



**1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
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MANAGEMENT COMMITTEE

REMOTE PARTICIPATION ONLY

Wednesday, March 24, 2021

10:30 A.M.

CHAIR: TYLER SALCIDO

VICE CHAIR: NICK WELLS

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 click on the following link:
<https://zoom.us/j/99404241150?pwd=cldnL1V0QTJsTitxK0RjT3g1TTJ2UT09>

To Join by telephone please dial (669) 900-9128
Meeting ID: 994 0424 1150 #
Passcode: 952687 #

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: <http://www.imperialctc.org/meetings-&-agendas/management-committee/>. If any member of the public wishes to address the Committee, 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 Committee. The Committee 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. APPROVAL OF THE ICTC CONSENT CALENDAR

Approval of the consent calendar is recommended by the Executive Director

- | | | | |
|----|---|--------------------|------------------|
| A. | Approval of Management Committee Draft Minutes: | December 9, 2020 | Page 5-22 |
| B. | Receive and File: | | |
| | 1. ICTC TAC Minutes: | December 17, 2020; | January 28, 2021 |
| | 2. ICTC SSTAC Minutes: | January 6, 2021; | February 3, 2021 |

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

C. Low Carbon Transit Operations Program (LCTOP) Application for FY 2020-21 Funds Page 24

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. Authorize the ICTC Chairperson to sign the attached resolution
2. Authorization for the Execution of the LCTOP Project: Free Fare Program for eligible ICTC administered transit services.

V. REPORTS

- A. ICTC/LTA/IVRMA Executive Director
 - See attached ICTC Executive Director Report Page 29
 - See attached IVRMA Program Report Page 40
- B. Southern California Association of Governments
 - See attached report Page 42
- C. California Department of Transportation – District 11
 - See attached report Page 51
- D. Committee Member Reports

VI. ICTC ACTION CALENDAR

- A. Calexico East Port of Entry Bridge Expansion Project – Contract Award Page 60-488

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. Authorize the Executive Director to sign the Agreement for Services between ICTC and Hazard Construction Company for the Contract Price of \$19,965,000 effective March 24, 2021.
2. Issuance of Notice to Proceed to Hazard Construction Company upon receipt and verification of required documentation.

VII. LTA ACTION CALENDAR

- A. Imperial County Local Transportation Authority - Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2020 A, B, C, D & E Page 491-858

It is requested that the ICTC Management Committee forward this item to the LTA Board for their review and approval after 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 860-1189

It is requested that the ICTC Management Committee forward this item to the LTA Board 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.

VIII. INFORMATION CALENDAR

- A. Impacts of Border Delays at the California-Baja California Land Ports of Entry Page 1191-1210
Presentation by SANDAG staff

IX. NEXT MEETING DATE AND PLACE

- A. The next meeting of the Management Committee is scheduled on **Wednesday, April 14, 2021 at 10:30 a.m.**, via Zoom Meeting at the ICTC Offices at 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.

X. ADJOURNMENT

- A. Motion to Adjourn

IV. CONSENT CALENDAR **IN CONSENT CALENDAR**

- A. Management Committee
Draft Minutes: December 16, 2020
- B. Receive and File:
 - 1. ICTC TAC Minutes:
December 17, 2020; January 28, 2021
 - 2. ICTC SSTAC Minutes:
January 6, 2021; February 3, 2021

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
MANAGEMENT COMMITTEE
DRAFT MINUTES OF DECEMBER 9, 2020
10:30 a.m.**

VOTING MEMBERS PRESENT:

City of Brawley	Tyler Salcido
City of Calexico	Miguel Figueroa
City of Calipatria	Rom Medina
City of El Centro	Marcela Piedra
City of Holtville	Nick Wells
City of Imperial	Alexis Brown
County of Imperial	Tony Rouhotas
County of Imperial	Esperanza Colio-Warren
Imperial Irrigation District	Ismael Gomez
ICTC	Mark Baza

STAFF PRESENT: David Aguirre, Cristi Lerma, Virginia Mendoza, Layla Sarwari (ICTC Counsel)

OTHERS PRESENT: David Salgado: SCAG; Jose Ornelas, Hanh-Dung Khuu, Patrick Jenkins: Caltrans; Liz Zarate: City of El Centro; Rebecca Terrazas-Baxter: County of Imperial

The following minutes are listed as they were acted upon by the Imperial County Transportation Commission Management Committee and as listed on the agenda for the meeting held Wednesday, December 9, 2020 together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL

Chair Piedra called the Committee meeting to order at 10:37 a.m., roll call was taken and a quorum was present.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

There were none.

IV. CONSENT ITEMS

An error was made on the September 9, 2020 minutes and they were pulled from the consent calendar. A motion was made by [Salcido](#) seconded by [Piedra](#) to approve the consent calendar as amended; Roll call was taken:

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 Baxter	Yes

County of Imperial Warren	Yes
City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion carried unanimously.

- A. Pulled the Management Committee Draft Minutes: September 9, 2020
- B. Received and Filed:
 - 1. ICTC Commission Minutes: September 23, 2020
 - 2. ICTC TAC Minutes: October 22, 2020
 - 3. ICTC SSTAC Minutes: October 7, 2020
November 4, 2020

V. REPORTS

- A. ICTC Executive Director
 - Mr. Baza provided updates from the report on page 24 of the agenda with a focus on the recent approval of the TCEP application for an additional \$7.5 million for the Calexico East Port of Entry Bridge Widening Project.
 - Mr. Baza informed committee members that the LTA Report was attached to the agenda. He stated that staff is working with the underwriter regarding the bond refunding to obtain bond insurance. This effort will ensure that the LTA receives a better rate.
- B. Southern California Association of Governments (SCAG)
 - Mr. Salgado provided updates from the report on page 32 of the agenda.
 - o The Economic Summit had a great program this year. Michael Bracken released a comprehensive report on the economic state of the SCAG region.
 - o SCAG has approved the Sustainable Communities Grant Program grant guidelines. The call for projects has been extended until December 11, 2020.
- C. Caltrans Department of Transportation – District 11
 - Caltrans updates were provided from the report on page 38 of the agenda.
 - o Mr. Ornelas provided an update on the SR-111 Niland Geyer/Mudpot. The temporary detour remains in place until the mudpot moves beyond the freeway.
 - Ms. Piedra stated that a meeting should be scheduled soon regarding the signage for the Imperial Ave. / I-8 Project. Mr. Jenkins stated that he has met with the architect and that Mr. Campos has sent the font and photos of the Palm Springs projects.
- D. Committee Member Reports
 - Ms. Colio-Warren stated that there is funding available to provide relief for families struggling with paying their utility bills. The program will end on December 20, 2020. The income eligibility has increased to \$75,000 for a family of 4 for all Imperial Valley residents.

VI. LTA ACTION CALENDAR

- A. State Route 86 U.S. Border Patrol Checkpoint Improvement Project – Consultant

Agreement, Modification #1

It was requested that ICTC Management Committee forward this item to the LTA Board for review and approval after the receipt of public comment, if any:

1. Approved the change order under the amended scope of services of the Consultant Agreement, Modification #1 for the State Route 86 U.S. Border Patrol Checkpoint to AECOM Technical Services, Inc. in the amount of \$185,000.
2. Authorized the Chairperson to sign the consultant agreement, modification #1.

A motion was made by Wells seconded by Salcido. Roll call was taken:

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 Baxter	Yes
County of Imperial Warren	Yes
City of Westmorland	Absent
Imperial Irrigation District	Yes

Motion carried unanimously.

VII. INFORMATION CALENDAR

- A. Proposed Project on State Route (SR) 111
 Ms. Hanh-Dung Khuu provided a presentation.
 The project description included the following:
- Upgrade existing guardrail with current standard Midwest Guardrail System (MGS)
 - Pavement rumble strips
 - Roadside Sign Panel Replacement
 - Weigh in Motion System (WIMS) replacement on I-8 (Pending)
 - Curb Ramp Replacement in the City of Calipatria and Niland
 - Enhanced Crosswalk Visibility
 - LED Lighting
- The unconstrained items included:
- Intelligent Transportation System (ITS) Enhancements
 - Bridge Rail Replacement
 - Bicycle Facility Enhancements
- Unconstrained items that require coordination and Cooperative Agreements with Imperial County Transportation Commission (ICTC) to determine recommended locations and funding. Mr. Baza stated that staff will schedule time to meet with staff in Caleipatria and Niland to identify priorities and funding opportunities.
- Pedestrian Shade Access installation
 - o Add pedestrian shade structures to serve the highest pedestrian usage along the corridor.
 - o Solar Shade Panels

- Provide shade for pedestrians and provide sustainable energy source for lighting.
- Located at north and south end of Niland Elementary School along SR-111
- Transit Stop Enhancements
 - Proposed features may include pedestrian shelter, bench, waste receptacle, and/or lighting.

VIII. NEXT MEETING DATE AND PLACE

The next meeting of the **Management Committee** is scheduled for **January 13, 2021** at the **ICTC Offices and via Zoom Meeting**.

