deficiency in the Series 2022D Interest Account or the Series 2022D Principal Account relating to the Series 2022D Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2022D Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2022D Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2022D Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2022D Bonds, the amount on deposit in the Series 2022D Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2022D Bond Reserve Requirement applicable to all Series 2022D 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 2022D Bonds.

SECTION 45.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2022D Bond Reserve Fund, the Series 2022D Costs of Issuance Fund 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 45.09 Optional Redemption of Series 2022D Bonds. The Series 2022D Bonds 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 45.10 Mandatory Redemption of Series 2022D Bonds. The Series 2022D 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 45.11 Pledge of Imperial Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2022D Bonds and any Parity Obligations, there are irrevocably pledged to the Trustee, all Imperial Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2022D Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2022D Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2022D 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 Imperial 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 45.12 Application of Imperial Sales Tax Revenues. The Imperial Sales Tax Revenues held in the Imperial Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 45.13 Establishment of the Series 2022D Interest Account and Application of the Series 2022D Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022D 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 2022D Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 45.14 Establishment of the Series 2022D Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022D 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 2022D Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 45.15 Establishment of the Series 2022D Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022D 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 2022D Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 45.16 Establishment of the Series 2022D Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022D 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 2022D Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 46

MISCELLANEOUS PROVISIONS

SECTION 46.01 Terms of Series 2022D 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 2022D 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 46.02 Provisions Relating to Series 2022D Insurance Policy. So long as the Series 2022D Insurance Policy is in effect or amounts are owed to the Series 2022D Insurer, the following provisions shall govern the Series 2022D Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 46.03 Provisions Relating to Series 2022D Reserve Policy. So long as the Series 2022D Reserve Policy is in effect, the following provisions shall govern the Series 2022D Bonds notwithstanding anything to the contrary set forth in the Indenture:

[TO COME]

SECTION 46.04 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 46.05 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

Exhibit A

[Form of Series 2022D Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2022D**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	March __, 2022	

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 [June 1, 2022], 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 Thirteenth Supplemental Indenture thereto, dated as of March 1, 2022 (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 by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Refunding 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 2022D 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 2022D Bond, and to all the provisions thereof the registered holder of this Series 2022D 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 2022D 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 2022D 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 2022D 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 2022D Bond may be exchanged for a like aggregate principal amount of Series 2022D Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2022D 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 2022D Bond. Upon such transfer a new fully registered Series 2022D Bond or Series 2022D 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 2022D Bond, and in the issuing of this Series 2022D 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 2022D 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 2022D 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 2022D 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 2022D 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 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 2022D Costs of Issuance Fund]

REQUISITION NO. ____

Series 2022D Costs of Issuance Fund

The undersigned, _____, _____ of the Imperial County Local Transportation Authority (the “ICLTA”), hereby directs and certifies that:

(a) The ICLTA hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the ICLTA and the Trustee, as supplemented and amended, including as supplemented by the Thirteenth Supplemental Indenture, dated as of March 1, 2022 (together with the Master Indenture, as so supplemented and amended, the “Indenture”), to pay from the moneys in the Series 2022D Costs of Issuance Fund established pursuant to the Indenture, the amount shown on Schedule I attached hereto to the parties indicated thereon. Amounts shall be debited from the 2022D Account on a *pro rata* basis.

(b) The names of the payees, the purpose for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred, is presently due and payable and is a proper charge against the Series 2022D Costs of Issuance Fund. None of the Items for which payment is requested has been reimbursed previously from the Series 2022D Costs of Issuance Fund.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of March __, 2022.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
[Title]

Schedule I

Series 2022D Costs of Issuance Fund

Item	Payee	Purpose	Amount
			\$

AMENDED AND RESTATED
PLEDGE AGREEMENT

by and between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

COUNTY OF IMPERIAL

Dated as of March 1, 2022

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Appendix A – Form of Certificate of the County Regarding Maintenance of Effort Requirement

Appendix B – Form of Certificate of the County Regarding Expenditure of Maintenance of
Effort Requirement and Expenditure on Qualified Projects

Appendix C – Certificate of Professional Engineer

THIS AMENDED AND RESTATED PLEDGE AGREEMENT, dated as of March 1, 2022 (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 COUNTY OF IMPERIAL a political subdivision existing under and by virtue of the Constitution and laws of the State of California (the “County”), 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, 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 County is entitled to receive from the Authority a portion of Measure D Sales Tax revenues allocable to the County (the “County Sales Tax Revenues”) as specified in an allocation formula set forth in 2008 Ordinance; and

WHEREAS, the Authority assisted the County in financing certain transportation projects for the County 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 2012E, which are payable only from the County Sales Tax Revenues (the “Series 2012E Bonds”);

WHEREAS, in connection with issuance of the Series 2012E Bonds, the Authority entered into that certain Pledge Agreement, dated as of May 1, 2012 (the “Original Agreement”), pursuant to which the County pledged the County Sales Tax Revenues to the payment of the 2012E Bonds;

WHEREAS, the County and the Authority now desire to amend and restate the Original Agreement through the execution and delivery of this Agreement to allow the County to pledge, under this Agreement, the County Sales Tax Revenues to the payment of the Series 2012E Bonds, any additional Series of Bonds (including Refunding Bonds) and any Parity Obligations issued pursuant to the Indenture that are payable from the County Sales Tax Revenues (collectively, the “County of Imperial Measure D 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 by a Fifth Supplemental Indenture, dated as of May 1, 2012 (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 Authority agrees that after application of the County Sales Tax Revenues to pay the debt service on the County of Imperial Measure D Bonds, to make all other deposits required under the Indenture and to reimburse the Authority for payments previously made with respect to the County of Imperial Measure D Bonds (and all past due amounts relating thereto), the Authority shall cause the remainder of the County Sales Tax Revenues received to be remitted to the County for uses consistent with the 2008 Ordinance.

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

Section 2.03. County to Pay Authority Costs. The County hereby agrees to pay the reasonable out-of-pocket costs and expenses of the Authority directly related to the County's allocable share of costs of issuance for the County of Imperial Measure D Bonds. The payment of such costs and expenses shall not be a general fund obligation of the County and shall be payable from the County Sales Tax Revenues and/or the proceeds of the applicable series of County of Imperial Measure D 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 County 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 County of Imperial Measure D Bonds. If at any time prior to March 31, 2050, there are no longer any County of Imperial Measure D Bonds Outstanding, either party to this Agreement will be permitted to terminate this Agreement upon written notice delivered to the other party at least 30 days prior to the termination date.

ARTICLE V

REPRESENTATIONS AND COVENANTS

Section 5.01. Maintenance of Effort. (a) The County 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 County 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 County 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 County satisfied its annual Maintenance of Effort requirement for such Fiscal Year.

(b) In connection with the issuance of a Series of County of Imperial Measure D Bonds, the County shall deliver a certificate, dated the date of closing of such Series of County of Imperial Measure D Bonds, certifying that the representation delivered by the County in Section 5.01(a) of this Agreement is true and correct as of such date of closing.

Section 5.02. Expenditure on Approved Projects. (a) The County hereby covenants to use proceeds of any County of Imperial Measure D Bonds and any County Sales Tax Revenues received by the County 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 County of Imperial Measure D Bonds and any County 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 a Series of County of Imperial Measure D Bonds or any County Sales Tax Revenues are expended on projects not appearing on the most recently approved five-year list of projects, the County further covenants to replenish the County Sales Tax Revenue Account established pursuant to the Indenture in an amount equal to the applicable Series of County of Imperial Measure D Bonds proceeds or County Sales Tax Revenues expended on projects not appearing on the most recently approved five-year list of projects.

(b) In connection with the issuance of a Series of Imperial Measure D Bonds, the County shall deliver a certificate, dated the date of closing of such Series of Imperial Measure D Bonds, providing the covenant found in Section 5.02(a) modified to reflect such Series of County of Imperial Measure D Bonds being issued and the projects to be financed with the proceeds of such Series of County of Imperial Measure D Bonds.

Section 5.03. Compliance with Tax Covenants. (a) In addition to the covenants set forth herein, the County covenants to assist the Authority in complying with all covenants of the Authority set forth in Section 6.08 of the Indenture and applicable 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 County. On the delivery date of a Series 2012E Bonds, the County provided a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto.

(b) In connection with the issuance of a Series of County of Imperial Measure D Bonds, the County shall deliver a certificate, dated the date of closing of such Series of County of Imperial Measure D Bonds, providing the covenant found in Section 5.03(a) modified to reflect such Series of County of Imperial Measure D Bonds. Moreover, to the extent required by Bond Counsel, the County, on or prior to the closing date of such Series of County of Imperial Measure D Bonds, shall deliver a Certificate of the Director of Public Works substantially in the form attached as Appendix C hereto, with the appropriate revisions to reflect the Series of

County of Imperial Measure D Bonds to be issued and the projects to be financed with such Series.

Section 5.04. Annual Expenditure Report. The County hereby covenants to prepare an annual report detailing the expenditure, by project, of any and all County 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 County 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 104
El Centro, California 92243
Attention: Executive Director

(b) County:

County Executive Officer
940 El Centro, California
El Centro, California 92243
Attention: County Executive Officer

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 County of Imperial Measure D Bonds are hereby recognized as third-party beneficiaries and Owners of a majority in aggregate amount of Bond Obligation of the County of Imperial Measure D 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 County 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

COUNTY OF IMPERIAL

By _____
County Executive Officer

APPENDIX A

[The County's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0. Because the County's Maintenance of Effort Requirement over the life of the Bonds will be \$0, the County will not be required to file this Certificate in subsequent Fiscal Years.]

FORM OF CERTIFICATE OF THE COUNTY REGARDING MAINTENANCE OF EFFORT REQUIREMENT

I, _____, an Authorized Officer of the County of Imperial, California (the "County"), DO HEREBY CERTIFY that, as required pursuant to Ordinance No. 1-2008 of the Imperial County Local Transportation Authority (the "Ordinance") and the Amended and Restated Pledge Agreement, dated as of March 1, 2022, by and between the County and the Imperial County Local Transportation Authority, the County 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__.

COUNTY OF IMPERIAL

By: _____
Authorized Officer

APPENDIX B

FORM OF CERTIFICATE OF THE COUNTY REGARDING EXPENDITURE OF MAINTENANCE OF EFFORT REQUIREMENT AND EXPENDITURE ON QUALIFIED PROJECTS

**[The County's Maintenance of Effort Requirement for the Fiscal Year 2011-12 was \$0.
Accordingly, only the Certification under 2) below will be required to be provided]**

I, _____, an Authorized Officer of the County of Imperial, California (the "County"), DO
HEREBY CERTIFY as follows:

1) that, as required pursuant to an Amended and Restated Pledge Agreement, dated as of March 1, 2022 (the "Pledge Agreement"), by and between the County and the Imperial County Local Transportation Authority (the "Authority"), the County 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 County has expended County 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__.

COUNTY OF IMPERIAL

By: _____
Authorized Officer

APPENDIX C

§ _____
**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
SERIES 2012E**

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 County of Imperial, 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 [Closing Date].

COUNTY OF IMPERIAL

By: _____
Name: _____
[Director of Public Works]

EXHIBIT A TO CERTIFICATE OF PROFESSIONAL ENGINEER

PROJECT DESCRIPTIONS

Description of Projects:

(textual description of project, including accounting, Board of Supervisor 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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FOURTEENTH SUPPLEMENTAL INDENTURE

between

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

and

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

Dated as of March 1, 2022

Relating to

**\$_____ Principal Amount of
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022E**

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

Fourteenth Supplemental Indenture
(Supplemental to the Indenture dated as of May 1, 2012)
\$ _____
Imperial County Local Transportation Authority
Sales Tax Revenue Refunding Bonds (Limited Tax Bonds),
Series 2022E

This Fourteenth Supplemental Indenture, dated as of March 1, 2022 (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 2012E, in the aggregate principal amount of \$21,935,000 (the “Series 2012E Bonds”), pursuant to the terms of the Indenture and the Fifth Supplemental Indenture, dated as of May 1, 2012 (the “Fifth Supplemental Indenture”), by and between the Issuer and the Trustee, which are currently outstanding in the aggregate principal amount of [\$16,025,000];

WHEREAS, the Authority now desires to refund all or a portion of the Series 2012E Bonds through the issuance of its Imperial County Local Transportation Authority Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2022E (the “Series 2022E Bonds”), in the aggregate principal amount of \$ _____;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Supplemental Indenture and the issuance of the Series 2022E 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 (as such term is defined in the Indenture);

WHEREAS, the Issuer hereby determines that the provisions of the Indenture relating to the issuance of the Series 2022E 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 47

DEFINITIONS

SECTION 47.01 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 County means the County Executive Officer or any County employee authorized in writing by the County Executive Officer to execute a Requisition on behalf of the County.

County Sales Tax Revenues means the Pledged Allocable Sales Tax Revenues of the County.

County 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 25.12 of the Fifth Supplemental Indenture.

County means the County of Imperial, California.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

Escrow Agreement means that certain escrow agreement, dated as of March 1, 2022, by and between the Issuer and the Escrow Agreement.

Series 2022E Bond Reserve Fund means the fund by that name established pursuant to Section 48.07 hereof.

Series 2022E Bond Reserve Requirement means, as of any date of calculation, [an amount equal to the least of (i) ten percent (10%) of the initial principal amount of the Series 2022E Bonds (or if the amount of original issue discount or original issue premium applicable to the Series 2022E Bonds exceeds two percent (2%), ten percent (10%) of the proceeds of the Series 2022E Bonds), (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Series 2022E Bonds, and (iii) Maximum Annual Debt Service on the Series 2022E Bonds.]

Series 2022E Costs of Issuance Fund means the fund by that name established pursuant to Section 48.05.

Series 2022E 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 48.15.

Series 2022E Interest Account means the Participating Agency Interest Account by that name established within the Interest Fund pursuant to Section 48.13.

Series 2022E Interest Payment Date means each June 1 and December 1, commencing [June 1, 2022].

[**Series 2022E Insurance Policy** means the insurance policy issued by the Series 2022E Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2022E Bonds when due.]

[**Series 2022E Insurer** means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

Series 2022E Principal Account means the Participating Agency Principal Account by that name established within the Principal Fund pursuant to Section 48.14.

Series 2022E Record Date means the fifteenth day of the calendar month prior to the calendar month in which a Series 2022E Interest Payment Date occurs, whether or not such day is a Business Day.

Series 2022E Redemption Account means the account by that name established within the Redemption Fund pursuant to Section 48.16.

[**Series 2022E Reserve Policy** means the debt service reserve insurance policy issued by the Series 2022E Insurer and deposited in the Series 2022E Bond Reserve Fund.]