IX. ADJOURNMENT

- A. Meeting adjourned at 11:50 a.m. ([Wells/Piedra](#))



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TECHNICAL ADVISORY COMMITTEE
DRAFT MINUTES

December 17, 2020

Present:

Gordon Gaste	City of Brawley
Abraham Campos	City of El Centro
Robert Ureña	County of Imperial
Jesus Villegas	City of Imperial
Carlos Romero	City of Calexico
George Galvan	City of Calipatria
Nick Wells	City of Holtville
Joel Hamby	City of Westmorland
Ismael Gomez	IID

Others:

Virginia Mendoza	ICTC
Marlene Flores	ICTC
Cristi Lerma	ICTC
David Salgado	SCAG
Tyler Salcido	City of Brawley
Guillermo Sillas	City of Brawley
Manuel Cabrera	City of Brawley
Andres Miramontes	City of Brawley
Ana Gutierrez	City of Brawley
Javier Luna	City of El Centro
Christian Rodriguez	City of El Centro
Felix DeLeon	City of El Centro
Catherine Gutierrez	City of El Centro
Ben Guerrero	Caltrans
Denise Marin	The Holt Group
Kelly Burnell	Kleinfelder Consultant

Due to the COVID-19 and Executive Order N-25-20, teleconferencing is recommended for the public, however measures will be taken to have access for those who wish to participate in person while still abiding by local, state and federal mandates. Following is teleconference information.

The meeting was called to order at 10:04 a.m. A quorum was present, and introductions were made. There were no public comments made.

1. Introductions
2. A *motion* was made to adopt the minutes for November 19, 2020 (**Hamby/Romero**) **Motion Carried.**

3. **SR-78/Glamis Multiuse Grade Separated Crossing Feasibility Study Update:** (*Presented by: Virginia Mendoza and Kelly Burnell from Kleinfelder*)

A presentation was provided by Kelly Burnell from Kleinfelder on the State Route 78/Glamis Multiuse Grade Separated Crossing Feasibility Study. The Imperial County Transportation Commission (ICTC) performed a feasibility study to identify and analyze design alternatives and locations for a safe multi-use grade separated crossing for off-highway vehicle (OHV) users across the Union Pacific Railroad (UPRR) rail line at SR 78 and the Imperial Sand Dunes Recreation Area (ISDRA), commonly known as Glamis. The Study area is within the eastern portion of the ISDRA and is approximately 3 miles long and 2,000 feet wide. It is bisected by the UPRR from SR 78 in the north to approximately Wash 15 in the south, encompassing Ted Kipf road to the east. Kelly Burnell provided a list of alternatives that were considered based on the type of grade-separated crossing, overcrossing and underpass, and the location of the crossing within the study area. These four alternatives represented the primary locations and included three overcrossing and one underpass.

After considering the programming needs, the following six alternatives were identified:

1. Alternative 78-Overcrossing is an overcrossing at SR 78 with an estimated cost of \$34.5 million.
2. Alternative 78 T-Overcrossing is an overcrossing southeast of SR 78 with an estimated cost of \$12 million.
3. Alternative 9.5-Underpass is an underpass between Wash 9 and 10 at an estimated cost of \$10.5 million.
4. Alternative 10-Overcrossing is an overcrossing at Wash 10 with an estimated cost of \$11.5 million.

ICTC staff request that the Technical Advisory Committee recommend and submit the attached Draft Study Report to the ICTC Management Committee for review and recommendations to forward onto the Commission to: Approve the State Route 78/Glamis Multiuse Grade Separated Crossing Feasibility Draft Study Report.

A *motion* was made to approve the State Route 78/Glamis Multiuse Grade Separated Crossing Feasibility Draft Study Report (**Galvan/ Luna**) **Motion Carried.**

4. **Congestion Mitigation Air Quality (CMAQ) & Surface Transportation Block Grant (STBG) 2021 Call for Projects DRAFT Guidelines** *Presented by: ICTC Staff*

Virginia Mendoza introduced the Call for Project Guidelines for the Congestion Mitigation Air Quality (CMAQ) & Surface Transportation Block Grant (STBG) Programs. The guidelines were introduced to TAC members as an information item and plan to request TAC members consideration for Action during the January TAC meeting.

Virginia Mendoza summarized the CMAQ and STBG funds that will be available for programming for the three-year period FFY 2021-2022- 2023/2024.

CMAQ Funding Estimates

FFY 21/22	FFY 22/23	FFY 23/24	TOTAL
\$1,741,362	\$1,740,810	\$1,740,248	\$5,222,420

STBG Funding Estimates

FFY 21/22	FFY 22/23	FFY 23/24	TOTAL
\$2,570,088	\$2,568,035	\$2,565,941	\$7,704,064

ICTC is currently working on releasing the 2021 Call for Projects Guidelines for both STBG and CMAQ Programs. Program Guidelines highlight eligible and ineligible project types as well as an overview of each program and submittal instructions. Funding availability is projected for FFY2021/2022 thru FFY 2023/2024. The Call for Projects is open to all cities and the County of Imperial. Below is the proposed Call for Projects implementation schedule for both CMAQ and STBG.

Virginia Mendoza mentioned how the new guidelines have been combined into one set. A sample application has been added to the guidelines to guide local agencies with the application. A DRAFT copy of the Call for Project Guideline was provided to all TAC members. Virginia asked TAC members to review both program guidelines and to provide input to ICTC before the next TAC meeting on January 28, 2021.

- 5. Adjournment:** Meeting adjourned at 11:07 a.m.



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TECHNICAL ADVISORY COMMITTEE
DRAFT MINUTES

January 28, 2021

Present:

Gordon Gaste	City of Brawley
Abraham Campos	City of El Centro
Veronica Atondo	County of Imperial
Jesus Villegas	City of Imperial
Lili Falomir	City of Calexico
George Galvan	City of Calipatria
Adriana Amezcua	City of Holtville
Joel Hamby	City of Westmorland
Frank Fiorenza	IID

Others:

Virginia Mendoza	ICTC
Marlene Flores	ICTC
David Salgado	SCAG
Tyler Salcido	City of Brawley
Guillermo Sillas	City of Brawley
Manuel Cabrera	City of Brawley
Andres Miramontes	City of Brawley
Ana Gutierrez	City of Brawley
Christian Rodriguez	City of El Centro
Felix DeLeon	City of El Centro
Robert Ureña	County of Imperial
Adolfo Garcia	County of Imperial
Ben Guerrero	Caltrans

1. The meeting was called to order at 10:03 a.m. A quorum was present and introductions were made. There were no public comments made.
2. **Rotation of Chair and Vice-Chair Positions**

A motion was made by [Gordon Gaste](#) and seconded by [Veronica Atondo](#) to nominate the City of El Centro as the Chair for 2021, **Motion Carried.**

A motion was made by [George Galvan](#) and seconded by [Joel Hamby](#) to nominate the City of

Brawley as the Vice-Chair for 2021, **Motion Carried.**

3. A *motion* was made to adopt the minutes for December 17, 2020 ([Galvan/Gaste](#)) **Motion Carried.**
4. **Congestion Mitigation Air Quality (CMAQ) and Surface Transportation Block Grant (STBG) 2021 Call for Project Guidelines**

Virginia Mendoza summarized both the Congestion Mitigation Air Quality (CMAQ) and Surface Transportation Block Grant (STBG) 2021 Call for Project Guidelines with TAC members and made a recommendation for approval.

TAC members made recommendations to the Call for Projects Guidelines:

- A DRAFT resolution will be acceptable. Applicants may submit a draft resolution with each application; however, applicants must state the anticipated adoption date of the resolution.

Below is the Call for Project Schedule:

2021 CMAQ AND STBG CALL FOR PROJECTS SCHEDULE	
December 17, 2020 (Thursday)	ICTC Technical Advisory Committee (TAC) reviews preliminary draft 2021 CMAQ & STBG Guidelines
January 28, 2021 (Thursday)	TAC approves the draft 2021 CMAQ & STBG Guidelines
February 10, 2021 (Wednesday)	Management Committee reviews and approves the 2021 CMAQ & STBG Guidelines
February 24, 2021 (Wednesday)	ICTC reviews and approves the 2021 CMAQ & STBG Guidelines
February 26, 2021 (Friday)	Call for Projects begins. The Approved 2021 CMAQ & STBG Guidelines application document is posted on the ICTC website
April 15, 2021 (Thursday)	Call for Projects ends. Project applications deadline is 5:00 pm
April 19, 2021 (Monday)	Project selection process begins
April 30, 2021 (Friday)	Project selection process ends (ICTC staff generates list of projects recommended for funding)
May 27, 2021 (Thursday)	TAC reviews and approves project selection recommendations
June 9, 2021 (Wednesday)	Management Committee reviews and approves project selection recommendations
June 23, 2021 (Wednesday)	ICTC reviews and approves project selection recommendations

ICTC staff forwards this item to the Technical Advisory Committee for discussion and recommendation to submit to the ICTC Management Committee and Commission after public comments, if any:

1. Approve and adopt the Congestion Mitigation Air Quality (CMAQ) and Surface Transportation Block Grant (STBG) 2021 Call for Projects Guidelines;
2. Direct staff to open a competitive call for projects for member agencies for

estimated STBG and CMAQ funds, effective February 26, 2021 through April 15, 2021;

3. Direct staff to convene an evaluation committee to score and rank the projects; and,
4. Direct staff to return with a list of recommended projects for approval by the Commission.

A *motion* was made to approve both Call for Projects Guidelines with recommended changes by the TAC Committee, ([Atondo/Falomir](#)) **Motion Carried**

5. ICTC Updates / Announcements

(Presented by ICTC Staff)

a. Transit Planning Updates:

- Virginia Mendoza provided a brief update on transit. ICTC is still operating under COVID-19 requirements. Free fares for Transit riders except for Medtrans.

b. Transportation Planning Updates:

- Beginning October 1, 2020 agencies are allowed to move forward with request for authorization (RFA) for CMAQ, STBG and ATP programmed in FY2020/2021. A list of projects is part of the agenda. ICTC updated the project list based on Federal and State projects that need to obligate in this current year. ICTC will revise the list and resend to all local agencies with updates and current status of projects.

6. SCAG Updates / Announcements *(Presented by David Salgado):*

- **Call for Collaboration request for proposals.** SCAG is pleased to announce the release of the Call for Collaboration request for proposals. In partnership with California Community Foundation (CCF), SCAG is launching the Call for Collaboration program that will fund the development of community-based policies and plans that help cities and counties reach the 6th Cycle Regional Housing Needs Assessment goals of 1.3 million new housing units across the six-county SCAG region.

The program will fund several grants for non-profit organizations through two opportunities:

- Partnership Programs: Awards of up to \$125,000 to support the expansion and/or implementation of existing plans, initiatives and/or partnerships that promote equitable growth strategies.
- Spark Grants: Smaller, capacity-building grants of around \$50,000 to seed new models of collaboration and engagement to support community-driven approaches and partnerships that promote equitable growth strategies.

The deadline to apply is Tuesday, February 23, 2021

- **SCAG Aerial Imagery Project 2020/21 Update:** After numerous meetings to discuss the potential for SCAG to facilitate a new Aerial Imagery Flyover Project, the County of Imperial has agreed to facilitate a public procurement process. This will allow for more funds to be applied to the project to support the procurement. SCAG has set aside \$250,000 for the project and will increase the support by \$50,000 for a total of \$300,000. The County of Imperial has received proposals and will be moving forward with recommendations to the Board of Supervisors this month.
- **2020 SCAG Sustainable Communities Program (SCP) Grant Program:** SCAG has approved the 2020 SCP grant guidelines. The FY 2020/2021 program will fund projects in the following areas that support and implement the policies and initiatives of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), Connect SoCal: Active Transportation & Safety; Housing and Sustainability; Smart Cities, Mobility Innovation & Transportation Demand Management; and Green Region.
- **2020 Local Early Action Planning Grant (LEAP) Program:** The Local Early Action

Planning (LEAP) grant program's deadline has been extended to January 31, 2021.

7. Cities and County Planning / Public Works Updates:

- Local agencies gave an update on their local projects in progress.

8. Caltrans Updates / Announcements (*Presented by: Ben Guerrero*):

- Caltrans provided general information on inactive projects. The next deadline to submit Inactive projects and Future inactive invoices is February 19, 2021.
- Federal Fiscal Year (FFY) 20/21 Requests for Authorization Obligations will be due by January 29, 2021.
- New Federal Lands Access Program (FLAP) Call for Projects. The "FLAPplication" deadline will be May 27, 2021. The outreach plan includes webinars that assist tribal and local agencies, as well as Caltrans, with this process. (The final date is February 10, 2021, for all prospective applicants to hear the details during a live FHWA webcast.)
- New Invoice Form Required effective immediately. New version of LAPM Exhibit 5-A.
- Quality Assurance Program (QAP). A list with updated dates was provided. Ben Guerrero will update the list with updated dates.

9. General Discussion / New Business

- A brief update for next TAC meeting.
- Next TAC meeting will be on February 25, 2021 via Zoom

10. Meeting adjourned at 11:52 a.m.



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SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

DRAFT MINUTES

February 3, 2021

Present

Voting Attendees:

Ted Ceasar	Consumer
Mitzi Perez	ARC-IV
Karen Teran	Access to Independence
Dr. Kathleen Lang	California Health & Wellness
Michelle Soto	California Children's Services
David Aguirre	CTSA-ICTC
Maricela Galarza	CTSA-ICTC
Gustavo Gomez	CTSA-ICTC

Non-Voting Attendees:

Cesar Sanchez	IVT/IVTAccess/IVTRide/IVTMedtrans
Helio Sanchez	IVT
Jose Guillen	IVT MedTrans
Karla Pacheco	IVT Access
Karla Aguilar	IVT Ride
Kathy Chambers	Moore & Associates Inc.
Jim Moore	Moore & Associates Inc.
Liz Santucci	Caltrans
Kitty Gay	Imperial County Public Health

1. Dr. Lang called the meeting to order at 10:04 a.m. **A quorum was present.** Introductions were made.
2. Minutes were reviewed for January 6, 2021. (Ceasar, Perez), **Motion carried.**
3. Coordinated Plan:

Mr. Moore conducted a presentation (attached) on the purpose and process of the Coordinated Plan. Mr. Moore conducted a stakeholder roundtable with members present.

- Mr. Moore mentioned that a survey was shared previously with members via email. Some organizations have already completed and submitted the survey. Various agencies are still pending to complete the survey. The link to the survey is still active.
 - Dr. Lang asked about the outreach approach of the survey.
 - Mr. Moore stated that the survey was mailed out to a variety of agencies which are mentioned in the previous coordinated plan

and also agencies mentioned by ICTC staff. 10-12 days later another form of contact was made by email. A third email blast was sent to SSTAC members to request the completion of the survey. Mr. Moore opens up an opportunity for members to provide additional approaches to sharing the survey.

- Dr. Lang asked about the timeframe where the survey will remain open to completion.
 - Mr. Moore stated that the survey will remain open for a couple of weeks more.
- Dr. Lang opened the item up for discussion.
 - Dr. Lang asked if the 4 recommendations were still possible to be implemented.
 - Mr. Aguirre stated that ICTC is always open to pursuing any recommendation to make transit service better. ICTC is always looking at opportunities to implement.
 - Mr. Moore mentioned that any other suggested outreach approach is appreciated.
 - Dr. Lang suggested that nonprofit organizations, chambers of commerce, and schools have large distribution lists. Dr. Lang mentioned that she can make the connection with the Chamber of Commerce, covering businesses and individuals.

4. CTSA Reports:

Mr. Gomez had the following updates:

- Continuing to conduct IVT Ride sign-ups remotely, averaging 3-4 weekly.
- A decrease of ADA certifications during December and January.
- Staff is still open to presentations via zoom to agencies or individuals.
- Staff is always available for questions.

Mr. Aguirre had the following updates:

- ICTC continues to be available remotely to the public during normal hours for any clients.
- ICTC continues to work on several ongoing projects, some are at the finalizing stage.
- ICTC is pursuing a couple of grant opportunities for some projects proposed in hopes to pursue them.

5. Transit Operator 2nd Quarter Reports:

IV Transit; Mr. H. Sanchez presented 2nd Quarter Report (attached);

- COVID protocols are still implemented and followed. There are no issues with compliance with passengers or staff.
- More services are ready to be provided as soon as demand picks up.

IVT Access; Ms. Pacheco presented 2nd Quarter Report (attached);

- The numbers are consistent. Passenger count begins to decrease in November and December which is expected. December is always a slow month even pre COVID situation.
- Still running Saturday schedule.
- There are no issues with the service.
- COVID procedures are still followed.
- January passenger count seems to be increasing.

IVT Ride; Ms. Aguilar presented 2nd Quarter Report (attached);

- In December, the passenger count dropped for the service.

- Service to Coachella and Brawley continues to be provided.
 - Ms. Gay mentioned that COVID cases were high during December and it may have impacted the service demand.

IVT MedTrans; Mr. Guillen presented the 2nd Quarter Report (attached);

- Continue to send buses by demand, either 7 am or 10 am, but both are available to provide service as demand picks up.
- Medical Babies donated 50 boxes of diapers to donate to the Imperial Valley Food Bank.
 - Ms. Gay asked about the approach that was taken when transferring the boxes safely.
 - Mr. Guillen mentioned that they are stocked at a certain angle to prevent movement during driving. They are placed in the back in the wheelchair compartment, especially when there are no wheelchairs during the time. Safety measures are taken to ensure the safety of the passengers and driver.
 - Ms. Gay expressed appreciation and gratitude for coordinating to help the community in any way possible.
- COVID protocols are still implemented and followed.
- Coordinating with ICTC staff to increase demand by speaking with medical facilities and provide brochures.
- San Diego medical facilities are limiting the number of patients seen which can explain the decrease in service demand.

6. General Discussion

- Dr. Lang asked if there are any financial opportunities to make up for the shortfall that COVID has caused.
 - Mr. Aguirre stated that the COVID pandemic quickly affected the service demand, from an 80-90% drop. Services were adjusted to respond to the demand, if it does pick up we are ready to respond to it by implementing regular services. ICTC qualified for a CARE grant that assisted to maintain services and other grant opportunities were successfully obtained to help with maintaining services and provide free fares. The adjustments were made to assist maintain services.
- Dr. Lang asked if there were layoffs due to the pandemic.
 - Mr. Aguirre stated that furloughs were given to drivers due to the service adjustments, but once demand picks up and service adjusts to normal the drivers have the opportunity to return.

7. Adjournment

- The meeting adjourned at 10:52 a.m. (Lang), **Motion Carried.**
- The next meeting will be held on Wednesday, March 3, 2021, at the Imperial County Transportation Commission Office, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.



1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
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SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL

DRAFT MINUTES

January 6, 2021

Present

Voting Attendees:

Ted Ceasar	Consumer
Mike Hack	Consumer
Mitzi Perez	ARC-IV
Sarah Enz	Area Agency on Aging (AAA)
Dr. Kathleen Lang	California Health & Wellness
David Aguirre	CTSA-ICTC
Maricela Galarza	CTSA-ICTC
Gustavo Gomez	CTSA-ICTC

Non-Voting Attendees:

Cesar Sanchez	IVT/IVTAccess/IVTRide/IVTMedtrans
Helio Sanchez	IVT
Jose Guillen	IVT MedTrans
Karla Pacheco	IVT Access
Karla Aguilar	IVT Ride
Guillermo Calves	AECOM
Stuart Geltman	AECOM
Liz Sacctuni	Caltrans

1. Dr. Lang called the meeting to order at 10:05 a.m. **A quorum was present.** Introductions were made.
2. Minutes were reviewed for November 4, 2020. (Ceasar, Hack), **Motion carried.**
3. Minutes were reviewed for December 2, 2020. (Hack, Ceasar), **Motion carried.**
4. Fare Study Analysis:

Mr. Aguirre introduced AECOM consultants to present on the ongoing fare study. Mr. Calves presented study findings and recommendations (presentation attached). Mr. Calves clarified that all data and information is based on a pre-COVID pandemic situation.