ARTICLE 48

TERMS OF SERIES 2022E BONDS

SECTION 48.01 Authorization and Terms of Series 2022E 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 Refunding Bonds (Limited Tax Bonds), Series 2022E,” 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 2022E Project.

(B) The Series 2022E 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 underwriter of the Series 2022E Bonds shall assign a letter or number or letter and number, or a combination thereof to each Series 2022E Bond to distinguish

it from other Series 2022E Bonds. Registered ownership of the Series 2022E 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 2022E 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>
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Interest on the Series 2022E 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 2022E Interest Payment Date by check mailed by first class mail on such Series 2022E Interest Payment Date to the Owner thereof as of the close of business on the Series 2022E Record Date or, upon the written request of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2022E Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Series 2022E 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 2022E 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.

Prior to any transfer of the Series 2022E Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 48.02 Form of Series 2022E Bonds. The Series 2022E 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 2022E Bond numbers, maturity dates and interest rates shall be inserted therein in conformity with Section 48.01.

SECTION 48.03 Issuance of the Series 2022E 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 2022E Bonds in an aggregate principal amount of \$_____ upon the order of the Issuer.

SECTION 48.04 Application of Proceeds of the Series 2022E Bonds. The proceeds of the sale of the Series 2022E Bonds, \$_____, comprised of \$_____ aggregate principal amount, less an original issue discount of \$_____, less an underwriter's discount of \$_____, [and less the amount of \$_____, which was wired directly to the Series 2022E Insurer for the payment of the premiums for the Series 2022E Insurance Policy and the Series 2022E Reserve Policy], 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 2022E Costs of Issuance Fund, which is established pursuant to Section 48.05, the sum of \$_____.

(B) The Trustee shall transfer the sum of \$_____ to the Escrow Agent for deposit in the escrow fund established pursuant to the Escrow Agreement for the purpose of refunding the Series 2012C Bonds.

(C) The Trustee shall deposit in the Series 2022E Bond Reserve Fund, which is established pursuant to Section 48.07, the sum of \$_____, representing the amount necessary to fund the Series 2022E Bond Reserve Requirement.

The Trustee may establish temporary funds or accounts to facilitate such transfers.

SECTION 48.05 Establishment and Application of the Series 2022E Costs of Issuance Fund. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022E Costs of Issuance Fund." Amounts in the Series 2022E Costs of Issuance Fund shall be disbursed by the Trustee to pay for Costs of Issuance incurred in connection with issuance of the Series 2022E 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 reimbursed from the Series 2022E Costs of Issuance Fund. 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 2022E Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022E Bonds shall be transferred to the Series 2022E Interest Account.

SECTION 48.06 [Reserved].

SECTION 48.07 Establishment, Funding and Application of the Series 2022E Bond Reserve Fund; Bond Reserve Requirement for the Series 2022E Bonds. There is hereby established and maintained with the Trustee a fund designated as the "Series 2022E Bond Reserve Fund." All amounts in the Series 2022E Bond Reserve Fund (including all amounts which may be obtained from any Reserve Facility on deposit in the Series 2022E Bond Reserve Fund) shall be used and withdrawn by the Trustee solely: (i) for the purpose of making up any

deficiency in the Series 2022E Interest Account or the Series 2022E Principal Account relating to the Series 2022E Bonds; or, (ii) together with any other moneys available therefor, (x) for the payment of all of the Series 2022E Bonds then Outstanding, (y) for the defeasance or redemption of all or a portion of the Series 2022E Bonds then Outstanding; provided, however, that if funds on deposit in the Series 2022E Bond Reserve Fund are applied to the defeasance or redemption of a portion of the Series 2022E Bonds, the amount on deposit in the Series 2022E Bond Reserve Fund immediately subsequent to a partial defeasance or redemption shall equal the Series 2022E Bond Reserve Requirement applicable to all Series 2022E 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 2022E Bonds.

SECTION 48.08 Investment of Funds; Investment Earnings. The Trustee shall invest funds on deposit in the Series 2022E Bond Reserve Fund, the Series 2022E Costs of Issuance Fund 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 48.09 Optional Redemption of Series 2022E Bonds. The Series 2018C Bonds 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 48.10 Mandatory Redemption of Series 2022E Bonds. The Series 2022E 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 48.11 Pledge of County Sales Tax Revenues. Pursuant to Section 5.01 of the Indenture, as security (i) for the payment of all amounts owing on the Series 2022E Bonds and any Parity Obligations, there are irrevocably pledged to the Trustee, all County Sales Tax Revenues and (ii) for the payment of all amounts owing on the Series 2022E Bonds, there are irrevocably pledged to the Trustee, all amounts, including proceeds of the Series 2022E Bonds, held on deposit in the funds and accounts established hereunder and under the Indenture relating to the Series 2022E 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 County 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 County 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 48.12 Application of County Sales Tax Revenues. The County Sales Tax Revenues held in the County Tax Sales Tax Revenue Account shall be allocated and applied pursuant to the terms of Section 5.02 of the Indenture.

SECTION 48.13 Establishment of the Series 2022E Interest Account and Application of the Series 2022E Interest Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022E 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 2022E Interest Account shall be applied pursuant to Section 5.03 of the Indenture.

SECTION 48.14 Establishment of the Series 2022E Principal Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022E 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 2022E Principal Account shall be applied pursuant to Section 5.04 of the Indenture.

SECTION 48.15 Establishment of the Series 2022E Fees and Expense Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022E 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 2022E Fees and Expense Account shall be applied pursuant to Section 5.07 of the Indenture.

SECTION 48.16 Establishment of the Series 2022E Redemption Account. There is hereby established and maintained with the Trustee an account to be designated as the “Series 2022E 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 2022E Redemption Account shall be applied pursuant to Section 5.08 of the Indenture.

ARTICLE 49

MISCELLANEOUS PROVISIONS

SECTION 49.01 Terms of Series 2022E 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 2022E 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 49.02 Provisions Relating to Series 2022E Insurance Policy. So long as the Series 2022E Insurance Policy is in effect or amounts are owed to the Series 2022E Insurer, the following provisions shall govern the Series 2022E Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 49.03 Provisions Relating to Series 2022E Reserve Policy. So long as the Series 2022E Reserve Policy is in effect, the following provisions shall govern the Series 2022E Bonds notwithstanding anything to the contrary set forth in the Indenture:

(A) [TO COME]

SECTION 49.04 Effective Date of Supplemental Indenture. This Supplemental Indenture shall take effect upon its execution and delivery.

SECTION 49.05 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

Exhibit A

[Form of Series 2022E Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
REVENUE BOND (LIMITED TAX BOND),
SERIES 2022E**

Maturity Date	Interest Rate Per Annum	Dated Date	CUSIP Number
June 1, _____	____%	March __, 2022	

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 [June 1, 2022], 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 Fourteenth Supplemental Indenture thereto, dated as of March 1, 2022 (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 by such Securities Depository.

This Bond is one of a duly authorized issue of Imperial County Local Transportation Authority Sales Tax Revenue Refunding 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 2022E 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 2022E Bond, and to all the provisions thereof the registered holder of this Series 2022E 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 2022E 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 2022E 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 2022E 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 2022E Bond may be exchanged for a like aggregate principal amount of Series 2022E Bonds of other Authorized Denominations of the same tenor, maturity and interest rate.

This Series 2022E 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 2022E Bond. Upon such transfer a new fully registered Series 2022E Bond or Series 2022E 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 2022E Bond, and in the issuing of this Series 2022E 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 2022E 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 2022E 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 2022E 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 2022E 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 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 2022E Costs of Issuance Fund]

REQUISITION NO. ____

Series 2022E Costs of Issuance Fund

The undersigned, _____, _____ of the Imperial County Local Transportation Authority (the “ICLTA”), hereby directs and certifies that:

(a) The ICLTA hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to an Indenture, dated as of May 1, 2012 (the “Master Indenture”), between the ICLTA and the Trustee, as supplemented and amended, including as supplemented by the Fourteenth Supplemental Indenture, dated as of March 1, 2022 (together with the Master Indenture, as so supplemented and amended, the “Indenture”), to pay from the moneys in the Series 2022E Costs of Issuance Fund established pursuant to the Indenture, the amount shown on Schedule I attached hereto to the parties indicated thereon. Amounts shall be debited from the 2022E Account on a *pro rata* basis.

(b) The names of the payees, the purpose for which the cost has been incurred, and the amount of the disbursement requested are itemized on Schedule I hereto.

(c) Each obligation listed in Schedule I hereto has been properly incurred, is presently due and payable and is a proper charge against the Series 2022E Costs of Issuance Fund. None of the Items for which payment is requested has been reimbursed previously from the Series 2022E Costs of Issuance Fund.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of March __, 2022.

IMPERIAL COUNTY LOCAL
TRANSPORTATION AUTHORITY

By: _____
[Title]

Schedule I

Series 2022E Costs of Issuance Fund

Item	Payee	Purpose	Amount
			\$



Imperial County Local Transportation Authority

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

March 19, 2021

Cheryl Viegas-Walker, Chairperson
Local Transportation Authority
1503 N Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2020

Dear Members of the Authority:

According to Section VIII of the ordinance dated July 1, 1989, the Local Transportation Authority (LTA) must conduct fiscal audits of its financial activities on an annual basis. The ordinance states: *"An annual independent audit shall be conducted to assure that the revenues expended by the Authority under this section are necessary and reasonable in carrying out its responsibility under the Ordinance."*

The ordinance and the bylaws also states: *"the Local Taxpayer Supervising Committee (LTSC) shall supervise a post-audit of the financial transactions and records of the Authority at least annually by a certified public accountant as described in Section 12..."*

The LTSC met on March 17, 2021 to review the annual financial reports performed by the CPA firm, the Pun Group: *LTA Annual Financial Report, for fiscal year ended June 20, 2020*; and to provide feedback and recommendations. The Committee had the following recommendations:

1. Audit documentation shall be provided by the City/County by no later than October 31st (or another date specified by ICLTA or its auditor) or agency will be subject to their funding being withheld until documentation is turned in.

It is requested that the ICTC Management Committee forward this item to the Commission for their review and approval after public comment, if any:

1. Receive, Approve and File the FY 2019-20 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.
2. Agency shall submit audit documentation to the Authority auditor no later than October 31st (or another date specified by ICLTA or its auditor). If audit documentation is not received in a timely manner, the Authority shall withhold funding until the agency complies.

Sincerely,

MARK BAZA
Executive Director

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

Imperial County Local Transportation Authority

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2020

March 24, 2021



CONTENTS

- Scope of Work
- Required Communications (AU-C 260)
- Audit Responsibilities
- Overview of Financial Statements
- Measure D Sales Tax Fund Audits
- Audit Results

SCOPE OF WORK

Scope Of Work

- **Financial Audit**
 - Imperial County Local Transportation Authority Basic Financial Statements
- **Measure D Sales Tax Fund Audits**
 - City of Brawley
 - City of Calexico
 - City of Calipatria
 - City of El Centro
 - City of Holtville
 - City of Imperial
 - City of Westmorland
 - County of Imperial

REQUIRED COMMUNICATIONS (AU-C 260)

Required Communications (AU-C 260)

- **Independence**
 - We complied with ALL relevant requirements regarding independence
- **Significant Accounting Policies**
 - The Authority disclosed all significant accounting policies in Note 2 to the financial statements.
 - The Authority implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* – no effect on financial statements
- **Significant Estimates**
 - No significant estimates were used in the creation of the Authority's financial statements

Required Communications (AU-C 260)

- **Important Footnote Disclosures**
 - Note 2 – Summary of Significant Accounting Policies
 - Note 6 – Bonds Payable
 - Note 7 – Government-Wide Net Position Unrestricted Deficit
- **Misstatements**
 - There were no corrected or uncorrected misstatements reported.
- **Consultations with Other Accountants**
 - Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

Required Communications (AU-C 260)

- **Significant Difficulties**
 - We encountered no significant difficulties in dealing with ICLTA management.
- **Disagreements with Management**
 - We did not have any disagreements with management in terms of accounting treatments or audit procedures performed.

AUDIT RESPONSIBILITIES

Management's Responsibilities

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material statements, whether due to fraud or error
- Prevent and detect fraud

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with Board oversight are presented **fairly, in all material respects**, in accordance with accounting principles generally accepted in the United States of America
- Plan and perform the audit to obtain “**reasonable**” assurance (not “absolute” assurance) about whether the financial statements are free of material misstatements.
- Consider internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

OVERVIEW OF THE FINANCIAL STATEMENTS

Imperial County Local Transportation Authority
Government-Wide
Summary Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	<u>\$ 29,701,317</u>
Liabilities	<u>57,619,911</u>
Net Position:	
Restricted	24,948,047
Unrestricted (Deficit)	<u>(52,866,641)</u>
Total Net Position	<u><u>\$ (27,918,594)</u></u>

Imperial County Local Transportation Authority
General Fund Summary
Condensed Balance Sheet
June 30, 2020

Assets	<u>\$ 14,587,250</u>
Liabilities	<u>2,885,810</u>
Fund Balance	
Restricted	9,833,980
Unassigned	<u>1,867,460</u>
Total Fund Balance	<u>11,701,440</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 14,587,250</u></u>

Imperial County Local Transportation Authority
General Fund
Condensed Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2020

Revenues	\$ 14,740,969
Expenditures	<u>(19,370,970)</u>
Revenues over Expenditures	<u>(4,630,001)</u>
Other Financing Sources and Uses	
Transfers out	<u>(4,843,774)</u>
Change in Fund Balance	<u><u>\$ (9,473,775)</u></u>

MEASURE D SALES TAX FUND AUDITS

Imperial County Local Transportation Authority

Measure D Sales Tax Fund Audits

Statements of Revenues and Allowable Expenditures Summary

For the Year Ended June 30, 2020

	City of						Imperial	
	Brawley	Calexico	Calipatria	El Centro	Holtville	Imperial	Westmorland	County
								Total
Revenues:								
Sales tax	\$ 1,096,268	\$ 724,625	\$ 149,679	\$ 2,745,303	\$ 320,239	\$ 816,992	\$ 287,436	\$ 2,621,410
Interest	101,086	157,764	40,905	51,761	3,436	16,638	3,672	149,548
Other	-	-	-	-	-	217,665	-	-
Total revenues	1,197,354	882,389	190,584	2,797,064	323,675	1,051,295	291,108	2,770,958
Expenditures:								
Road repairs and maintenance	413,768	-	-	-	1,674	1,219,177	16,637	920,787
Capital outlays	-	329,343	257,971	967,768	-	-	-	-
Total expenditures	413,768	329,343	257,971	967,768	1,674	1,219,177	16,637	920,787
Revenues Over (Under) Expenditures	783,586	553,046	(67,387)	1,829,296	322,001	(167,882)	274,471	1,850,171
Other Financing Sources (Uses)								
Transfers out	-	-	-	(1,369,875)	(568,939)	(395,111)	-	(487,658)
Total other financing sources (uses)	-	-	-	(1,369,875)	(568,939)	(395,111)	-	(487,658)
Changes in Fund Balances	783,586	553,046	(67,387)	459,421	(246,938)	(562,993)	274,471	1,362,513
Fund balances:								
Beginning of year	3,808,037	8,833,832	1,742,452	3,371,214	1,302,552	4,340,777	1,451,276	9,184,360
End of year	\$ 4,591,623	\$ 9,386,878	\$ 1,675,065	\$ 3,830,635	\$ 1,055,614	\$ 3,777,784	\$ 1,725,747	\$ 10,546,873