- Dr. Lang expressed concern for students that may not use the U pass but still need to pay an additional college fee.
 - Mr. Calves agreed that is a concern, thus needs to be piloted.

- Further outreach with IVC or other campuses is needed to proceed with implementation.
- Dr. Lang asked Mr. Calves what is the fee paid at UCSD.
 - Mr. Geltman stated it is not only dependent on the range of fees but also on how it is funded. In some universities it's a college fee other is parking revenue or can be a combination of the both. There is no set rule on how to fund the U-pass. The U-pass is a partnership between the transit agency and the University/College, often driven by the University/College. It would be often voted through a student council or union. The fee range could be seen as low as \$20 to \$120. It all depends if it will be solely funded by the students or if there will be other funding contributions connected to it.
 - Mr. Calves added that the UCSD current fee is at \$52 per student, per quarter. The student could utilize the whole San Diego transit system. Would expect the IV transit fee not to be high. Given the Valley's geography, it only makes sense to have all routes included in the pass.
 - Mr. Ceasar added that there already fees in universities/colleges that students pay and may never use. For example, at IVC, all students pay a health center fee, but not all students utilize it. Nevertheless, they all have access to it and it's available. There was a lot of controversy on the fee, but now it would be difficult to not have the Health Center available it become such an institution. There would be initial resistance but it's a great idea and would be helpful to students.
 - Dr. Lang asked for the current IVC parking fee is.
 - Mr. Calves stated that IVC charges \$25 for a semester and \$15 for motorcycles.
 - Mr. Aguirre stated that there has been a preliminary discussion with IVC on potential U pass but still has a long way to go before its implementation. As it pertains to the recommendations on the fare increase, there are no plans for implementing an increase. As for other recommendations such as mobile ticketing, other payment methods ICTC will continue to explore those options.
 - Ms. Enz wanted to clarify that ICTC will consider the mobile ticketing options.
 - ICTC previously has discussed with mobile ticketing providers what it would look like. The potential uses for mobile ticketing would be IVC students. If it is potentially implemented ICTC wants to ensure we can service IVC to the best of our ability. Discussions on mobile ticketing are still ongoing.
 - Ms. Enz stated there was a couple of instances that individual tickets were needed for clients. AAA has the booklets, but only need one or two. Ms. Enz asked if mobile ticketing would allow a third party to purchase tickets.
 - Mr. Aguirre stated that is one of the concepts that is being looked at. That individuals (third parties) to purchase and be able to distribute. If mobile ticketing will be implemented, ICTC will ensure this function is available and operating properly.
 - Mr. Hack asked if the paper tickets will be still available.

- Mr. Aguirre clarified that there is no intent to remove the options of paper tickets or using cash. The purpose is to expand on more options for passengers.

5. CTSA Reports:

Mr. Aguirre had the following updates:

- ICTC is working on a variety of projects, the fare analysis is towards the end.
- The Coordinated Plan is ongoing that assesses transit needs in the Imperial Valley.
- Software and hardware upgrades are towards the end, in the next month or so the AVL mobile app will be implemented to help passengers with the location of the buses.
- ICTC is still available remotely. There have been no issues with the remote approach, passengers are still eligible to register or apply for services.

Ms. Galarza had the following updates:

- In December, there were only two certifications. Holidays and the new stay home order may affect that.
- Mobility staff is taking the opportunity to attend training on effective post-COVID outreach approaches. The new vaccination should be the initiative on when to begin to promote safety for our passengers to utilize the services.

Mr. Gomez had the following updates:

- The updated MedTrans brochure will be out soon ready to be distributed to any agencies interested, we are open to various methods to distribute (e.g., via mail, drop off, etc.)
- Remote sign-ups are still conducted for IVT Ride.

6. FY 2021-22 Master Needs List:

- Mr. Aguirre presented the Master Needs List. ICTC encourages SSTAC member feedback to prioritize needs that are not met yet.
 - Dr. Lang asked to share the timeline for the UTN process for SSTAC members.
 - Mr. Aguirre stated that the timeline falls during the February & March timeframe. Last year it fell during the March & April timeframe which is fine. The purpose is to complete the UTN process before the next fiscal year budget is proposed, June. This year ICTC is looking at the March & April timeframe, the approach towards the hearing and feedback will be different.
- Mr. Aguirre mentioned that item 11 is ongoing, it has been difficult since the property is privately owned. ICTC is looking at the opportunity to serve the area, once the opportunity becomes available it will be implemented. It will be looked at post-pandemic.
 - Mr. Hack on the status for the El Centro Library stop.
 - Mr. Aguirre stated that the City of El Centro has a proposed project that will help facilitate the bus stop enhancement.
 - Dr. Lang added that the project conceptual drawing conveys a nice bus stop.
 - ICTC hopes that it will be part of the project and if not will continue to advocate for a bus stop.

After discussion, STACC members requested to add mobile ticketing as number 12 on the Master Needs List. Dr. Lang called a motion to approve. **(Cesar, Hack) Motion Carried.**

- Adoption of list

UTN Support Letter:

- After discussion, SSTAC members requested some amendments to the UTN Support letters, they are as follows;
 - ✓ Under the general comments section for fiscal year 20-21, item number one will delete Imperial. The imperial transfer terminal is completed. Calexico is an ongoing process.
 - ✓ Under the priorities section, add mobile ticketing as number two, move other items down the list.

Dr. Lang called a motion to approve all amendments to the letter. ([Cesar, Hack](#)) **Motion Carried.**

- Adoption of letter

7. Transit Operator Updates:

IV Transit; Mr. H. Sanchez had the following updates;

- In December the service has been slow.
 - Mr. Aguirre stated that ridership started to pick up before the recent shutdown, but the shutdown decreased the numbers again. Services are still available.

IVT Access; Ms. Pacheco had the following updates;

- In December, the service has been slow.

IVT Ride; Ms. Aguilar had the following updates;

- In December, the service has been slow.

IVT MedTrans; Mr. Guillen had the following updates;

- In December, the service has been slow.

8. General Discussion

- Ms. Galarza announced that Ms. Blankenship retired, who was Vice-Chair for SSTAC. There was a name change to our Vice-Chair position, Sarah Enz, the acting Area Agency on Aging Director. To clarify that since the agency is the one that represents at SSTAC there is no need for a motion to approve.

9. Adjournment

- The meeting adjourned at 11:17 a.m. ([Cesar, Hack](#)), **Motion Carried.**
- The next meeting will be held on Wednesday, February 3, 2021, at the Imperial County Transportation Commission Office, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.

IV. CONSENT CALENDAR **IN CONSENT CALENDAR**

C. LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) APPLICATIONS FOR FY 2020-21 FUNDS

1. Authorize the ICTC Chairperson to sign the attached resolution
2. Authorization for the execution of the LCTOP project : Free fare program for eligible ICTC administered transit services.



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March 19, 2021

ICTC Management Committee
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Low Carbon Transit Operations Program (LCTOP) Application for FY 2020-21 Funds

Dear Committee Members:

Imperial County Transportation Commission (ICTC) proposes to submit an application for use of Low Carbon Transit Operations Program (LCTOP) funds in Fiscal Year (FY) 2020-21. The LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862 (SB 862). The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support the following:

1. Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, maintenance, and other costs to operate those services or facilities.
2. Operational expenditures that increase transit mode share including free fare programs.
3. Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support zero-emission buses.

Per the State Controller's Office, ICTC has an eligible allocation in FY 2020-21 in the amount of \$212,046. Following the LCTOP guidelines, ICTC staff recommends submitting an application requesting the use of funds from FY 2020-21 towards a free fare program to be utilized on eligible ICTC administered transportation modes.

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

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. Authorize the ICTC Chairperson to sign the attached resolution;
2. Authorization for the Execution of the LCTOP Project: Free Fare Program for eligible ICTC administered transit services.

Sincerely,

A handwritten signature in blue ink that reads "Mark Baza". The signature is written in a cursive, flowing style.

MARK BAZA
Executive Director

Attachments

MB/da

RESOLUTION # _____

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS
FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
FOR THE FOLLOWING PROJECT:
FREE FARES PROGRAM:
\$212,046**

WHEREAS, the Imperial County Transportation Commission is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Imperial County Transportation Commission wishes to delegate authorization to execute these documents and any amendments thereto to Mark Baza, Executive Director.

WHEREAS, the Imperial County Transportation Commission wishes to implement the following LCTOP project(s) listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Imperial County Transportation Commission that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that Mark Baza, Executive Director, be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Imperial County Transportation Commission that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2020-21 for LCTOP funds as follows:

Project Name: Free Fares Program

Amount of LCTOP funds requested (including LCTOP Interest): \$212,046

Short description of project: Provide Free Fares to passengers across multiple services

Benefit to a Priority Populations: The project is located within multiple SB 535 Disadvantaged Communities and AB 1550 Low-Income Communities

PASSED AND ADOPTED at a regular meeting of the Imperial County Transportation Commission held on March 24, 2021.

By: _____
Chairman

ATTEST:

By: _____

CRISTI LERMA
Secretary to the Commission



- A. ICTC/LTA/IVRMA EXECUTIVE DIRECTOR
REPORT
- B. SOUTHERN CALIFORNIA ASSOCIATION OF
GOVERNMENTS REPORT
- C. CALTRANS REPORTS
- D. COMMITTEE MEMBER REPORTS



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Memorandum

Date: March 20, 2021
To: ICTC Management Committee and Commission Members
From: Mark Baza, Executive Director
Re: Executive Director's Report

The following is a summary of the Executive Director's Report for the ICTC Management and Commission Meetings on March 24, 2021.