AUDIT RESULTS

Audit Results - ICLTA

- **Unmodified Opinion for all Opinion Units**

- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

Other Results

- No disagreements with management
- No accounting issues
- Accounting principles are consistently applied
- No significant deficiencies or material weaknesses in internal control over financial reporting or compliance
- No material irregularities discovered

Findings – Measure D Compliance Audits

- City of Brawley
 - 2020 – None
 - 2019 – City did not formally approve five year list of projects
- City of Calexico
 - 2020 - City did not certify its Maintenance of Effort requirement
 - 2019 - City did not certify its Maintenance of Effort requirement
- City of Calipatria
 - 2020 – pending documentation for formal approval of five year list of projects
 - 2019 - None
- City of El Centro
 - 2020 – None
 - 2019 – City did not formally approve five year list of projects

Findings – Measure D Compliance Audits

- City of Holtville
 - 2020 – none
 - 2019 – PPA for 2018 items charged to 2019
- City of Imperial
 - 2020 – City did not formally approve the five-year list of projects
 - 2019 – PPA for 2018 items charged to 2019
- County of Imperial
 - 2020 – none
 - 2019 – PPA for 2018 items charged to 2019
- City of Westmorland
 - 2020
 - Prior period adjustment was made to record Measure D revenue in proper periods
 - City did not formally approve the five-year list of projects
 - 2019 – PPA for beginning fund balance understatement for not recording amounts due from other funds



HQ - ORANGE COUNTY

200 E. Sandpointe Avenue
Suite 600
Santa Ana, CA 92707

SAN DIEGO

4365 Executive Drive
Suite 710
San Diego, CA 92121

BAY AREA

2121 North California Blvd.
Suite 290
Walnut Creek, CA 94596

LAS VEGAS

1050 Indigo Drive
Suite 110
Las Vegas, NV 89145

PHOENIX

4742 North 24th Street
Suite 300
Phoenix, AZ 85016

Imperial County Local Transportation Authority

El Centro, California

Annual Financial and Compliance Report

For the Fiscal Year Ended June 30, 2020



DRAFT 02.25.2021

Imperial County Local Transportation Authority

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Imperial County Local Transportation Authority
El Centro, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Imperial County Local Transportation Authority ("ICLTA"), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise ICLTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ICLTA as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 7 through 9, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ICLTA's basic financial statements. The supplementary information presented on pages 37 and 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The five-year program of projects information on pages 39 through 56 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021 on our consideration of the ICLTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ICLTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ICLTA's internal control over financial reporting and compliance.

San Diego, California
_____, 2021

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Imperial county Local Transportation Authority ("ICLTA"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise ICLTA's basic financial statements, and have issued our report thereon dated _____, 2021.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered ICLTA's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ICLTA's internal control. Accordingly, we do not express an opinion on the effectiveness of ICLTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ICLTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ICLTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

DRAFT 02.25.2021

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Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243

Phone: 760-592-4494 | Fax: 760-592-4410

**Management's Discussion & Analysis
Required Supplementary Information
(Unaudited)
June 30, 2020**

The following section of the annual financial report of the Imperial County Local Transportation Authority (the Authority) includes an overview and analysis of the Authority's financial position and activities for the years ended June 30, 2020 and 2019. The discussion and analysis, as well as the basic financial statements which it accompanies, is the responsibility of the management of the Authority.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles; such report has been designed to improve the usefulness of the report to the primary users of these basic financial statements.

The Authority presents its basic financial statement using the economic resources measurement to focus and accrual basis of accounting. The Authority's basic financial statements include a Statement of Net Position and a Statement of Changes in Activities. The notes to the basic financial statements and this section support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of the Authority.

Statement of Net Position – The Statement of Net Position include all assets and liabilities of the Authority, with the difference between the two reports as net position. Assets and liabilities are reported at their book value, on an accrual basis, as of June 30, 2020 and 2019.

Statement of Activities – The Statement of Activities present the revenues earned and expenses incurred by the Authority during the years ended June 30, 2020 and 2019, on accrual basis of accounting.

Long-Term Debt – On May 1, 2012, the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all the Authority's sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 bond is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$1,745,000 to \$3,855,000 with a final maturity on June 1, 2032.

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. Interest on the Series 2018 Bonds is payable semiannually on June 1 and December 1 beginning on June 1, 2019 with rates ranging from 3.25 to 5.00 percent per annum. The annual principal requirements range from \$250,000 to \$2,190,000. The bonds mature on June 1, 2038.

At the end of the fiscal year the Authority's had total bonds outstanding of \$54,549,828.

Imperial County Local Transportation Authority
Management's Discussion & Analysis (Unaudited) (Continued)
June 30, 2020

Table 1 – Imperial County Local Transportation Authority's Outstanding Debt

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
2012 Series	\$ 39,470,000	\$ -	\$ (2,375,000)	\$ 37,095,000
Unamortized premium	579,417	-	(45,145)	534,272
2018 Series	16,330,000	-	(250,000)	16,080,000
Unamortized premium	887,254	-	(46,698)	840,556
	<u>\$ 57,266,671</u>	<u>\$ -</u>	<u>\$ (2,716,843)</u>	<u>\$ 54,549,828</u>

Condensed Financial Position Information

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2020 and 2019.

	2020	2019
Assets		
Cash and cash equivalents	\$ 9,031,868	\$ 8,522,302
Cash with fiscal agent	17,142,995	24,472,334
Sales tax receivable	3,435,147	2,889,250
Interest receivable	17,394	40,929
Prepaid bond insurance	73,913	76,831
Total Assets	<u>29,701,317</u>	<u>36,001,646</u>
Liabilities		
Accounts payable	259	14,817
Due to other governments	2,885,551	546,538
Interest payable	184,273	192,940
Long-term liabilities		
Due within one year	2,730,000	2,625,000
Bond payable	50,445,000	53,175,000
Premium on bond payable, net of amortization	1,374,828	1,466,671
Total liabilities	<u>57,619,911</u>	<u>58,020,966</u>
Net Position		
Restricted for:		
Capital projects	9,833,980	17,199,470
Debt service	7,309,015	7,272,864
State highway	7,403,587	6,559,096
Transit services	401,465	433,116
Unrestricted (deficit)	(52,866,641)	(53,483,866)
Total Net Position	<u>\$ (27,918,594)</u>	<u>\$ (22,019,320)</u>

(a) Net Position

The liabilities of the Authority exceeded its assets at the close of fiscal year 2020 by \$27,918,594 (Net Position). The deficit is the result of member agencies drawing down on bond proceeds.

(b) Liabilities

Liabilities decreased for fiscal year 2020 by \$401,055. The decrease is primarily due to debt service payments made by the Authority. The interest payable had a decrease of \$8,667 from the prior year.

Imperial County Local Transportation Authority
Management's Discussion & Analysis (Unaudited) (Continued)
June 30, 2020

Summary of Operations and Changes in Net Position

The Authority's decrease in net position during fiscal year 2020 was \$5,899,274 and the decrease for 2019 was \$1,535,087. The tables below summarize the Authority's activity for the fiscal years ended June 30, 2020 and 2019:

	2020	2019
Revenues		
Sales tax	\$ 15,392,144	\$ 15,440,453
Interest	663,862	780,042
Other	-	9,463
Total revenues	<u>16,056,006</u>	<u>16,229,958</u>
Expenses		
Allocations to local members	11,740,698	8,563,805
Administration	209,539	772,570
Transit services	-	438,171
Capital projects	7,790,277	5,835,735
Interest	2,214,766	2,154,764
Total expenses	<u>21,955,280</u>	<u>17,765,045</u>
Change in net position	(5,899,274)	(1,535,087)
Net position (deficit) - beginning of year	<u>(22,019,320)</u>	<u>(20,484,233)</u>
Net position (deficit) - end of year	<u><u>\$ (27,918,594)</u></u>	<u><u>\$ (22,019,320)</u></u>

(a) Revenues

In fiscal year 2020, revenues showed a 1% decrease compared to 2019. This was due to decreased sales tax revenues and interest on unspent bond proceeds.

(b) Expenses

Deductions consist of expenditures for capital projects, allocations to members, administration, transit, state highway and bond related expenses. During the year, expenses increased by 24% or \$4,190,235. The increase is primarily attributed to the increase in allocations to local members and capital projects.

Requests for Information

This fiscal report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may reach Mark Baza, Executive Director, Imperial County Transportation Commission, at (760) 592-4494.

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BASIC FINANCIAL STATEMENTS

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DRAFT 02.25.2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Statement of Net Position
June 30, 2020

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 9,031,868
Cash and investments with fiscal agent	17,142,995
Sales tax receivable	3,435,147
Interest receivable	17,394
Prepaid bond insurance	73,913
Total assets	<u>29,701,317</u>
LIABILITIES	
Accounts payable	259
Due to other governments	2,885,551
Interest payable	184,273
Long-term debt:	
Due within one year	2,730,000
Due in more than one year	51,819,828
Total liabilities	<u>57,619,911</u>
NET POSITION	
Restricted for:	
Capital projects	9,833,980
Debt services	7,309,015
State highway	7,403,587
Transit services	401,465
Unrestricted (deficit)	(52,866,641)
Total net position	<u>\$ (27,918,594)</u>

Imperial County Local Transportation Authority
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Position
Governmental activities:		
Transportation:		
Payments to member agencies	\$ 11,740,698	\$ (11,740,698)
Capital projects	7,790,277	(7,790,277)
Administration	209,539	(209,539)
Interest on long-term debt	2,214,766	(2,214,766)
Total Governmental Activities	<u>21,955,280</u>	<u>(21,955,280)</u>
	General revenues:	
	Measure D sales tax	15,392,144
	Interest	<u>663,862</u>
	Total general revenues	<u>16,056,006</u>
	Change in net position	(5,899,274)
	Net position (deficit):	
	Beginning of year	<u>(22,019,320)</u>
	End of year	<u><u>\$ (27,918,594)</u></u>

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Balance Sheet
Governmental Funds
June 30, 2020

	General	State Highway	Transit Services	Debt Service	Total
ASSETS					
Cash and investments	\$ 1,463,184	\$ 7,231,587	\$ 337,097	\$ -	\$ 9,031,868
Cash and investments with fiscal agents	9,833,980	-	-	7,309,015	17,142,995
Sales tax receivable	3,212,501	159,035	63,611	-	3,435,147
Interest receivable	3,672	12,965	757	-	17,394
Prepaid bond insurance	73,913	-	-	-	73,913
Total assets	\$ 14,587,250	\$ 7,403,587	\$ 401,465	\$ 7,309,015	\$ 29,701,317
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 259	\$ -	\$ -	\$ -	\$ 259
Due to member agencies	2,885,551	-	-	-	2,885,551
Total liabilities	2,885,810	-	-	-	2,885,810
Fund balances:					
Restricted for:					
Capital projects	9,833,980	-	-	-	9,833,980
State highway	-	7,403,587	-	-	7,403,587
Transit services	-	-	401,465	-	401,465
Debt service	-	-	-	7,309,015	7,309,015
Unassigned	1,867,460	-	-	-	1,867,460
Total fund balances	11,701,440	7,403,587	401,465	7,309,015	26,815,507
Total liabilities and fund balances	\$ 14,587,250	\$ 7,403,587	\$ 401,465	\$ 7,309,015	\$ 29,701,317

Imperial County Local Transportation Authority
Reconciliation of the Governmental Funds Balance Sheet to the
Government-wide Statement of Net Position
June 30, 2020

Fund Balances of Governmental Funds

\$ 26,815,507

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term, are reported in the Statement of Net Positions.

Bonds payable	\$ (53,175,000)	
Unamortized premium on bond payable	<u>(1,374,828)</u>	
		(54,549,828)

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.

(184,273)

Net Position of Governmental Activities

\$ (27,918,594)

Imperial County Local Transportation Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General	State Highway	Transit Services	Debt Service	Total
Revenues:					
Sales taxes	\$ 14,314,227	\$ 769,941	\$ 307,976	\$ -	\$ 15,392,144
County pool interest	28,695	98,373	6,094	-	133,162
Cash with fiscal agent interest	398,047	-	-	132,653	530,700
Other revenues	-	-	-	-	-
Total revenues	14,740,969	868,314	314,070	132,653	16,056,006
Expenditures:					
Payment to member agencies	11,394,977	-	345,721	-	11,740,698
Capital projects	7,766,454	23,823	-	-	7,790,277
Administration	209,539	-	-	-	209,539
Debt service:					
Principal payments on bonds	-	-	-	2,625,000	2,625,000
Interest payments on bonds	-	-	-	2,315,276	2,315,276
Total expenditures	19,370,970	23,823	345,721	4,940,276	24,680,790
Revenues Over (Under) Expenditures	(4,630,001)	844,491	(31,651)	(4,807,623)	(8,624,784)
Other financing sources (uses):					
Transfers in	-	-	-	4,843,774	4,843,774
Transfers (out)	(4,843,774)	-	-	-	(4,843,774)
Total other financing sources (uses)	(4,843,774)	-	-	4,843,774	-
Changes in Fund Balances	(9,473,775)	844,491	(31,651)	36,151	(8,624,784)
Fund balances:					
Beginning of year	21,175,215	6,559,096	433,116	7,272,864	35,440,291
End of year	<u>\$ 11,701,440</u>	<u>\$ 7,403,587</u>	<u>\$ 401,465</u>	<u>\$ 7,309,015</u>	<u>\$ 26,815,507</u>

Imperial County Local Transportation Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (8,624,784)
Governmental activities in the Statement of Activities were reported differently because:	
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.	2,625,000
Interest expense on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, interest expense is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.	8,667
Amortization of bond premium is reported on the Statement of Activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	<u>91,843</u>
Change in Net Position of Governmental Activities	<u><u>\$ (5,899,274)</u></u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Reporting Entity

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance, adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty years. The proceeds of this tax would be allocated to the County of Imperial and cities in the county for local street and road purposes. Also, a portion of the revenues would be used for administration, transit services and possibly state highway purposes.