- 1) **Imperial Mexicali Binational Alliance Meeting:** *The last IMBA meeting was held March 11, 2021. The meeting included updates on the Calexico East Port or Entry/Mexicali II bridge Widening Project by ICTC and a detailed presentation on the Calexico West Port of Entry / Mexicali I Mexico Roadway/Bridge Improvements from Secretaria de Infraestructura, Desarrollo Urbano y Reordenacion Territorial (SIDURT). Daniel Hernandez, Senior Resident Engineer from Caltrans provided a brief illustration of the work that will take place in Calexico in April. Daniel Hernandez presented on the State Route 98 Project from Ollie Avenue to Rockwood Avenue. We also, had the pleasure of having Jose Marquez from Caltrans who provided a detailed presentation on the California-Baja 2021 Border Master Plan that was finalized this past month. Plus, economic development updates from IVEDC and Mexicali counterparts. The next IMBA meeting is scheduled for May 13, 2021.*
- 2) **SR-78/Glamis Multiuse Grade Separated Crossing Feasibility Study:** *The Study was completed and adopted by the Commission on January 27, 2021. A final study is on the ICTC website at <http://www.imperialctc.org/sr-78-glamis-crossing/>.*
- 3) **Calexico East Port of Entry Bridge Widening Project:** *The Project proposes to widen the bridge over the All-American Canal at the U.S./Mexico border approximately 0.7 miles south of State Route (SR) 7. The project proposes to widen the existing structure by adding four-lanes: Two New Northbound Auto Lanes and Two New Northbound Commercial Vehicle Lanes. In May 2018, Caltrans and ICTC received \$3,000,000 from the California Transportation Commission and the Trade Corridor Enhancement Program (TCEP) to complete the Project Approval and Environmental Document (PA/ED) for the project. In June 2018, Caltrans completed a Project Initiation Document (PID). In Fall of 2018, the PA/ED phase was initiated by Caltrans, technical studies for the National Environment Policy Act (NEPA) document under Caltrans as the NEPA lead are in progress and is scheduled for completion in May 2020. In December 2018, was awarded \$20 million under the U.S. Department of Transportation's BUILD discretionary grant program to complete the Design-Build construction phase. ICTC staff is completing the procurement process and plans to present an award action to Management and Commission during the March 24, 2021 meetings.*
- 4) **Imperial Valley Transit (IVT) FREE FARES PROGRAM:** *On August 7, 2020, the Imperial County Transportation Commission (ICTC) announced the implementation of a **Free Fares Program** for various Imperial Valley Transit (IVT) services. Eligible services include IVT Fixed Route, IVT Circulators (Blue, Green and Gold Lines), IVT ACCESS and IVT RIDE (EL Centro, Imperial, Heber, Brawley, Calexico, Westshores). All passengers are eligible to benefit from the Free Fares Program. The fares are subsidized by a State of*

California grant and fare contributions to IVT RIDE passengers by the County of Imperial's Area Agency for the Aging (AAA). *The Free Fares Program will remain in effect while the grant funds are available. All regular service eligibility requirements and restrictions remain in effect.*

- 5) **Calexico On-Demand Transit** is a proposed demonstration of demand-responsive transit service, dynamically-routed microtransit service with plug-in hybrid electric vehicles (PHEV) to bridge transportation gaps and provide connectivity between services and locations across the City of Calexico, California. Covering 7.5 square miles (including 1.19 square miles outside of the 535 zone), instead of a fixed route service within the City, the service will provide curb-to-curb pick-up and drop-off and will feature:
- Three 6-passenger PHEVs
 - A Custom-branded passenger application for app-based ride hailing;
 - Drivers, vehicles, and full operations, including customer service;
 - Two Level 2 chargers to be located at the Imperial County Transportation Commission Bus Yard in El Centro (SB 535 disadvantaged zone); and
 - Seamless integration with Imperial County Transportation Commission's fixed route system.

ICTC has submitted a grant application for \$1 Million that will cover costs of vehicles and operations for two-years. The grant requires ICTC to be committed to fund a third year at \$500,000. The additional amount will be covered with other state funds available to ICTC. ICTC expects to receive announcement of award in April 2021.

- 6) **Potential Bus Stop in Calipatria:** ICTC has evaluated all of its fixed route service routes to attempt to provide service to the east side of Calipatria. Staff conducted time trials as well utilized several types of buses to verify buses would not have issues with other existing stops within proposed routes. Potential stops for the area include a stop along Commercial Avenue and potentially another stop near Alexandria Street. Staff is proposing to utilize its IVC Express route to potentially service the area. Final location and infrastructure associated with the potential bus stop(s) is pending discussion with the city of Calipatria staff.
- 7) **State Route 86 (Northbound) Border Patrol Checkpoint:** State Route 86 (Northbound) Border Patrol Checkpoint: In August 2017 following a year of coordination, Caltrans, the County of Imperial and ICTC met with CBP management and operations staff achieved consensus for a new conceptual alternative prepared by Caltrans. The LTA Board met on September 27, 2017, staff presented the Board with a fund request for \$1.3 million from the 5% Regional Highway Set-Aside from the Measure D allocations. A Consultant Agreement with AECOM for design and construction engineering was approved by the LTA on February 28, 2018. Following our ICTC Board meeting in late September 2020, ICTC has initiated a traffic study as required by Caltrans. Design work has been delayed due to Border Patrol's concern related to their ability to provide additional funding necessary to meet their operational requirements. Discussions have been on-going through to this week of March 15, 2021. On Wednesday, March 17th ICTC received confirmation from Border Patrol Headquarters in Washington D.C. that they wish to proceed with the original Canopy Design that is similar to Interstate 8 Pine Valley Checkpoint.

As discussed and confirmed with Border Patrol, ICTC will only provide the remaining funds we have available of approximately \$1 million to complete the traffic study, 100% design plans, and construction of the canopy, lighting related to the canopy, and traffic related improvements required by Caltrans. Border Patrol has committed paying for all other construction related costs and Border Patrol will lead the construction contract.

- 8) **I-8 / Imperial Avenue Interchange Reconstruction:** Caltrans and construction team have been meeting with City of El Centro and ICTC to discuss details of construction phases and the public information campaign for both the Interchange Project and the Imperial Avenue Extension South Project. *Stage 1 of construction began on Monday, May 6, 2020. During the extended closure, motorists on eastbound I-8 will be detoured along 4th Street/State Route 86 (SR-86) located east of Imperial Avenue. On July 23rd closure of the I-8 was needed to demolish and remove the existing bridge. Crews have completed the demolition of the existing bridge at the I-8/Imperial Avenue Interchange. There were no reported incidents and detoured traffic was flowing with no major*

delays. Over the next month, the community will see crews performing general earthwork operations. There will be construction equipment, noise (including OSHA required backup alarms), dust and some minor traffic control. Stage 2 work on the northern portion of I-8 is anticipated to take four to six months to complete and could begin as early as December. During Stage 2, all I-8/Imperial Avenue on- and off- ramps will be fully closed. The interchange is expected to open to traffic by the end of 2022 with project completion by mid-2023.

- 9) **State Route 98 Widening from Ollie to Rockwood:** As part of the Calexico West POE Expansion project, SR-98 and Cesar Chavez Boulevard were widened and improved to serve the expansion to the west. Caltrans' SR-98 work between VV Williams and Ollie Avenue was completed in March 2018, and the Cesar Chavez Blvd. Widening was completed in October 2019. Caltrans has completed the design and right of way phase for SR-98 Widening between Rockwood Avenue and Ollie Avenue. On June 24, 2020, CTC authorized construction funding. The total project cost is estimated at \$7 million using a combination of 2016 Earmark Repurposing, Demonstration, Traffic Congestion Relief, ICTC and local funds. *The construction start date is scheduled for mid-April with completion scheduled for April 2022.*
- 10) **FY 2019 Public Transit Fare Analysis:** *The final draft of the analysis was presented at the January 2021 meeting(s). The study is currently in the final public comment period. A pre-recorded bilingual presentation will be posted on the ICTC website in the upcoming weeks at: <http://www.imperialctc.org/publications-&-reports/transit-and-non-motorized/>*
- 11) **Funding for Phase II of the Calexico West Port of Entry:** As previously noted, Congress authorized \$98 million for Phase 1. The U.S. General Services Administration (GSA) began construction for Phase 1 in December 2015 with completion now scheduled for July 2018. Phase 2A was awarded in the amount of \$191million and will include six additional northbound privately-owned vehicle (POV) inspection lanes, permanent southbound POV inspection, expanded secondary inspection and adding a pre-primary canopy, new administration building, and employee parking structure. *Funding for phase 2B is in the President's Budget Proposal in the amount of \$99.7million. Work for phase 2B will include demolition of the old port building and construction of the new pedestrian building. The total estimated cost for phases 2A plus 2B are \$276million. According to GSA Phase 2A is anticipated to be completed Spring 2023.*
- 12) **Calexico Intermodal Transportation Center (ITC):** A new Intermodal Transportation Center in the City of Calexico has been part of ICTC's long range transit planning. The new Calexico ITC will serve as a regional mobility hub that will accommodate bus bays for Imperial Valley Transit in addition to the City of Calexico's private transit operators, taxis and farm labor buses. ICTC received a Congestion Mitigation and Air Quality federal program fund to complete the environmental and design plans of the new Calexico ITC. ICTC staff is in the process of completing the contract award for a consultant firm that will complete the environmental and design phase. Currently, ICTC staff is completing the Caltrans award review process with multiple Caltrans' departments. The ICTC Board adopted the agreement with Psomas on September 26, 2018. *Environmental phase is in progress with consultant team and agency partners, including the City of Calexico, Caltrans and ICTC. The environmental phase is in progress including studies. Next steps: Begin design and property (Right of Way) acquisition process.*
- 13) **Imperial County Regional Climate Action Plan:** After the kick-off meeting on June 28, 2019, ICTC established Project Management Procedures and Communication Protocols with the Consultant as well as reviewing the Scope of Work and Schedule. The consultant is working on the draft CAP and finalizing the inventory, forecasts, and targets; anticipating a Final Draft of the CAP by Mid-March, 2021. ICTC member agencies' will have the opportunity to review the Final Draft CAP with a goal of having comments back by March 31, 2021. As we move forward with public comments, ICTC will post the CAP on their website with the intent to get feedback and comments from the public. A final CAP will be presented to local jurisdictions Council/Board for review and approval for the months of May or June 2021.
- 14) **State and Federal funding Obligations:** Projects programmed in programmed in Federal Fiscal Year (FFY) 2019/2020 were fully obligated according to Caltrans Local Assistance. Beginning October 1, 2020, agencies can move forward with request for authorization (RFA) for Congestion Mitigation Air Quality (CMAQ), Surface Transportation Block Grant program (STBG) programmed in FFY 2020/2021. Other state funding also included

in the Federal Transportation Improvement Program (FTIP) include the Active Transportation Program (ATP). See complete project list attached.

- 15) **2018 Trade Corridor Enhancement Program:** The Trade Corridor Enhancement Program (TCEP), created by Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), provides approximately \$300 million annually for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement. ICTC in partnership with Caltrans and the San Diego Association of Governments (SANDAG) were successful in receiving TCEP funds for Advanced Technology Corridors at the California-Mexico Ports of Entry (POE). The goal project is to implement Intelligent Transportation System (ITS) strategies that will improve border travel delays. Some of the ITS strategies will include Bluetooth and Wi-Fi readers to help track vehicle delays, as well as implement changeable message signs on State Routes to inform border travelers of POE delays. Caltrans will serve as the implementing agency of this project and has an estimated completion date of early 2020. *Caltrans has initiated the environmental phase and preliminary design of the project. TCEP funds will be used in collaboration with the BUILD grant award for the design and construction phases.*
- 16) **State Legislation for Transportation Funding – SB 1 Road Maintenance and Rehabilitation Account (RMRA):** \$1.5 Billion annually will go to cities and counties for local road improvements. The following are projected annual revenues of RMRA for the FY 20/21. This list of projects for all cities and the county can also be found on the ICTC website at: <http://www.imperialctc.org/senate-bill-1/>

Below are the projected annual revenues for FY 2020/2021. All Imperial County cities and the county are required to submit their list of projects in order to be eligible for funding distribution.

Agency	RMRA Amount FY 2020-2021
Brawley	\$469,831
Calexico	\$725,242
Calipatria	\$132,423
El Centro	\$794,848
Holtville	\$116,508
Imperial	\$342,513
Westmorland	\$42,296
County of Imperial	\$8,185,798
TOTAL	\$10,809,459*

**Estimate source is from the California League of Cities dated May 15, 2020*
<http://californiacityfinance.com/LSR2005.pdf>

- 17) **California-Baja California Binational Region:** A Fresh Look at Impacts of Border Delays: Building upon previous Caltrans, SANDAG, and ICTC studies, this project will refine the economic models developed to assess economic impacts of delays at the land ports of entry (POEs) between the San Diego and Imperial Counties region and Baja California, Mexico, on the border region economies. It will also estimate greenhouse gas (GHG) emissions of passenger and commercial vehicles due to northbound and southbound border delays at the six California POEs and propose strategies to reduce GHG emissions at the border region. Lastly, extensive outreach to government agencies, local border communities, and private sector stakeholders was conducted. *A final report was completed in the fall of 2020.*
- 18) **State Legislation for Transportation Funding – SB 1 2018 Local Partnership Program (LPP):** Local Partnership Program is comprised of formulaic program and competitive programs. In FY2017/2018 total amount available statewide is \$200M and distribution is 50/50 for both formulaic and competitive programs. The formulaic program share distributions for the Local Partnership Program were presented at the CTC meeting in December 6-7, 2017. The Imperial County received \$1,632 of Local Partnership Formulaic Program (LPFP) funds in Cycle 1 (\$1,076) and Cycle 2 (\$556) for a total of \$1,632.

List of projects for Imperial County:

Local Partnership Program (LPP) Programing for FY19/20						
Agency	Project Name	LPP Formulaic Funds	Local Match	Total Cost	Project Implementation Fiscal Year	Proposed CTC Programming Date
Brawley	2020 Legion Street Improvements	\$ 209,000	\$ 209,000	\$ 418,000	2019-2020	1/30/2020
Calexico	Scaroni Road Improvements	\$ 305,000	\$ 550,000	\$ 855,000	2019-2020	5/16/2019
Calipatria	Calipatria Date Street Sidewalk Improvement Project	\$ 41,000	\$ 41,000	\$ 82,000	2019-2020	5/16/2019
County	Overlay of Picacho Road from Winterhaven Road to Quechan Drive	\$ 523,000	\$ 523,000	\$ 1,046,000	2019-2020	5/16/2019
Imperial	Aten/Clark Road Improvements	\$ 154,000	\$ 327,000	\$ 481,000	2019-2020	5/16/2019

Local Partnership Program (LPP) Programing for FY20/21						
Agency	Project Name	LPP Formulaic Funds	Local Match	Total Cost	Project Implementation Fiscal Year	Proposed CTC Programming Date
Holtville	Orchard Road/Cedar Avenue	\$ 60,000	\$ 60,000	\$ 120,000	2020-2021	Jun-20
El Centro	Dogwood Road from Villa Road to Commercial Avenue	\$ 339,000	\$ 339,000	\$ 678,000	2020-2021	Jun-20

The following is the link to the 2019 Local Partnership Program guidelines:

http://catc.ca.gov/programs/sb1/lpp/docs/062719+Amended_LPP%20Guidelines.pdf

19) Partnerships with IVEDC:

- a) **Southern Border Broadband Consortium (SBBC):** For FY 2020/2021. SBBC continues to work with local stakeholders to identify, prioritize and advance broadband infrastructure and improvement projects; facilitate and promote broadband education community wide using survey data; work with the Boys and Girls Club of IV and the Workforce Development Board to create Digital Literacy Centers throughout Imperial County; and develop a preferred scenario for 98% deployment in Imperial County and present to the California Advanced Service Fund and the CPUC in 2020. Recent updates to SBBC’s role in the region include a partnership with local healthcare organizations including ECRMC, Pioneers Hospital and Alliance Healthcare to identify telemedicine broadband needs and funding opportunities in Imperial County; working with the California Emerging Technology Fund and the Inland Empire Regional Broadband Consortium as part of a SCAG project to identify transportation broadband strategies to reduce VMT and greenhouse emissions; and working with local internet services providers including AT&T to assist successful applications for funding opportunities with the CPUC in locations such as north County, central Imperial and the Imperial Business Park by end of July 2020.
- b) **The Brawley Transit Corridor Brownfield Assessment:** ICTC in partnership with IVEDC received a U.S. Environmental Protection Agency (EPA) Brownfields Communitywide Assessment Grant award of \$300,000 from the Environmental Protection Agency’s Brownfields Assessment Program. This assessment will be focused along the transit circulator route within the 13-mile Imperial Valley Transit’s (IVTs) Brawley

Gold Line Transit Route and the Brawley Transit Center that serves as the IVTs North Imperial County transfer terminal. The commercial corridors in the target assessment area include over 100 known commercial properties and suspected historical gas station sites with known or suspected underground tanks in the target area. ICTC will be the fiscal agent and has developed an MOU which will define roles and responsibilities (Audits, Administration and Project Management) or ICTC and IVEDC. SCS Engineers have initiated early Tasks that include the Quality Assurance Project Plan (QAPP) and project management plan as required by EPA.

- (1) **The Finnell Property** has 3 parcels. It received DTSC approval on March 8, 2019. Phase 1 and Phase 2 reports have been finalized and 3 underground storage tanks have been excavated and disposed of no further action is required.
- (2) **The Chai Property** has 2 parcels. It received DTSC approval on March 28, 2019. Phase 1 report completion occurred on October 15, 2019 and no further action is required.
- (3) **The Lesicka Property** has 2 parcels. It received DTSC approval on August 29, 2019 and Phase 1 and Phase 2 reports have been finalized and no further action is required.
- (4) **The Dek Property** has 1 parcel. It received DTSC approval on April 22, 2020. Phase 1 was improperly completed by a previous engineering firm. 95% of the re-development was completed when the contractor discovered concerning amounts of underground contamination on site. We stepped in and completed a phase 2 and we are currently assessing the situation while collecting additional soil samples and pending laboratory results.
- (5) **The Pioneers Property** has 3 parcels. It received DTSC approval on May 11, 2020. Phase 1's were completed on all parcels. 1 parcel which is the site of a former Chevron station closed on 1975 will require a phase 2. The Field Sampling Plan was approved and is underway.