Funds that are generated by implementation of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of the Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term greater than a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The Authority’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and governmental fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the Authority. The effect of significant interfund activity has been removed from these statements. The Authority provides only governmental activities which are supported by sales taxes.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the Authority program expenses are offset by program revenues. Program expenses include direct expenses clearly identifiable with Ordinance No. 1-2008. Interest expense related to the sales tax revenue bonds is reported as a direct expense of the program. The borrowings are considered essential to the creation or continuing existence of the program. For the year ended June 30, 2020, interest expense of \$2,214,766 was included in program costs. Taxes and interest earned are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Authority's governmental funds. The Authority considers all of its Ordinance No. 1-2008 funds as major governmental funds. They are comprised of the following:

General Fund – This fund is the general operating fund for the authority and accounts for revenues received and expenditures made for the implementation of the Imperial County Local Transportation Authority Retail Transaction and Use Tax. Financing is provided by a one-half-percent sales and use tax assessed for 40 years as adopted by the electorate on November 4, 2008. Ordinance No. 1-2008 requires the sales and use tax revenues only be expended on projects included in the ordinance.

State Highway Fund – This capital projects fund accounts for resources accumulated and payments made on state highway projects authorized by Ordinance 1-2008.

Transit Services Fund – This capital projects fund accounts for resources accumulated and payments made on transit services projects authorized by Ordinance 1-2008.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt of governmental funds are recorded only when payment is due.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Those revenues susceptible to accrual are sales taxes collected and held by the state at year- end on behalf of the Authority, intergovernmental revenues and interest revenue. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Authority; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible-to-accrual criteria are met

Cash and Investments

The Authority maintains cash and investments in the Imperial County Investment Pool (ICIP). The ICIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. For further information regarding the ICIP refer to the County of Imperial general purpose financial statements. Proceeds from the sale of bonds and amounts held for the repayment of principal and interest is held by a third-party fiscal agent. Funds held by the third-party fiscal agent are reported at fair value.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 — Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 — Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 — Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered and transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due to/from other funds at the governmental fund level.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight- line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Long-Term Debt (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications include: nonspendable, restricted; and the unrestricted classifications of committed, assigned and unassigned. When both restricted and unrestricted resources are available for use, fund balance is generally depleted by restricted resources first, followed by unrestricted resources in the following order: committed, assigned and unassigned. The fund balance classifications are defined as follows:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – amounts which constraints placed on their use that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Fund balances used in the governmental fund financial statements are restricted as follows:

Capital Projects – Amount of bond proceeds which can only be used for capital projects.

State Highway - Cash held for state highway improvements projects.

Transit Services – Cash held for transit projects, programs and services.

Debt Service – Cash held by the third-party fiscal agent for future payments of principal and interest.

Committed – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the Board of the Authority. The Board of the Authority may establish fund balance commitments by formal action. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the highest level of decision-making authority (the Board of the Authority), or by a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

Note 3 – Cash and Investments

Cash and investments are reported in the basic financial statements as follows:

Cash and Investments	\$ 9,031,868
Cash and Investments with Fiscal Agent	17,142,995
Total cash and investments	\$ 26,174,863

Cash and investments are comprised of the following at June 30, 2020:

Investments	
Imperial County Investment Pool	\$ 9,031,868
With Third Party Fiscal Agent	17,142,995
Total Cash and Investments	\$ 26,174,863

At June 30, 2020, cash and investments are reported at fair value based on quoted market prices, where available. The following table represents the fair value measurements of investments in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

Authorized Investment Type	Fair Value	Percentage of Portfolio	Measurement Input
Imperial County Investment Pool	\$ 9,031,868	35%	Uncategorized
Money Market Fund	17,142,995	65%	Uncategorized
	\$ 26,174,863		

Authorized Investments

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. The table below identifies the investments types that are authorized for investments held by bond trustee.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Maximum Investment in One Issuer
Money Market Fund	N/A	100%	None

Money market funds of \$17,142,995 were held as of June 30, 2020. The investment in money market funds is valued based on amortized cost.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Cash and Investments (Continued)

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority's investment policy requires that a third-party bank custody department hold all securities owned by the Authority. All trades are settled on a delivery versus payment basis through the Authority's safekeeping agent.

Investment in Imperial County Investment Pool

The Authority maintains cash and investments in the Imperial County Investment Pool (ICIP). The ICIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The ICIP investments are authorized by the California Government Code 53635. At June 30, 2020 the weighted average to maturity is 670 days. Deposits and withdrawals in the ICIP and money market funds are made on the basis of \$1 and not fair value. Accordingly, the Authority's investment in the ICIP is measured based on uncategorized inputs not defined as a Level 1, Level 2 or Level 3 input.

Information related to the ICIP may be obtained from the County of Imperial at the County Administration Center at 940 Main Street, El Centro, California 92243.

Note 4 – Sales Tax Receivable

Sales Tax Receivable represents amounts due to the Authority from the California Department of Tax and Fee Administration (formerly known as Board of Equalization) for sales tax revenues. The amount due to the Authority was \$3,435,147 as of June 30, 2020.

Note 5 – Interfund Transfers

The Authority transferred \$4,843,774 for the year ended June 30, 2020, from the General Fund to the Debt Service Fund to meet debt service payment requirements.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Bonds Payable

During the fiscal year ended June 30, 2020, the following changes occurred in bonds payable:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
2012 Sales Tax Revenue Bonds	\$ 39,470,000	\$ -	\$ (2,375,000)	\$ 37,095,000	\$ 2,465,000	\$ 34,630,000
Unamortized bond premium	579,417	-	(45,145)	534,272	-	534,272
2018 Sales Tax Revenue Bonds	16,330,000	-	(250,000)	16,080,000	265,000	15,815,000
Unamortized bond premium	887,254	-	(46,698)	840,556	-	840,556
Total long-term debt	\$ 57,266,671	\$ -	\$ (2,716,843)	\$ 54,549,828	\$ 2,730,000	\$ 51,819,828

2012 Sales Tax Revenue Bonds

On May 1, 2012, the Authority issued \$53,975,000 of 2012 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements range from \$1,745,000 to \$3,855,000. The bonds mature on June 1, 2032.

Annual debt service requirements on the 2012 Sales Tax Revenue Bonds as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,465,000	\$ 1,547,038	\$ 4,012,038
2022	2,555,000	1,463,088	4,018,088
2023	2,625,000	1,386,438	4,011,438
2024	2,750,000	1,269,100	4,019,100
2025	2,865,000	1,150,850	4,015,850
2026-2030	16,290,000	3,793,850	20,083,850
2031-2032	7,545,000	492,100	8,037,100
Total	\$ 37,095,000	\$ 11,102,464	\$ 48,197,464

Unamortized Bond Premium

On May 1, 2012, the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total premium of \$902,975. The premium is amortized throughout the twenty-year term of the bond at a combined monthly rate of \$3,762. As of June 30, 2020, the unamortized bond premium was \$534,272.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Bonds Payable (Continued)

2012 Sales Tax Revenue Bonds (Continued)

Pledged Revenue

The 2012 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2020, debt service payments as a percentage of the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Ordinance 1-2008 Sales Tax Revenue	\$ 15,392,144	\$ 2,375,000	6.48

2018 Sales Tax Revenue Bonds

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. Interest on the Series 2018 Bonds is payable semiannually on June 1 and December 1 beginning on June 1, 2019 with rates ranging from 3.25 to 5.00 percent per annum. The annual principal requirements range from \$250,000 to \$2,190,000. The bonds mature on June 1, 2038.

Annual debt service requirements on the 2018 Sales Tax Revenue Bonds as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 265,000	\$ 664,238	\$ 929,238
2022	270,000	653,638	923,638
2023	285,000	642,838	927,838
2024	300,000	628,588	928,588
2025	315,000	613,587	928,587
2026-2030	1,810,000	2,817,437	4,627,437
2031-2035	6,505,000	2,181,850	8,686,850
2036-2038	6,330,000	502,445	6,832,445
Total	\$ 16,080,000	\$ 8,704,619	\$ 24,784,619

Unamortized Bond Premium

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. These bonds were sold at a total premium of \$922,277. The premium is amortized throughout the twenty-year term of the bond at a combined monthly rate of \$3,891. As of June 30, 2020, the unamortized bond premium was \$840,556.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Bonds Payable (Continued)

2018 Sales Tax Revenue Bonds (Continued)

Pledged Revenue

The 2018 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2020, debt service payments as a percentage of the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Ordinance 1-2008 Sales Tax Revenue	\$ 15,392,144	\$ 250,000	61.57

Note 7 – Government-Wide Net Position Unrestricted Deficit

The deficit of (\$27,918,594) on the Government-wide Statement of Net Position is the result of reporting the debt related to the issuance of bonds as required in the government-wide financial statements without a corresponding asset. Proceeds from the bonds are used primarily to reimburse member agencies for expenses related to the repair and maintenance of streets. These expenses incurred by the member agencies are not capitalized as an asset on the Authority's financial statements. This deficit will decrease as the outstanding balance of the bonds is reduced through principal payments and the future collection of Measure D Sales Tax.

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SUPPLEMENTARY INFORMATION

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Imperial County Local Transportation Authority
Supplementary Information
Schedules
June 30, 2020

	Schedule 1
Schedule 1 - Cash with Fiscal Agent	
* Cash with fiscal agent is allocated for the benefit of those agencies	
2012 Bond proceeds - City of Brawley	
Capital project funds	\$ 670,284
Debt service	631,311
Principal payment funds	294,996
Interest payment funds	212,417
City of Brawley - Total	1,809,008
2012 Bond proceeds - City of Calexico	
Debt service	1,131,408
Principal payment funds	554,338
Interest payment funds	336,809
2018 Bond proceeds - City of Calexico	
Capital project funds	7,764,761
Principal payment funds	2,490
Interest payment funds	4,153
City of Calexico - Total	9,793,959
2012 Bond proceeds - City of Calipatria	
Debt service	179,592
Principal payment funds	81,875
Interest payment funds	53,698
2018 Bond proceeds - City of Calipatria	
Capital project funds	1,398,937
Interest payment funds	438
City of Calipatria - Total	1,714,540
2018 Bond proceeds - City of Holtville	
Principal payment funds	1,565
Interest payment funds	41,996
City of Holtville - Total	43,561
2012 Bond proceeds - City of Imperial	
Debt service	478,046
Principal payment funds	222,412
Interest payment funds	161,321
City of Imperial - Total	861,779
2012 Bond proceeds - County of Imperial	
Debt service	1,607,854
Principal payment funds	798,086
Interest payment funds	514,208
County of Imperial - Total	2,920,148
Cash with Fiscal Agent - Grand Total	\$ 17,142,995

Imperial County Local Transportation Authority
Supplementary Information (Continued)
Schedules (Continued)
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	Schedules 2 - 5
Schedule 2 - Transit Service Project Expenses	
IVT Ride Transit Services	\$ 300,000
El Centro Transfer Terminal Security	45,721
Transit Service Project Expenses - Total	<u>\$ 345,721</u>
Schedule 3 - Annual Allocations to Local Member	
City of Brawley	\$ 1,458,038
City of Calexico	1,266,475
City of Calipatria	223,860
City of El Centro	2,912,427
City of Holtville	347,753
City of Imperial	1,091,611
City of Westmoreland	590,079
County of Imperial	3,504,734
Annual allocations to local members - total	<u>\$ 11,394,977</u>
Schedule 4 - Bond Principal Payments	
2012 City of Brawley	\$ 355,000
2012 City of Calexico	685,000
2012 City of Calipatria	100,000
2012 City of Imperial	270,000
2012 County of Imperial	965,000
2018 City of Calexico	155,000
2018 City of Calipatria	-
2018 City of Holtville	95,000
Bond principal payments - Total	<u>\$ 2,625,000</u>
Schedule 5 - Bond Interest Expenditures	
2012 City of Brawley	\$ 272,875
2012 City of Calexico	444,500
2012 City of Calipatria	75,875
2012 City of Imperial	206,488
2012 County of Imperial	641,300
2018 City of Calexico	504,850
2018 City of Calipatria	51,431
2018 City of Holtville	117,957
Bond interest expenditures - Total	<u>\$ 2,315,276</u>

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STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface
Calle de Vida	Avenida del Valle	Kelly Ave.	Resurface
Calle del Cielo	Avenida del Valle	Richard Ave.	Resurface
Calle de Golondrina	Avenida de Colimbo	Enara Ct.	Resurface
Calle de Valenzuela	Eastern Ave.	Enara Ct.	Resurface
Calle del Sol	La Valencia Dr.	Richard Ave.	Resurface
Calle Estrella	Avenida del Valle	Richard Ave.	Resurface

Imperial County Local Transportation Authority
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STREET	FROM	TO	PROJECT
Calle Luna	Avenida del Valle	Richard Ave.	Resurface
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface

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STREET	FROM	TO	PROJECT
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface

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STREET	FROM	TO	PROJECT
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Main St.	First St.	City Limits	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface

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STREET	FROM	TO	PROJECT
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno Dr.	Willard Ave.	SHWY 86	Resurface
Panno St.	Legion St.	Willard Ave.	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shank St.	Best Ave.	City Limits	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface

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STREET	FROM	TO	PROJECT
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St.	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Wildcat Dr.	Best Ave.	City Limits	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
Various Alleys			Resurface
Various Intersections			Sight Distance
Various Locations			Improvements Sidewalks, Curbs, Gutters, and

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City of Calexico
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STREET	FROM	TO	PROJECT
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.L. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various Locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway 98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden Lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway 98 West City Limits & All	Reconstruction & Widening
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance

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STREET	FROM	TO	PROJECT
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistador	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway 98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance

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STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Linholt Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
	Rancho Frontera		
Frontera Drive	Avenue	Primavera Court	Repair/Maintenance
Primavera Court	Cul-de-sac South	Posada Court	Repair/Maintenance
Holdridge Street	De Leon Avenue	Subdivision Limits	Repair/Maintenance
Posada Court	Plaza Drive	Primavera Court	
Plaza Drive	Holdridge Street	Posada Court	Repair/Maintenance
Fieseta Avenue	Holdridge Street	Cul-de-sac South	Repair/Maintenance
De Leon Avenue	Plata Drive	Harrington Street	Repair/Maintenance
Bravo Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Harrington Street	Andrade Avenue	Rancho Frontera Avenue	Repair/Maintenance
Brown Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Jean Robinson Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
	Rancho Frontera		
Vereda Drive	Avenue	Cul-de-sac East	Repair/Maintenance
	Rancho Frontera		
Porton Drive	Avenue	Cul-de-sac East	Repair/Maintenance
Cabana Street	Coyote Avenue	Andrade Avenue	Repair/Maintenance
Banda Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Coyote Avenue	Alameda Street	Cabana Street	Repair/Maintenance
Enramada Drive	Santa Ana Street	Cul-de-Sac North	Repair/Maintenance
Alameda Street	Granero Avenue	Coyote Avenue	Repair/Maintenance
Granero Avenue	Alameda Street	E. Zapata Street	Repair/Maintenance
Bowker Road	Highway 98	Cole Boulevard	Repair/Maintenance

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Kloke Avenue	Highway 98	All American Canal	Repair/Maintenance
Rockwood Avenue	Fifth Street	Highway 98	Repair/Maintenance
Saphire Street	Andrade Avenue	Subdivision Limits	Repair/Maintenance
Andrade Avenue	All American Canal	Cole Boulevard	Repair/Maintenance
Andrade Avenue	Cole Boulevard	Spud Moreno Street	Repair/Maintenance
Spud Moreno Street	Andrade Avenue	La Jolla Palms Boulevard	Repair/Maintenance
F. Torres Street	La Jolla Palms Boulevard	M. Llanos Court	Repair/Maintenance
M. Llanos Court	F. Torres Street	F. Herrera Street	Repair/Maintenance
F. Herrera Street	M. Llanos Court	H. Najera Avenue	Repair/Maintenance
Zuniga Court	F. Torres Street	Cul-de-sac South	Repair/Maintenance
El Berro	G. Figueroa Avenue	M. Llanos Court	Repair/Maintenance
G. Figueroa Avenue	Playa Del Norte	F. Herrera Street	Repair/Maintenance
Soledad	Del Norte	Cul-de-sac East	Repair/Maintenance
Del Norte	Spud Moreno Street	Playa Del Norte	Repair/Maintenance
Playa Del Norte	Del Norte	Vaho	Repair/Maintenance
Vaho	Playa Del Norte	Paseo Del Ocaso	Repair/Maintenance
Villa Barranca	G. Figueroa Avenue	Cul-de-sac East	Repair/Maintenance
Paso Del Ocaso	Del Norte	Andrade Avenue	Repair/Maintenance

Imperial County Local Transportation Authority
City of Calipatria
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Alamo	Int'l Blvd.	East Av.	Maintenance/Construct
Alexandria	Int'l Blvd.	Brown Av.	Maintenance/Reconstruct
Barbara St.	Int'l Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance/Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonia St.	Int'l Blvd.	East Av.	Maintenance/Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
California St.	Int'l Blvd.	East Av.	Maintenance/Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	Int'l Av.	East Av.	Maintenance/Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance/Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance/Reconstruct
Delta St.	Int'l Blvd.	Commercial Av.	Maintenance/Reconstruct
Desert Springs Lane	Date St.	Terminus	Maintenance/Reconstruct
East Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
E. Elder	Industrial Av.	Commercial Av.	Reconstruct/Construct
Elder St.	Int'l Blvd.	SR111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance/Reconstruct
Fern St.	Int'l Blvd.	SR111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance/Construct
Imperial Av.	Delta St.	Date St.	Maintenance
International Blvd.	Delta St.	C. Lateral	Maintenance/Reconstruct
Industrial Av.	Young Rd.	Elder St.	Maintenance/Reconstruct
Ironwood St.	Date St.	Mesa Verde Rd.	Maintenance
Lake Av.	Delta St.	C. Lateral	Maintenance
Laurel Lane	Fan Palm	Mesa Verde Rd.	Maintenance/Reconstruct
Lyerly Rd. (E ½)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR111	Maintenance
Mesa Verde Rd.	Ironwood St.	Terminus	Maintenance/Reconstruct
Park Av.	Delta St.	Fern St.	Maintenance
Railroad Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
Sycamore Court	Date St.	Terminus	Maintenance

*portion of Blair Road within city limits

** East half of road

Imperial County Local Transportation Authority
City of El Centro
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

Project

Salaries (Tech II)
Street Lighting Master Plan
PMS Update & Speed Survey/Streetsaver
ICTC fees/Dial A Ride
Street Improvements - Misc. (Yearly Overlay)
North Date Canal under-grounding
La Brucherie Widening - Barbara Worth to Orange Avenue - Engineering (project transferred
to LTA BOND \$3M - City Fund 212)
Imperial Avenue South to McCabe - ENG
Imperial Avenue South to McCabe - ENV
Imperial Avenue South to McCabe - LAND
Imperial Avenue South to McCabe - CON
Imperial Avenue South to McCabe - CM
Wake Ave 12th to La Brucherie
Bradshaw extend from 8th to 12th Street
I-8 SR-86 Shoulder and Slope Maint.
Colonia Area Sidewalks - CDBG ENG
Colonia Area Sidewalks - CDBG CON
Colonia Drainage McDonald - Design
Colonia Drainage McDonald - ROW
Colonia Drainage McDonald - CON
Shovel ready project preparation - Design
Street Striping Maintenance
Article III - Bicycle & Pedestrian
Administrative Costs
Imperial Avenue South to McCabe - CON
RSTPL match
Adams Avenue RSTP Con 710106
Euclid Avenue CMAQ Eng 710102
Euclid Avenue CMAQ Con 710106
Buenavista Ave CMAQ Eng 710102
Buenavista Ave CMAQ Con 710106
HSIP sidewalks and lighting
HSIP sidewalks and lighting
ATP Cyc 1 - 8th Street between Adams &
Aurora (design)
ATP Cyc 1 - 8th Street between Adams &
Aurora (contingency)
Ross Avenue Rehab Con 710106
CMAQ Signal Light Synchro Mall Area
CMAQ Signal Light Synchro Mall Area
Bond Financing

Imperial County Local Transportation Authority
City of Holtville
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eighth Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue of Fifth Street	Maintenance & Restorative Seal
Tenth Street	Orange Avenue	Figueroa Avenue	Maintenance & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue – East of Chestnut Avenue			Maintenance & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal

Imperial County Local Transportation Authority
City of Holtville
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	200' S of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Impr Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Vehicle Plan
4th Street/SR 115 - Alamo River Bridge			Develop Erosion Control
Rail ROW Acquisitions	Grape Avenue		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Constr			
Ninth Street	Slaton	Beale	Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement
Citywide			Sidewalk Rehab/Replacement
Complete Street Plan			Transportation Planning Project
6th Street Improvements			
4th Street Project			
9th St Lateral	Cedar	Olive	

Imperial County Local Transportation Authority
City of Imperial
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

PROJECT NAME	PROJECT
1) La Brucherie South	Widening and associated improvement on La Brucherie between Treshill & Aten
2) Town Core	Roadway and sidewalk rehabilitation and associated work on all streets within the original Town Core of Imperial south of 15th Street, west of P Street, north of 1st Street and east of B Street
3) La Brucherie North	Roadway widening on Larsen Road and La Brucherie Road between Neckel and Larsen Road
4a) Joshua Tree Street	Pavement overlay and associated streetscape improvements on Joshua Tree Street
4b) Southwest City	Pavement overlay on Bougainvillea Trail and Sandalwood Glen Avenue; pavement overlay on Aten Blvd west of Vilore Way
4c) Northeast City	Pavement overlay and associated improvement on Canon and Rodeo Drive

Imperial County Local Transportation Authority
City of Westmorland
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Center Street	Baughman Rd.	8 th Street	Rehab/Maintenance
Bee Street	3 rd Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 th Street	Construct/Rehab/Repair/Maintenance
C Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
D Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
F Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
G Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
H Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
I St	7 th Street	8 th Street	Construct/Repair/Maintenance
J Street	7 th Street	8 th Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 th Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 st Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 nd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 rd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 th Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 th Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 th Street	H Street	Martin Road	Construct/Rehab/Repair/Maintenance
Jauregui Street	G Street	Cul de sac	Repair/Rehab/Maintenance
Sundance Street	J Street	Cul de sac	Repair/Rehab/Maintenance
Bonita Street	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Beverlee Way	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Cook Street	Baughman Road	1 st Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 th Street	Howenstein Rd.	Construct
Howenstein Road	Dean Road	C Street	Construct
Howenstein Road	Martin Road	I Street	Construct

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

ROAD	FROM	TO	PROJECT
Various Roads in Bombay			Overlay
Various Roads in Desert			Overlay
Various Roads in Heber			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea			Overlay
Various Roads in Imperial			Overlay
Diehl Road (13)	Drew Road (WR)	West 2 Miles	Overlay
Wixom Road (12)	Drew Road (WR)	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Overlay
Araz (A2N07)	I-8	Winterhaven Drive (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Baughman Road	Loveland Road	Forrester Road	Overlay
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Road (EE)	McDonald Road (76)	Pond Road (78)	Overlay
Boarts Road (53)	SR86	Kalin Road (WE)	Overlay
Bowker Road (EH)	Cole Road (6)	Jasper Road (8)	Overlay
Bowker Road (EH)	SR98	Anza Road (2)	Overlay
Boyd Road (34)	Poore Road (EY)	Highline Road (EZ)	Overlay/Widen
Brandt Road	Gardner Road	Fredricks Road	Overlay
Brandt Road	Rutherford Road	Bannister Road	Overlay
Brockman Road (WL)	Kramer Road	McCabe Road (14)	Reconstruct
Brockman Road (WL)	SR98	McCabe Road (14)	Overlay/Widen
Cadv Road	Loveland Road	Forrester Road	Overlay
Casev Road (EM)	Boyd Road (34)	Keystone Road (36)	Overlay
Chick Road (16)	SR111	1 1/2 Miles West	Overlay/Widen
Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
Drew Road (WR)	I-8	Lions Road (9)	Overlay
Drew Road (WR)	Lions Road (9)	Kubler Road	Overlay
Drew Road (WR)	Kubler Road (9)	SR98	Overlay
Eddins Road (65)	English Road (WA)	Brandt Road (EC)	Reconstruct
Eddins Road (65)	Lverlv Road (EA)	English Road (WA)	Overlay
English Road (WA)	Montgomery Road (GE)	Sinclair Road (72)	Overlay
Evan Hewes (2A23)	Drew Road (WR)	Westmoreland Road (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes	Plaster City	Ocotillo	Overlay
Evan Hewes (2A23)	Westmorland Road (WX)	Bennett Road (WP)	Overlay
Evan Hewes (2A23)	SR115	Gordons Well Road	Overlay
Forrester Road (WJ)	I-8	Evan Hewes (2A23)	Overlay
Fredricks Road	Brandt Road	Kalin Road	Overlay
Gentry Road (WI)	Walker Road (58)	New River	Overlay
Harris Road (32)	SR111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Road (32)	Holt Road (ER)	SR115	Overlay/Widen
Hartshorn Road (29)	Webb Road (EX)	Highline Road (EZ)	Overlay
Harvey Road	Schartz Road	Carev Road	Reconstruct
Haskell Road	El Centro Avenue	Havens Road	Reconstruct
Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
Kaiser Road (EO)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road	Fredricks Road	Bannister Road	Overlay
Kalin Road	Bannister Road	Walker Road	Overlay
Kalin Road (WE)	Baughman Road (52)	2.8 Miles North	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Kershaw Road (EC)	Titsworth Road (58)	Rutherford Road (54)	Overlay
Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen
Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
Lathrop Road	Worthington Road	Neckel Road	Overlay
Loveland Road	Fredricks Road	Andre Road	Overlay
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	Humbert Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road (WE)	West End	Overlay
Neighbors Boulevard	County Line	Bridge	Overlay
Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
Ogilby Road (3M01)	Railroad Tracks	SR78	Overlay
Ralph Road	SR86	Dogwood Road	Overlay
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Reugger Road (61)	Reeves Road	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Miles East	Overlay
Rutherford Road (54)	SR115	Hastain Road (EO)	Overlay
Schartz Road (40)	SR111	Best Road (EC)	Overlay
Seybert Road (EI)	Dogwood Road	SR111	Overlay/Reconstruct
Silsbee Road (WM)	SR78	Sillman Road (45)	Overlay
Slaton Road	Aten Road (24)	Hackelman Road (22)	Reconstruct
Snyder Road (EW)	9th Street	Thiesen Road (22)	Overlay
Spa Road (9D08)	SR1115	Norrish Road (25)	Overlay
Underwood Road (7G01)	Hot Mineral Spa Road	Coachella Canal Road (7G03)	Overlay
Various Bridges in Imperial	Holtville City Limits	Towland Road (ET)	Overlay
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Maintenance/Miscellaneous
Walker Road (58)	Brandt Road (WC)	Kalin Road (WG)	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby Road at			Signals
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
Worthington Road (27)	New River	Forrester Road	Overlay
Yocum Road	SR111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

City of Brawley
Measure D Sales Tax Fund

Brawley, California

**Financial Statement and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2020



DRAFT 03.22.2021

City of Brawley
Measure D Sales Tax Fund
For the Year Ended June 30, 2020

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statements

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Brawley, California ("City") for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund of the City of Brawley and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 17 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

DRAFT 03.22.2021

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City of Brawley
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 1,096,268
Interest	<u>101,086</u>
Total revenues	<u><u>1,197,354</u></u>

Expenditures:

Current:

Road repairs and maintenance	<u>413,768</u>
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Total expenditures	<u><u>413,768</u></u>
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Change in Fund Balance	<u><u>\$ 783,586</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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City of Brawley
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Brawley has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1, 2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

City of Brawley
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Brawley and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 1,708,310
Demand deposits	(612,041)
Net allocable sales tax	\$ 1,096,268

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Brawley, California ("City"), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2019-001. Our opinion on the City’s compliance is not modified with respect to this matter.

The City’s Responses to Findings

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of Brawley
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

No current year findings to note.

B. Prior Year Findings

Finding 2019-001

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2019.

Effect:

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

Recommendation:

The City should implement a process in which council formally approves the list of projects on an annual basis.

View of Responsible Officials:

The City has immediately implemented procedures for the preparation and Council approval of the list of projects on an annual basis.

Status:

Implemented.