State Route 86 (Northbound) Border Patrol Checkpoint Expansion Project

PROJECT DESCRIPTION

- Canopy with 2 northbound Primary inspection lanes on existing SR 86
- 1 dedicated truck inspection lane to secondary inspections

SCHEDULE/COSTS

- Total Estimated Construction costs: \$3.1 Million
- Local Funding Committed: \$1.3 Million for Traffic Study, Design and Construction
- Border Patrol Funding Committed: \$2.3 million for Construction
- Complete Design and Environmental: July 2021
- Begin Construction: October 2021
- Complete Construction: April 2022

- **Project Goals:**
 - Improve security and enforcement
 - Improve interregional trade and travel
 - Reduce congestion and delays
 - Provide safe operational space
 - Provide 2 primary inspection lanes with Canopy
- **Average Annual Daily Traffic**
6,600 Vehicles
 - 36% Truck Traffic
- **Existing Checkpoint:**
1 primary lane for cars and trucks



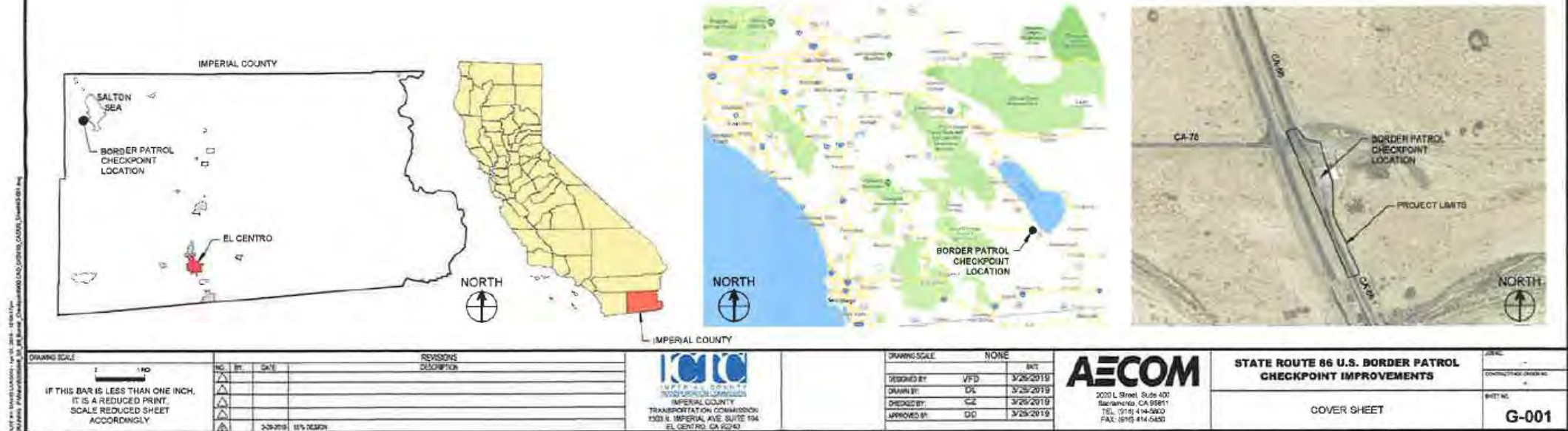
Border Patrol Station



CANOPY DESIGN CONCEPT

STATE ROUTE 86 U.S. BORDER CHECKPOINT IMPROVEMENTS IMPERIAL VALLEY, CA

65% DESIGN - MARCH 29, 2019

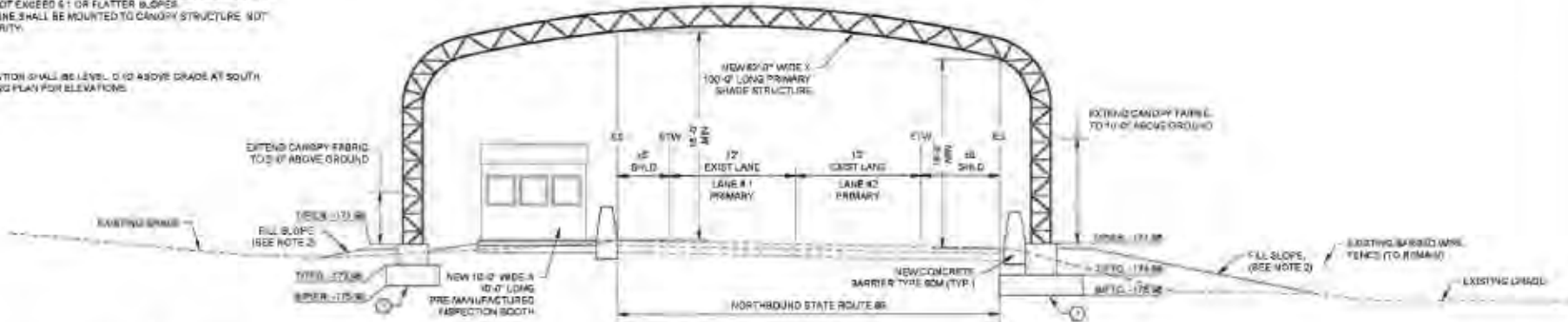


NOTES:

1. A MINIMUM VERTICAL CLEARANCE OF 10' SHALL BE MAINTAINED FROM THE EDGE OF SHOULDER TO THE PRIMARY SHADE STRUCTURE. THE MINIMUM VERTICAL CLEARANCE SHALL INCLUDE ALL APPURTENANCES INCLUDING LIGHTS AND CONDUIT.
2. ALL FILL SLOPES SHALL CONSIST OF MINIMUM 6 INCHES OF CLASS 2 AGGREGATE BASE OVER 12 INCHES OF RE-COMPACTED SUBGRADE. FILL SLOPES SHALL NOT EXCEED 4:1 OR FLATTER SLOPES.
3. DOWN WATER LINE SHALL BE MOUNTED TO CANOPY STRUCTURE. NOT SHOWN FOR CLARITY.

KEY NOTES:

1. CANOPY FOUNDATION SHALL BE LEVEL 0 TO ABOVE GRADE AT SOUTH END. SEE GRADING PLAN FOR ELEVATIONS.



1 PRIMARY INSPECTION AREA CROSS SECTION

SPECIFICATIONS FOR TENSIONED FABRIC STRUCTURE

TENSIONED FABRIC STRUCTURE APPROXIMATE SIZE AS SHOWN ON THE PLANS CONSISTING OF 3000 PSI GALVANIZED TUBULAR STEEL FRAMEWORK WITH GALVANIZED COATING FOR RUST PROTECTION. HIGH STRENGTH VINYL FABRIC COVERING (OR EQUAL). EACH SHELTER SYSTEM WILL HAVE NO END PANELS. EACH END WILL BE OPEN. THE SHELTER SYSTEM MUST HAVE A RECTANGULAR SHAPE WITH 30MI VERTICAL WALLS AND A ROUND STYLE ARCH ROOF FOR FABRIC TENSIONING. THE CANOPY AND STRUCTURE SHALL BE PROVIDED BY THE SAME MANUFACTURER.

1. FABRIC SHOULD BE TREATED TO RESIST DEGRADATION BY ULTRAVIOLET LIGHT. BE FLAME-RETARDANT AND SELF-EXTINGUISHING IN ACCORDANCE WITH NFPA 701 LARGE AND SMALL SCALE TEST AND TEST METHOD 5003.
2. SHELTER MUST BE CAPABLE OF WITHSTANDING WIND LOADS OF 110 MPH. ONLY THE MANUFACTURER'S WARRANTY WILL BE ACCEPTED.
3. SHELTER MUST BE CAPABLE OF BEING ANCHORED TO CONCRETE FOUNDATIONS AS SHOWN ON THE PLANS.
4. THE FABRIC FRAME, CANOPY STRUCTURE, ANCHORAGE, AND FABRIC ATTACHMENTS SHALL BE WARRANTED AGAINST DEFECTS IN MATERIALS AND WORKMANSHIP FOR A PERIOD OF A MINIMUM OF TEN (10) YEARS FROM THE DATE OF INSTALLATION.
5. THE MANUFACTURER SHALL BE THE ORIGINAL FABRICATOR OF THE SHELTERS AND HAVE BEEN IN BUSINESS FOR MORE THAN 20 YEARS.

INCLUDE THE FOLLOWING:

1. GALVANIZED TUBULAR STEEL TRUSSES AND RIGID BRACING BETWEEN THE TRUSSES. DIAGONAL CABLE MAY ALSO BE REQUIRED.
2. FRAMING TO CONSIST OF 180' TRUSS / BRACED TRUSSING. PRIMARY SHADE STRUCTURE TRUSS DEPTH SHALL BE 30 INCHES MAXIMUM. STRUCTURE SHALL HAVE TRUSSES ON 10 FOOT CENTERS.
3. FRAMING MUST PROVIDE A CLEAR, OPEN WORKING AREA WITH NO INTERNAL BEAMS OR SUPPORT POSTS.
4. TENSION OF THE COVER MUST BE MAINTAINED IN THE VERTICAL AND HORIZONTAL DIRECTION UTILIZING A PULL BAR ON THE SIDES. THE COVER MUST OVERLAP THE FRONT AND REAR OF THE BUILDING WITH A CABLED FLAP.
5. SIDE WALLS
 - THE PRIMARY SHADE STRUCTURE SHALL HAVE FABRIC DOWN TO 10 FEET ABOVE THE GROUND ON ONE SIDE AND TO 6 FEET ABOVE THE GROUND ON THE OTHER SIDE AS SHOWN ON THE PLANS.
 - THE MAIN COVER VINYL IS TO BE SAND TANNED IN COLOR WITH 100% UV PROTECTION BY THE VINYL MANUFACTURER.