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OTHER INFORMATION
(Unaudited)

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City of Brawley
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 4,604,892
Interest receivable	<u>5,221</u>
Total assets	<u><u>\$ 4,610,113</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>\$ 18,490</u>
Total liabilities	<u>18,490</u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	<u>4,591,623</u>
Total fund balance	<u>4,591,623</u>
Total liabilities and fund balance	<u><u>\$ 4,610,113</u></u>

City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2020
(Unaudited)

Revenues:

Sales tax	\$ 1,096,268
Interest	<u>101,086</u>
Total revenues	<u><u>2,602,805</u></u>

Expenditures:

Current:	
Road repairs and maintenance	<u>413,768</u>
Total expenditures	<u><u>413,768</u></u>

Change in Fund Balance

783,586

Fund Balance:

Beginning of year	<u>3,808,037</u>
End of year	<u><u>\$ 4,591,623</u></u>

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City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 1,100,000	\$ 1,096,268	\$ (3,732)
Interest	25,000	101,086	76,086
Total revenues	<u>1,125,000</u>	<u>1,197,354</u>	<u>72,354</u>
Expenditures:			
Current:			
Roads repairs and maintenance	984,795	413,768	571,027
Total expenditures	<u>984,795</u>	<u>413,768</u>	<u>571,027</u>
Revenues Over (Under) Expenditures	<u>140,205</u>	<u>783,586</u>	<u>643,381</u>
Other Financing Sources (Uses):			
Transfers out to City	(483,528)	-	483,528
Total other financing sources (uses)	<u>(483,528)</u>	<u>-</u>	<u>483,528</u>
Change in Fund Balance	<u>\$ (343,323)</u>	783,586	<u>\$ 1,126,909</u>
Fund Balance:			
Beginning of year		3,808,037	
End of year		<u>\$ 4,591,623</u>	

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface
Calle de Vida	Avenida del Valle	Kelly Ave.	Resurface
Calle del Cielo	Avenida del Valle	Richard Ave.	Resurface
Calle de Golondrina	Avenida de Colimbo	Enara Ct.	Resurface
Calle de Valenzuela	Eastern Ave.	Enara Ct.	Resurface
Calle del Sol	La Valencia Dr.	Richard Ave.	Resurface
Calle Estrella	Avenida del Valle	Richard Ave.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Calle Luna	Avenida del Valle	Richard Ave.	Resurface
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Main St.	First St.	City Limits	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno Dr.	Willard Ave.	SHWY 86	Resurface
Panno St.	Legion St.	Willard Ave.	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shank St.	Best Ave.	City Limits	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St.	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Wildcat Dr.	Best Ave.	City Limits	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
Various Alleys			Resurface
Various Intersections			Sight Distance
Various Locations			Improvements Sidewalks, Curbs, Gutters and Maintenance

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City of Calexico Measure D Sales Tax Fund

Calexico, California

Financial Statement and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2020



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**City of Calexico
Measure D Sales Tax Fund
For the Year Ended June 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico, California ("City") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calexico, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 19 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of Calexico
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 724,625
Investment earnings	<u>157,764</u>
Total revenues	<u>882,389</u>

Expenditures:

Capital outlay	<u>329,343</u>
Total expenditures	<u>329,343</u>

Change in Fund Balance	<u><u>\$ 553,046</u></u>
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NOTES TO THE FINANCIAL STATEMENT

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City of Calexico
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Calexico has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1- 2008.

City of Calexico
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calexico, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Calexico and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 2,494,690
Withheld for debt service	<u>(1,770,065)</u>
Net allocable sales tax	<u>\$ 724,625</u>

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D SALES TAX COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico, California (City), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included in the Schedule of Findings as item 2020-001. Our opinion on the City's compliance is not modified with respect to this matter.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of Calexico
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

Finding 2020-001

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 6 of the Ordinance states, “Any Local Agency which does not certify that it will meet its entire Maintenance of Effort requirement in any given year shall have its funding under Section 4 reduced that year by the amount by which the agency will not meet its level of Maintenance of Effort requirement.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2020, we noted:

- The City was not in compliance with Section 6 of the Ordinance as the City did not certify that it would meet its Maintenance of Effort requirement.

Effect:

The Maintenance of Effort for the year ended June 30, 2020 was not certified and therefore, the City is at risk of having its funding under Section 4 reduced by the amount it did not meet its level of Maintenance of Effort.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the Maintenance of Effort was certified and submitted to the Imperial County Local Transportation Authority for the year ended June 30, 2020.

Recommendation:

The City should implement a process in which they annually certify the Maintenance of Effort in order to make sure they are in compliance with the requirements of Section 6 of the Ordinance.

View of Responsible Officials:

The City will implement a process for annual Maintenance of Effort certification.

City of Calexico
Measure D Sales Tax Fund
Schedule of Findings (Continued)
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings (Continued)

B. Prior Year Findings

Finding 2019-001

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 6 of the Ordinance states, “Any Local Agency which does not certify that it will meet its entire Maintenance of Effort requirement in any given year shall have its funding under Section 4 reduced that year by the amount by which the agency will not meet its level of Maintenance of Effort requirement.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City was not in compliance with Section 6 of the Ordinance as the City did not certify that it would meet its Maintenance of Effort requirement.

Effect:

The Maintenance of Effort for the year ended June 30, 2019 was not certified and therefore, the City is at risk of having its funding under Section 4 reduced by the amount it did not meet its level of Maintenance of Effort.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the Maintenance of Effort was certified and submitted to the Imperial County Local Transportation Authority for the year ended June 30, 2019.

Recommendation:

The City should implement a process in which they annually certify the Maintenance of Effort in order to make sure they are in compliance with the requirements of Section 6 of the Ordinance.

View of Responsible Officials:

The City will implement a process for annual Maintenance of Effort certification.

Status:

Not implemented. See finding 2020-001.

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OTHER INFORMATION
(Unaudited)

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City of Calexico
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 9,455,651
Total assets	<u><u>\$ 9,455,651</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ 68,773
Total liabilities	<u>68,773</u>

Fund Balance:

Restricted for:	
Capital outlay	<u>9,386,878</u>
Total fund balance	<u>9,386,878</u>
Total liabilities and fund balance	<u><u>\$ 9,455,651</u></u>

City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2020
(Unaudited)

Revenues:

Sales tax	\$ 724,625
Investment earnings	<u>157,764</u>
Total revenues	<u><u>882,389</u></u>

Expenditures:

Capital outlay	<u>329,343</u>
Total expenditures	<u><u>329,343</u></u>

Change in Fund Balance

553,046

Fund Balance:

Beginning of year	<u>8,833,832</u>
End of year	<u><u>\$ 9,386,878</u></u>

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City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 840,000	\$ 724,625	\$ (115,375)
Investment earnings	10,000	157,764	147,764
Total revenues	<u>850,000</u>	<u>882,389</u>	<u>32,389</u>
Expenditures:			
Capital outlay:			
Capital projects	2,103,089	329,343	(1,773,746)
Total expenditures	<u>2,103,089</u>	<u>329,343</u>	<u>(1,773,746)</u>
Change in Fund Balance	<u>\$ (1,253,089)</u>	553,046	<u>\$ 1,806,135</u>
Fund Balance:			
Beginning of year		8,833,832	
End of year		<u>\$ 9,386,878</u>	

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.L. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various Locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway 98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden Lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway 98 West City Limits & All	Reconstruction & Widening
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistador	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway 98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Linholt Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
	Rancho Frontera		
Frontera Drive	Avenue	Primavera Court	Repair/Maintenance
Primavera Court	Cul-de-sac South	Posada Court	Repair/Maintenance
Holdridge Street	De Leon Avenue	Subdivision Limits	Repair/Maintenance
Posada Court	Plaza Drive	Primavera Court	
Plaza Drive	Holdridge Street	Posada Court	Repair/Maintenance
Fieseta Avenue	Holdridge Street	Cul-de-sac South	Repair/Maintenance
De Leon Avenue	Plata Drive	Harrington Street	Repair/Maintenance
Bravo Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Harrington Street	Andrade Avenue	Rancho Frontera Avenue	Repair/Maintenance
Brown Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Jean Robinson Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
	Rancho Frontera		
Vereda Drive	Avenue	Cul-de-sac East	Repair/Maintenance
	Rancho Frontera		
Porton Drive	Avenue	Cul-de-sac East	Repair/Maintenance
Cabana Street	Coyote Avenue	Andrade Avenue	Repair/Maintenance
Banda Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Coyote Avenue	Alameda Street	Cabana Street	Repair/Maintenance
Enramada Drive	Santa Ana Street	Cul-de-Sac North	Repair/Maintenance
Alameda Street	Granero Avenue	Coyote Avenue	Repair/Maintenance
Granero Avenue	Alameda Street	E. Zapata Street	Repair/Maintenance
Bowker Road	Highway 98	Cole Boulevard	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Kloke Avenue	Highway 98	All American Canal	Repair/Maintenance
Rockwood Avenue	Fifth Street	Highway 98	Repair/Maintenance
Saphire Street	Andrade Avenue	Subdivision Limits	Repair/Maintenance
Andrade Avenue	All American Canal	Cole Boulevard	Repair/Maintenance
Andrade Avenue	Cole Boulevard	Spud Moreno Street	Repair/Maintenance
Spud Moreno Street	Andrade Avenue	La Jolla Palms Boulevard	Repair/Maintenance
F. Torres Street	La Jolla Palms Boulevard	M. Llanos Court	Repair/Maintenance
M. Llanos Court	F. Torres Street	F. Herrera Street	Repair/Maintenance
F. Herrera Street	M. Llanos Court	H. Najera Avenue	Repair/Maintenance
Zuniga Court	F. Torres Street	Cul-de-sac South	Repair/Maintenance
El Berro	G. Figueroa Avenue	M. Llanos Court	Repair/Maintenance
G. Figueroa Avenue	Playa Del Norte	F. Herrera Street	Repair/Maintenance
Soledad	Del Norte	Cul-de-sac East	Repair/Maintenance
Del Norte	Spud Moreno Street	Playa Del Norte	Repair/Maintenance
Playa Del Norte	Del Norte	Vaho	Repair/Maintenance
Vaho	Playa Del Norte	Paseo Del Ocaso	Repair/Maintenance
Villa Barranca	G. Figueroa Avenue	Cul-de-sac East	Repair/Maintenance
Paso Del Ocaso	Del Norte	Andrade Avenue	Repair/Maintenance

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City of Calipatria
Measure D Sales Tax Fund

Calipatria, California

**Financial Statement and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2020



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**City of Calipatria
Measure D Sales Tax Fund
For the Year Ended June 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria, California ("City") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calipatria, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 17 through 20 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of Calipatria
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 149,679
Interest revenue	<u>40,905</u>
Total revenues	<u>190,584</u>

Expenditures:

Capital outlay:	
Street Maintenance Construction Project	<u>257,971</u>
Total expenditures	<u>257,971</u>

Change in Fund Balance	<u><u>\$ (67,387)</u></u>
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NOTES TO THE FINANCIAL STATEMENT

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City of Calipatria
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Calipatria has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

City of Calipatria
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calipatria, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Calipatria and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 375,010
Withheld for debt service	(225,331)
Net allocable sales tax	<u>\$ 149,679</u>

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D SALES TAX COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria, California (City), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

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OTHER INFORMATION
(Unaudited)

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 1,860,836
Total assets	<u><u>\$ 1,860,836</u></u>

Liabilities and Fund Balance:

Liabilities:

Due to other funds	\$ 185,771
Total liabilities	<u>185,771</u>

Fund Balance:

Restricted	
Road repairs and maintenance	1,675,065
Total fund balance	<u>1,675,065</u>
Total liabilities and fund balance	<u><u>\$ 1,860,836</u></u>

City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2020
(Unaudited)

Revenues:

Sales tax	\$ 149,679
Interest revenue	40,905
Total revenues	<u>190,584</u>

Expenditures:

Capital outlay:	
Capital projects	257,971
Total expenditures	<u>257,971</u>

Change in Fund Balance

(67,387)

Fund Balance:

Beginning of year	1,742,452
End of year	<u><u>\$ 1,675,065</u></u>

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 122,102	\$ 149,679	\$ 27,577
Interest revenue	34,800	40,905	6,105
Total revenues	<u>156,902</u>	<u>190,584</u>	<u>33,682</u>
Expenditures:			
Capital outlay:			
Capital projects	1,560,238	257,971	1,302,267
Total expenditures	<u>1,560,238</u>	<u>257,971</u>	<u>1,302,267</u>
Change in Fund Balance	<u>\$ (1,403,336)</u>	<u>(67,387)</u>	<u>\$ (1,268,585)</u>
Fund Balance:			
Beginning of year		1,742,452	
End of year		<u>\$ 1,675,065</u>	

City of Calipatria
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Alamo	Int'l Blvd.	East Av.	Maintenance/Construct
Alexandria	Int'l Blvd.	Brown Av.	Maintenance/Reconstruct
Barbara St.	Int'l Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance/Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonia St.	Int'l Blvd.	East Av.	Maintenance/Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
California St.	Int'l Blvd.	East Av.	Maintenance/Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	Int'l Av.	East Av.	Maintenance/Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance/Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance/Reconstruct
Delta St.	Int'l Blvd.	Commercial Av.	Maintenance/Reconstruct
Desert Springs Lane	Date St.	Terminus	Maintenance/Reconstruct
East Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
E. Elder	Industrial Av.	Commercial Av.	Reconstruct/Construct
Elder St.	Int'l Blvd.	SR111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance/Reconstruct
Fern St.	Int'l Blvd.	SR111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance/Construct
Imperial Av.	Delta St.	Date St.	Maintenance
International Blvd.	Delta St.	C. Lateral	Maintenance/Reconstruct
Industrial Av.	Young Rd.	Elder St.	Maintenance/Reconstruct
Ironwood St.	Date St.	Mesa Verde Rd.	Maintenance
Lake Av.	Delta St.	C. Lateral	Maintenance
Laurel Lane	Fan Palm	Mesa Verde Rd.	Maintenance/Reconstruct
Lyerly Rd. (E ½)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR111	Maintenance
Mesa Verde Rd.	Ironwood St.	Terminus	Maintenance/Reconstruct
Park Av.	Delta St.	Fern St.	Maintenance
Railroad Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
Sycamore Court	Date St.	Terminus	Maintenance

*portion of Blair Road within city limits

** East half of road

City of El Centro Measure D Sales Tax Fund

El Centro, California

Financial Statement and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2020



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**City of El Centro
Measure D Sales Tax Fund
For the Year Ended June 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro, California ("City") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of El Centro, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 21 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of El Centro
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 2,745,303
Interest revenue	<u>51,761</u>
Total revenues	<u><u>2,797,064</u></u>

Expenditures:

Capital outlay	<u>967,768</u>
Total expenditures	<u><u>967,768</u></u>

Revenues Over (Under) Expenditures

1,829,296

Other Financing Sources (Uses):

Transfers out to City	<u>(1,369,875)</u>
Total other financing sources (uses)	<u><u>(1,369,875)</u></u>

Change in Fund Balance

\$ 459,421

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NOTES TO THE FINANCIAL STATEMENT

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City of El Centro
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of El Centro has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

City of El Centro
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of El Centro, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of El Centro and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 2,745,303
Withheld for debt service	-
Net allocable sales tax	<u>\$ 2,745,303</u>

City of El Centro
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

Note 4 – Transfer Out to the City

The Measure D Sales Tax Fund recorded a transfer out to the City of \$1,369,875. The transfer out reflects interest and debt service payment on a transportation bond that El Centro issued.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D SALES TAX COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro, California (City), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of El Centro
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

No findings were noted for the year ended June 30, 2020.

B. Prior Year Findings

Finding 2019-001

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2019.

Effect:

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

Recommendation:

The City should implement a process in which Council formally approves the list of projects on an annual basis.

View of Responsible Officials:

The five-year plan will be taken to the City Council for approval.

Status:

Implemented.

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OTHER INFORMATION
(Unaudited)

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City of El Centro
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 3,571,424
Interest receivable	7,836
Other receivables	<u>251,375</u>
Total assets	<u><u>\$ 3,830,635</u></u>

Fund Balance:

Restricted	<u>\$ 3,830,635</u>
Total fund balance	<u><u>\$ 3,830,635</u></u>

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City of El Centro
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2020
(Unaudited)

Revenues:	
Sales tax	\$ 2,745,303
Interest earnings	51,761
Total revenues	<u>2,797,064</u>
Expenditures:	
Capital outlay	967,768
Total expenditures	<u>967,768</u>
Revenues Over (Under) Expenditures	<u>1,829,296</u>
Other Financing Sources (Uses):	
Transfers out to City	(1,369,875)
Total other financing sources (uses)	<u>(1,369,875)</u>
Change in Fund Balance	459,421
Fund Balance:	
Beginning of year	3,371,214
End of year	<u><u>\$ 3,830,635</u></u>

City of El Centro
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 3,100,000	\$ 2,745,303	\$ (354,697)
Interest earnings	35,000	51,761	16,761
Total revenues	<u>3,135,000</u>	<u>2,797,064</u>	<u>(337,936)</u>
Expenditures:			
Capital outlay:			
Capital projects	2,298,180	967,768	1,330,412
Total expenditures	<u>2,298,180</u>	<u>967,768</u>	<u>1,330,412</u>
Revenues Over (Under) Expenditures	836,820	1,829,296	992,476
Other Financing Sources (Uses):			
Transfers out to City	(1,369,875)	(1,369,875)	-
Total other financing sources (uses)	<u>(1,369,875)</u>	<u>(1,369,875)</u>	<u>-</u>
Change in Fund Balance	<u>\$ (533,055)</u>	459,421	<u>\$ 992,476</u>
Fund Balance:			
Beginning of year		3,371,214	
End of year		<u>\$ 3,830,635</u>	

City of El Centro
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

Project

Salaries (Tech II)
Street Lighting Master Plan
PMS Update & Speed Survey/Streetsaver
ICTC fees/Dial A Ride
Street Improvements - Misc. (Yearly Overlay)
North Date Canal under-grounding
La Brucherie Widening - Barbara Worth to Orange Avenue - Engineering (project transferred
to LTA BOND \$3M - City Fund 212)
Imperial Avenue South to McCabe - ENG
Imperial Avenue South to McCabe - ENV
Imperial Avenue South to McCabe - LAND
Imperial Avenue South to McCabe - CON
Imperial Avenue South to McCabe - CM
Wake Ave 12th to La Brucherie
Bradshaw extend from 8th to 12th Street
I-8 SR-86 Shoulder and Slope Maint.
Colonia Area Sidewalks - CDBG ENG
Colonia Area Sidewalks - CDBG CON
Colonia Drainage McDonald - Design
Colonia Drainage McDonald - ROW
Colonia Drainage McDonald - CON
Shovel ready project preparation - Design
Street Striping Maintenance
Article III - Bicycle & Pedestrian
Administrative Costs
Imperial Avenue South to McCabe - CON RSTPL match
Adams Avenue RSTP Con 710106
Euclid Avenue CMAQ Eng 710102
Euclid Avenue CMAQ Con 710106
Buenavista Ave CMAQ Eng 710102
Buenavista Ave CMAQ Con 710106
HSIP sidewalks and lighting
HSIP sidewalks and lighting
ATP Cyc 1 - 8th Street between Adams & Aurora (design)
ATP Cyc 1 - 8th Street between Adams & Aurora (contingency)
Ross Avenue Rehab Con 710106
CMAQ Signal Light Synchron Mall Area
CMAQ Signal Light Synchron Mall Area
Bond Financing

City of Holtville
Measure D Sales Tax Fund

Holtville, California

**Financial Statement and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2020



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City of Holtville
Measure D Sales Tax Fund
For the Year Ended June 30, 2020

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville, California ("City") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Holtville, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 21 through 25 is presented for purposes of additional analysis and is not a required part of the financial statement. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of Holtville
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:	
Sales tax	\$ 320,239
Interest	3,436
Total revenues	<u>323,675</u>
Expenditures:	
Current:	
Road repairs and maintenance	1,674
Total expenditures	<u>1,674</u>
Revenues In Excess of Expenditures	<u>322,001</u>
Other Financing Sources (Uses):	
Transfer out to City	(568,939)
Total other financing sources (uses)	<u>(568,939)</u>
Change in Fund Balance	<u>\$ (246,938)</u>

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NOTES TO THE FINANCIAL STATEMENT

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City of Holtville
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority “Authority” was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Holtville has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1, 2008.

City of Holtville
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Holtville, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Holtville and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 530,539
Withheld for debt service	(210,300)
Net allocable sales tax	<u>\$ 320,239</u>

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

City of Holtville
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 4 – Transfers Out to City

The City recorded a transfers out of \$568,939 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville, California ("City"), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of Holtville
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

No findings were noted for the year ended June 30, 2020.

B. Prior Year Findings

Finding 2019-001 Restatement of Beginning Balance

Criteria:

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

Condition:

During the audit, we noted nine invoices in the amount of \$63,491 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

Cause:

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

Effect:

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$63,491.

Recommendation:

The City should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

View of Responsible Officials:

The City agrees with the finding and will work to implement the recommendation.

Status:

Implemented.

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OTHER INFORMATION
(Unaudited)

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City of Holtville
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalent	\$ 1,055,614
Total assets	\$ 1,055,614

Fund Balance:

Restricted for:	
Road repairs and maintenance	\$ 1,055,614
Total fund balance	\$ 1,055,614

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City of Holtville
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2020
(Unaudited)

Revenues:	
Sales tax	\$ 320,239
Interest	3,436
Total revenues	<u>323,675</u>
Expenditures:	
Current:	
Road repairs and maintenance	1,674
Total expenditures	<u>1,674</u>
Excess of revenues over expenditures	<u>322,001</u>
Other Financing Sources (Uses):	
Transfer out to City	(568,939)
Total other financing sources (uses)	<u>(568,939)</u>
Change in Fund Balance	(246,938)
Fund Balance:	
Beginning of year	1,302,552
End of year	<u><u>\$ 1,055,614</u></u>

City of Holtville
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 180,000	\$ 320,239	\$ 140,239
Interest	1,000	3,436	2,436
Total revenues	<u>181,000</u>	<u>323,675</u>	<u>142,675</u>
Expenditures:			
Current:			
Road repairs and maintenance	-	1,674	1,674
Total expenditures	<u>-</u>	<u>1,674</u>	<u>1,674</u>
Other Financing Sources (Uses):			
Transfer out to City	(100,000)	(568,939)	(468,939)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(568,939)</u>	<u>(468,939)</u>
Change in Fund Balance	<u>\$ 81,000</u>	<u>(246,938)</u>	<u>\$ (327,938)</u>
Fund Balance:			
Beginning of year		1,302,552	
End of year		<u>\$ 1,055,614</u>	

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eighth Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal Tamarack
Sixth Street	Melon Avenue	Holt Avenue Of Fifth	Maintenance & Restorative Seal
Tenth Street	Orange Avenue		Maintenance & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue - East of Chestnut Avenue			Maintenance & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	200' S of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Impr Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Vehicle Plan
4th Street/SR 115 - Alamo River Bridge			Develop Electric Vehicle Plan
Rail ROW Acquisitions	Grape Avenue Intersection		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Constr			
Ninth Street	Slayton	Beale	Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement
Citywide			Sidewalk Rehab/Replacement
Complete Street Plan			Transportation Planning Project
6th Street Improvements			
4th Street Project			
9th St Lateral	Cedar	Olive	

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City of Imperial Measure D Sales Tax Fund

Imperial, California

Financial Statement and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2020



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City of Imperial
Measure D Sales Tax Fund
For the Year Ended June 30, 2020

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California ("City") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund of the City of Imperial and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 21 through 24 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of Imperial
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 816,992
Interest	16,638
Other	<u>217,665</u>
Total revenues	<u><u>1,051,295</u></u>

Expenditures:

Current:	
Road repairs and maintenance	<u>1,219,177</u>
Total expenditures	<u><u>1,219,177</u></u>

Revenues Over (Under) Expenditures	<u><u>(167,882)</u></u>
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Other Financing Sources (Uses):

Transfer out to City for Measure D projects	<u>(395,111)</u>
Total Other Financing Sources (Uses)	<u><u>(395,111)</u></u>

Change in Fund Balance	<u><u>\$ (562,993)</u></u>
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NOTES TO THE FINANCIAL STATEMENT

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City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the “Authority”) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Imperial
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Imperial has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Imperial and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 1,284,456
Withheld for debt service	(467,464)
Net allocable sales tax	\$ 816,992

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

Note 4 – Transfers Out to City

The City recorded a transfer out of \$395,111 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND
*MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California ("City"), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2020-001. Our opinion on the City’s compliance is not modified with respect to this matter.

The City’s Responses to Findings

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of Imperial
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

Finding 2020-001

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2020, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2020.

Effect:

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

Recommendation:

The City should implement a process in which City Council formally approves the list of projects on an annual basis.

View of Responsible Officials:

The City will implement procedures for the preparation and Council approval of the list of projects on an annual basis.

City of Imperial
Measure D Sales Tax Fund
Schedule of Findings (Continued)
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings (Continued)

B. Prior Year Findings

Finding 2019-001 Restatement of Beginning Balance

Criteria:

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

Condition:

During the audit, we noted two invoices (16246-3con for \$476,435 and 16245-3AQ for \$52,546) in the combined amount of \$528,981 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

Cause:

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

Effect:

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$528,981.

Recommendation:

The City should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

View of Responsible Officials:

The City will ensure to review and record financial transactions accordingly.

Status:

Implemented

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OTHER INFORMATION
(Unaudited)

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City of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 3,837,985
Interest receivable	<u>3,169</u>
Total assets	<u><u>\$ 3,841,154</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>\$ 63,370</u>
Total liabilities	<u>63,370</u>

Fund Balance:

Restricted	
Road repairs and maintenance	<u>3,777,784</u>
Total fund balance	<u>3,777,784</u>
Total liabilities and fund balance	<u><u>\$ 3,841,154</u></u>

City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2020
(Unaudited)

Revenues:

Sales tax	\$ 816,992
Interest	16,638
Other	<u>217,665</u>
Total revenues	<u><u>1,051,295</u></u>

Expenditures:

Current:	
Road repairs and maintenance	<u>1,219,177</u>
Total expenditures	<u><u>1,219,177</u></u>

Revenues Over (Under) Expenditures	<u><u>(167,882)</u></u>
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Other Financing Sources (Uses):

Transfer out to City for Measure D projects	<u>(395,111)</u>
Total Other Financing Sources (Uses)	<u><u>(395,111)</u></u>

Change in Fund Balance	<u><u>(562,993)</u></u>
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Fund Balance:

Beginning of year	<u>4,340,777</u>
End of year	<u><u>\$ 3,777,784</u></u>

City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 700,000	\$ 816,992	\$ 116,992
Interest	5,000	16,638	11,638
Other	-	217,665	217,665
Total revenues	<u>705,000</u>	<u>1,051,295</u>	<u>346,295</u>
Expenditures:			
Current:			
Roads repairs and maintenance	3,268,011	1,219,177	2,048,834
Total expenditures	<u>3,268,011</u>	<u>1,219,177</u>	<u>2,048,834</u>
Revenues Over (Under) Expenditures	<u>(2,563,011)</u>	<u>(167,882)</u>	<u>2,395,129</u>
Other Financing Sources (Uses):			
Transfers out to City	(673,891)	(395,111)	278,780
Total other financing sources (uses)	<u>(673,891)</u>	<u>(395,111)</u>	<u>278,780</u>
Change in Fund Balance	<u>\$ (3,236,902)</u>	<u>(562,993)</u>	<u>\$ 2,673,909</u>
Fund Balance:			
Beginning of year		4,340,777	
End of year		<u>\$ 3,777,784</u>	

City of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	LOCATION	PROJECT DESCRIPTION
Various Streets	Various Limits	Rehab/Maintenance
Town Core-	South of 15th Street, west of P Street, north of 1st Street and east of B Street	Const/Rehab/Maintenance
South West	South of Worthington Rd, west of Hwy 86, north of Treshill Rd, and east of Austin Rd	Const/Rehab/Maintenance
South East	South of Worthington Rd, west of Dogwood Rd, north of Treshill Rd, and east of Hwy 86	Const/Rehab/Maintenance
North West	North of Worthington Rd, West of Hwy 86, south of Larsen Rd, east of Austin Rd	Const/Rehab/Maintenance
North East	North of Worthington Rd, West of Dogwood Rd, south of Larsen Rd, and east of Hwy 86	Const/Rehab/Maintenance

**City of Westmorland
Measure D Sales Tax Fund**

Westmorland, California

**Financial Statement and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2020



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**City of Westmorland
Measure D Sales Tax Fund
For the Year Ended June 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Westmorland, California (City) for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Westmorland, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 21 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
_____, 2021

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FINANCIAL STATEMENT

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City of Westmorland
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:

Sales tax	\$ 287,436
Interest	<u>3,672</u>
Total revenues	<u>291,108</u>

Expenditures:

Current:	
Road repairs and maintenance	<u>16,637</u>
Total expenditures	<u>16,637</u>

Change in Fund Balance	<u><u>\$ 274,471</u></u>
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NOTES TO THE FINANCIAL STATEMENT

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City of Westmorland
Measure D Sales Tax Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the Authority) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Westmorland has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

City of Westmorland
Measure D Sales Tax Fund
Notes to the Financial Statement (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Westmorland, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Westmorland and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The City’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 287,436
Withheld	-
Net allocable sales tax	\$ 287,436

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND *MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Westmorland, California (City), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness (item 2020-001).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2020-002. Our opinion on the City’s compliance is not modified with respect to this matter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

City of Westmorland
Measure D Sales Tax Fund
Schedule of Findings
June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

Finding 2020-001 Internal Control Over Financial Reporting

Criteria:

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

Condition:

During the audit, we noted amounts previously withheld from Imperial County Local Transportation Authority (the “Authority”) had not been accrued as receivable and were not recorded in the prior periods on the modified accrual basis. A prior period adjustment in the amount of \$271,201 was recorded to the Measure D Sales Tax Fund in order to accrue accounts receivable and record Measure D sales tax revenues in the proper periods per Authority allocation records.

Cause:

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the appropriate fiscal years. Certain Measure D revenues had not been accrued as of June 30, 2019 and June 30, 2020 because the City had not adjusted its general ledger to the modified accrual basis from the cash basis and the City did not have effective review procedures in place to catch the error.

Effect:

The City’s Measure D Sales Tax Fund’s Schedule of Revenues, Expenditures, and Change in Fund Balance’s beginning net position was understated by \$271,201, fiscal year 2020 revenues were overstated by \$266,294 and accounts receivable was understated by \$22,527.

Recommendation:

The City should enhance its review processes over revenue recording and year-end closing in order to facilitate accurate and complete revenue recording, year-end closing of the general ledger, and preparation of its basic financial statements.

View of Responsible Officials:

The City agrees with the recommendation.

City of Westmorland
Measure D Sales Tax Fund
Schedule of Findings (Continued)
June 30, 2020

Section I – Compliance Findings (Continued)

A. Current Year Findings (Continued)

Finding 2020-002 Five Year Plan Approval

Criteria:

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

Condition:

During the performance of the compliance audit for the year ended June 30, 2020, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2020.

Effect:

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

Cause:

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

Recommendation:

The City should implement a process in which City Council formally approves the list of projects on an annual basis.

View of Responsible Officials:

The City agrees with the recommendation.

City of Westmorland
Measure D Sales Tax Fund
Schedule of Findings (Continued)
June 30, 2020

Section I – Compliance Findings (Continued)

B. Prior Year Findings

Finding 2019-001 Restatement of Beginning Balance

Criteria:

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

Condition:

During the audit, we noted amounts due from other funds in the amount of \$908,930 as of July 1, 2018 were not recorded. These amounts were the result of Measure D revenues being misidentified and recorded in another fund. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the amount due from other City funds.

Cause:

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year. Certain Measure D revenues had been recorded in the incorrect fund and the City did not have effective review procedures in place to catch the error.

Effect:

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was understated by \$908,930.

Recommendation:

The City should enhance its review processes over revenue recording and year-end closing in order to facilitate accurate and complete revenue recording, year-end closing of the general ledger, and preparation of its basic financial statements.

View of Responsible Officials:

The City agrees with the recommendation.

Status:

Not implemented. See finding 2020-001.

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OTHER INFORMATION
(Unaudited)

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City of Westmorland
Measure D Sales Tax Fund
Schedule of Assets, Liabilities and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 1,866,867
Accounts receivable	22,527
Due from other funds	<u>39,906</u>
Total assets	<u><u>\$ 1,929,300</u></u>

Liabilities and Fund Balance:

Liabilities:

Due to other funds	<u>\$ 203,553</u>
Total liabilities	<u>203,553</u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	<u>1,725,747</u>
Total fund balance	<u>1,725,747</u>
Total liabilities and fund balance	<u><u>\$ 1,929,300</u></u>

City of Westmorland
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2020
(Unaudited)

Revenues:

Sales tax	\$ 287,436
Interest	<u>3,672</u>
Total revenues	<u><u>291,108</u></u>

Expenditures:

Current:	
Road repairs and maintenance	<u>16,637</u>
Total expenditures	<u><u>16,637</u></u>

Change in Fund Balance

274,471

Fund Balance:

Beginning of year, as restated	<u>1,451,276</u>
End of year	<u><u>\$ 1,725,747</u></u>

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City of Westmorland
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 500,000	\$ 287,436	\$ (212,564)
Interest	103	3,672	3,569
Total revenues	<u>500,103</u>	<u>291,108</u>	<u>(208,995)</u>
Expenditures:			
Current:			
Road repairs and maintenance	303,514	16,637	286,877
Total expenditures	<u>303,514</u>	<u>16,637</u>	<u>286,877</u>
Change in Fund Balance	<u>\$ 500,103</u>	274,471	<u>\$ 225,632</u>
Fund Balance:			
Beginning of year, as restated		1,451,276	
End of year		<u>\$ 1,725,747</u>	

City of Westmorland
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Center Street	Baughman Rd.	8 th Street	Rehab/Maintenance
Bee Street	3 rd Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 th Street	Construct/Rehab/Repair/Maintenance
C Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
D Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
F Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
G Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
H Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
I St	7 th Street	8 th Street	Construct/Repair/Maintenance
J Street	7 th Street	8 th Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 th Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 st Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 nd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 rd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 th Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 th Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 th Street	H Street	Martin Road	Construct/Rehab/Repair/Maintenance
Jauregui Street	G Street	Cul de sac	Repair/Rehab/Maintenance
Sundance Street	J Street	Cul de sac	Repair/Rehab/Maintenance
Bonita Street	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Beverlee Way	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Cook Street	Baughman Road	1 st Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 th Street	Howenstein Rd.	Construct
Howenstein Road	Dean Road	C Street	Construct
Howenstein Road	Martin Road	I Street	Construct

**City of Westmorland
Measure D Sales Tax Fund
Notes to Other Information
For the Fiscal Year Ended June 30, 2020**

Note 1 – Prior Period Adjustment

The City recorded a prior period adjustment of \$271,201 in order to properly record revenue allocations from prior year as of July 1, 2019. The prior period adjustment is as follows:

Fund balance as previously reported	\$	1,180,075
Adjustment		271,201
Adjusted beginning fund balance	\$	<u>1,451,276</u>

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County of Imperial Measure D Sales Tax Fund

Imperial, California

Financial Statement and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2020



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County of Imperial
Measure D Sales Tax Fund
For the Year Ended June 30, 2020

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the County of Imperial, California ("County") for the year ended June 30, 2020, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the County for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the County of Imperial, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the County. The other information, on pages 21 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2021, on our consideration of the County's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

San Diego, California
[REDACTED], 2021

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FINANCIAL STATEMENT

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County of Imperial
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2020

Revenues:	
Sales tax	\$ 2,621,410
Interest	149,548
Total revenues	<u>2,770,958</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>920,787</u>
Total expenditures	<u>920,787</u>
Revenues Over (Under) Expenditures	<u>1,850,171</u>
Other Financing Sources (Uses):	
Transfer out to County	<u>(487,658)</u>
Total Other Financing Sources (Uses)	<u>(487,658)</u>
Change in Fund Balance	<u><u>\$ 1,362,513</u></u>

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NOTES TO THE FINANCIAL STATEMENT

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County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the Authority) was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) County of Imperial
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of Imperial
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The County of Imperial has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the County of Imperial, California, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and change in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the County of Imperial and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The County accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Sales Tax Revenue

The Authority allocates sales tax to each member agency. The County’s allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocated	\$ 4,179,704
Withheld for debt service	<u>(1,558,294)</u>
Net allocable sales tax	<u>\$ 2,621,410</u>

County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2020

Note 3 – Restriction of Net Revenues

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

Note 4 – Transfer Out to County

The County recorded a transfer out to the County of \$487,658. The transfer out reflects the reimbursement of costs incurred in another County fund. Those costs are being funded with Measure D sales tax revenue.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND
*MEASURE D COMPLIANCE REQUIREMENTS***

Independent Auditors' Report

To the Board of Directors
of the Imperial County Local Transportation Authority
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the County of Imperial, California ("County"), for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated _____, 2021. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the County as of June 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the County of Imperial is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (“Ordinance”), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
_____, 2021

County of Imperial
Measure D Sales Tax Fund
Schedule of Findings
For the Fiscal Year Ended June 30, 2020

Section I – Compliance Findings

A. Current Year Findings

No findings were note for the year ended June 30, 2020.

B. Prior Year Findings

Finding 2019-001 Restatement of Beginning Balance

Criteria:

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

Condition:

During the audit, we noted five invoices (22054-0 for \$2,884, 22249-0 for \$4,251, 18-06-040 for \$3,417, 32936-00101 for \$3,043, and 32936-00104 for \$1,488) in the total amount of \$15,083 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

Cause:

The County did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

Effect:

The County's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$15,083.

Recommendation:

The County should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

View of Responsible Officials:

Pending.

Status:

Implemented.

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OTHER INFORMATION
(Unaudited)

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County of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2020
(Unaudited)

Assets:

Cash and cash equivalents	\$ 10,522,150
Interest receivable	<u>25,374</u>
Total assets	<u><u>\$ 10,547,524</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ <u>651</u>
Total liabilities	<u>651</u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	<u>10,546,873</u>
Total fund balance	<u>10,546,873</u>
Total liabilities and fund balance	<u><u>\$ 10,547,524</u></u>

County of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2020
(Unaudited)

Revenues:	
Sales tax	\$ 2,621,410
Interest	149,548
Total revenues	<u>2,770,958</u>
Expenditures:	
Current:	
Road repairs and maintenance	920,787
Total expenditures	<u>920,787</u>
Revenues Over (Under) Expenditures	<u>1,850,171</u>
Other Financing Sources (Uses):	
Transfer out to County	(487,658)
Total Other Financing Sources (Uses)	<u>(487,658)</u>
Change in Fund Balance	1,362,513
Fund Balance:	
Beginning of year	9,184,360
End of year	<u><u>\$ 10,546,873</u></u>

County of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(Unaudited)

	Budget	Actual	Variance - Over (Under)
Revenues:			
Sales tax	\$ 3,000,000	\$ 2,621,410	\$ (378,590)
Interest	75,000	149,548	74,548
Total revenues	<u>3,075,000</u>	<u>2,770,958</u>	<u>(304,042)</u>
Expenditures:			
Current:			
Road repairs and maintenance	3,266,003	920,787	2,345,216
Total expenditures	<u>3,266,003</u>	<u>920,787</u>	<u>2,345,216</u>
Revenues Over (Under) Expenditures	<u>(191,003)</u>	<u>1,850,171</u>	<u>2,041,174</u>
Other Financing Sources (Uses):			
Transfer out to County	(532,380)	(487,658)	44,722
Total Other Financing Sources (Uses)	<u>(532,380)</u>	<u>(487,658)</u>	<u>44,722</u>
Change in Fund Balance	<u>\$ (723,383)</u>	<u>1,362,513</u>	<u>\$ 2,085,896</u>
Fund Balance:			
Beginning of year		9,184,360	
End of year		<u>\$ 10,546,873</u>	

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2020
(Unaudited)

ROAD	FROM	TO	PROJECT
Various Roads in Bombay Beach			Overlay
Various Roads in Desert Shores			Overlay
Various Roads in Heber			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea Beach			Overlay
Various Roads in Imperial County			Overlay
Various Roads in Niland			Overlay
Various Roads in Octotillo			Overlay
Various Roads in Seeley			Overlay
Various Roads in Winterhaven			Overlay
Various County Maintained Bridges			Repairs/Replacement as Needed
Diehl Road (13)	Drew Road (WR)	West 2 Miles	Overlay
Wixom Road (12)	Drew Road (WR)	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Reconstruct
Araz (A2N07)	1-8	Winterhaven Drive (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Road (EE)	McDonald Road (76)	Pond Road (78)	Overlay
Boarts Road (53)	SR86	Kalin Road (WE)	Overlay
Bowker Road (EH)	Cole Road (6)	Jasper Road (8)	Overlay
Bowker Road (EH)	SR98	Anza Road (2)	Overlay
Boyd Road (34)	Poore Road (EV)	Highline Road (EZ)	Overlay/Widen
Brandt Road	Gardner Road	Fredricks Road	Overlay
Brandt Road	Rutherford Road	Bannister Road	Overlay
Brockman Road (WL)	Kramer Road	McCabe Road (14)	Reconstruct
Brockman Road (WL)	SR98	McCabe Road (14)	Overlay/Widen
Cady Road	Loveland Road	Forrester Road	Overlay
Casey Road (EM)	Boyd Road (34)	Keystone Road (36)	Overlay
Chick Road (16)	SR111	1 1/2 Miles West	Overlay/Widen
Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
Drew Road (WR)	Kubler Road (9)	SR98	Overlay
Drew Road (WR)	Lions Road (9)	Kubler Road	Overlay
Evan Hewes (2A23)	Drew Road (WR)	Westmoreland Road (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes	Plaster City	Ocotillo	Overlay
Evan Hewes (2A23)	Westmorland Road	Bennett Road (WP)	Overlay
Evan Hewes (2A23)	SR115	Gordons Well Road	Overlay
Forrester Road (WJ)	1-8	Evan Hewes (2A23)	Overlay
Fredricks Road	Brandt Road	Kalin Road	Overlay
Gentry Road (WI)	Walker Road (58)	New River	Overlay
Harris Road (32)	SR111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Road (32)	Holt Road (ER)	SR115	Overlay/Widen
Hartshorn Road (29)	Webb Road (EX)	Highline Road (EZ)	Overlay
Harvey Road	Schartz Road	Carey Road	Reconstruct
Haskell Road	El Centro Avenue	Havens Road	Reconstruct
Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road	Fredricks Road	Bannister Road	Overlay
Kalin Road	Bannister Road	Walker Road	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2020
(Unaudited)

STREET	FROM	TO	PROJECT
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct
Kershaw Road (EC)	Titworth Road (58)	Rutherford Road (54)	Overlay
Keystone Road (36)	Poore Road (EV)	(EV)	Overlay/Widen
Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
Lathrop Road	Worthington Road	Neckel Road	Overlay
Loveland Road	Fredricks Road	Andre Road	Overlay
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	Humbert Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road	West End	Overlay
Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
Ogilby Road (3M01)	Railroad Tracks	SR78	Overlay
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Reugger Road (61)	Reeves Road	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Miles East	Overlay
Rutherford Road (54)	SR115	Hastain Road (EO)	Overlay
Rutherford Road (54)	SR111	Best Road (EC)	Overlay
Schartz Road (40)	Dogwood Road	SR111	Overlay/Reconstruct
Seybert Road (EI)	SR78	Sillman Road (45)	Overlay
Silsbee Road (WM)	Aten Road (24)	Hackelman Road (22)	Reconstruct
Slaton Road	9th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	SR1115	Norrish Road (25)	Overlay
Spa Road (9008)	Hot Mineral Spa Road	Coachella Canal Road	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay - -
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby Road at Dogwood Road			Signals
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EO)	Overlay
Yocum Road	SR111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

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