7. FABRIC SHALL BE ATTACHED ON EACH END OF THE SHELTER WITH A 1/4" DIA AIRCRAFT CABLE TENSIONED BY A LASHING WEDGE AT EACH END / ON EACH CORNER OF THE FRAMEWORK.
8. THE FABRIC AND FRAMEWORK SHALL BE CUSTOM MANUFACTURED FOR THE INTENDED STRUCTURE TO MINIMIZE FIELD MODIFICATIONS.
9. THE STRUCTURE MUST BE PROVIDED WITH ANCHORING.
10. ALL CONNECTIONS MUST USE GRADE 5 GALVANUM PLATED BOLTS.
11. PLATE CONNECTIONS VIA A 305 BOLTS WITH LOCK WASHERS.
12. THE STRUCTURE CORROSION RESISTANCE IS TO BE ACHIEVED THROUGH A FLO-COAT PROCESS BEFORE FABRICATION.
13. ALL WELDED JOINTS ARE TO BE PAINTED AFTER FABRICATION WITH 97% ZINC CHROMATE PAINT TO RETARD RUSTING.
14. NO END PANELS (BOTH ENDS ARE TO BE OPEN).
15. TO VALIDATE THE WARRANTY MANUFACTURER TECHNICAL ASSISTANCE IS REQUIRED TO BE ON SITE UNTIL COMPLETION OF THE ERECTION OF THE SHELTER SYSTEM.
16. THE FABRIC AND FRAMEWORK SHALL BE CUSTOM MANUFACTURED BY A US MANUFACTURER ONLY.
17. ATTACH 1" X 4" x 10" TO CANOPY TRUSSES AT LOCATION SHOWN ON SHEET C-106 TO SUPPLY WATER TO HYDRANT NEAR PRIMARY INSPECTION BOOTH.

FABRIC SPECIFICATIONS:

1. WEIGHT: 26 OZ PER SQ YD 4-10Z VINYL MATERIAL.
2. TENSILE (CRAB 3100) WARP 235 LBS. FILL 90 LBS.
3. TEAR (TONGUE-SI 24) WARP 55 LBS. FILL 50 LBS.
4. CANOPY MATERIALS SHALL BE CLASS B RATED IN ACCORDANCE WITH NFPA LIFE SAFETY CODE NO. 101.
5. FLAME PASS NFPA 701 LG & SMALL SCALE, STATE OF CA, FIRE MARSHALL (METHOD 5003).
6. ADHESION 50 LBS 2" IN.
7. LOW TEMPERATURE -40°F.
8. HYDROSTATIC RESISTANCE (METHOD 5012) 562 PSI.
9. TENSILE BEFORE ABRASION (METHOD 3102) WARP 140 LBS. FILL 145 LBS.
10. TENSILE AFTER ABRASION (METHOD 3102) WARP 140 LBS. FILL 135 LBS.

LIGHTING SPECIFICATIONS:

LIGHTING SYSTEMS SHALL BE SUPPLIED IN ACCORDANCE WITH THE ELECTRICAL LIGHTING PLANS.

LIGHTING PROTECTION:

LIGHTING PROTECTION SYSTEM SHALL BE SUPPLIED FOR EACH SHELTER IN ACCORDANCE WITH THE ELECTRICAL PLANS.

INSTALLATION:

MANUFACTURER'S INSTALLATION PERSONNEL ARE REQUIRED TO BE PRESENT AT ALL TIMES TO ASSURE THE INSTALLATION AND ANCHORING IS CORRECT IN ORDER TO VALIDATE THE WARRANTY.

SUBMITTAL:

CANOPY REQUIREMENTS AND SUBMITTALS SHALL COMPLY WITH SPECIFICATION SECTION 10 04 19 AS APPLICABLE TO THE CANOPY. EXCEPT DESIGN REQUIREMENTS ON THIS SHEET SHALL TAKE PRECEDENCE.

IF THIS BAR IS LONGER THAN ONE INCH, IT IS A REDUCED PRINT SCALE. REDUCED SHEET ADDITIONAL.

NO.	DESCRIPTION	DATE



DESIGNED BY	DATE
CHECKED BY	DATE

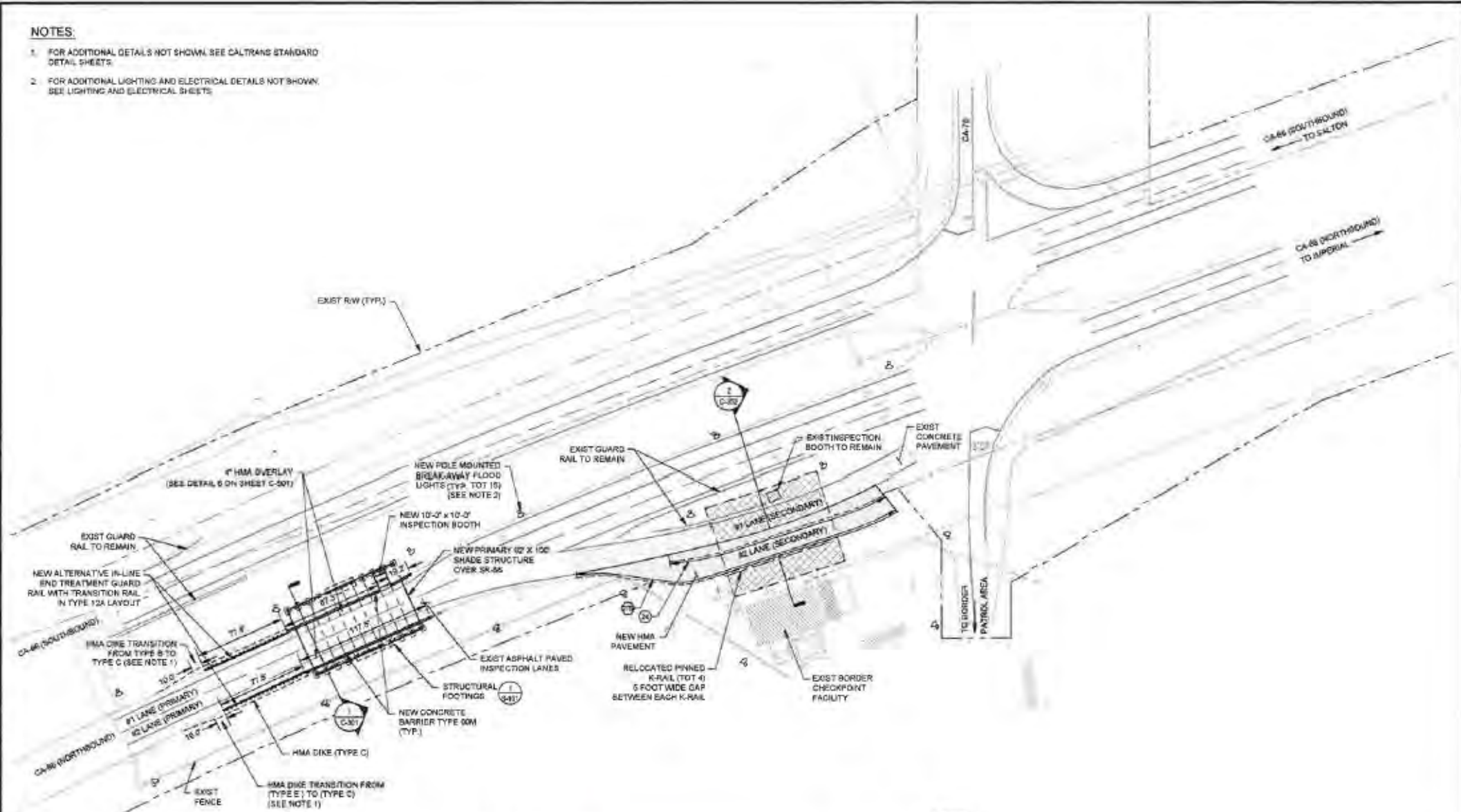


STATE ROUTE 86 U.S. BORDER PATROL CHECKPOINT IMPROVEMENTS	
PRIMARY INSPECTION CROSS-SECTION	

C-301

NOTES:

1. FOR ADDITIONAL DETAILS NOT SHOWN, SEE CALTRANS STANDARD DETAIL SHEETS.
2. FOR ADDITIONAL LIGHTING AND ELECTRICAL DETAILS NOT SHOWN, SEE LIGHTING AND ELECTRICAL SHEETS.



CIVIL SITE PLAN
SCALE: 1"=40'

NORTH



GRAPHIC SCALE

IF THIS BAR IS LESS THAN ONE INCH, IT IS A REDUCED PRINT SCALE REDUCED SHEET ACCORDINGLY.

1" = 40'

NO.	DATE	REVISIONS



38

NO.	DATE	REVISIONS

AECOM
3001 L Street, Suite 400
Sacramento, CA 95811
TEL: (916) 414-5000
FAX: (916) 414-5888

STATE ROUTE 85 U.S. BORDER PATROL CHECKPOINT IMPROVEMENTS	
CIVIL SITE PLAN	C-106

SHADE STRUCTURE EXAMPLE



IMPERIAL VALLEY RESOURCE MANAGEMENT AGENCY

SERVING THE CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO,
HOLTVILLE, IMPERIAL, WESTMORLAND AND COUNTY OF IMPERIAL



AGENDA REPORT

TO: IVRMA Board Members and City / County Managers
FROM: Daveline Villaseñor, Project Manager
SUBJECT: IVRMA Board Meeting
MEETING DATE: March 24, 2021

STAFF REPORT

City County Payment Program (CCPP): FY 2018-19 City/County Payment Program expenditure reports are due on April 1, 2021. The Expenditure Period End Date and the last day to expend FY 2018-19 funds was of March 1, 2021. The New FY 2019-20 City/County Payment Program expenditure period will begin on April 1, 2021 for the amount of \$59,528.00.

Food Generators under SB 1383: SB 1383 Organic Waste Methane Emissions Reductions legislature requires a 20% reduction of edible food currently going to landfill by 2025. To accomplish this mandate, a unified food recovery network is necessary. Luckily, the Food Bank in the Imperial County has an extensive food recovery program that already exists so we are here to help enhance that network. Outreach is strongly encouraging businesses to be aware of SB 1383 requirements in efforts to expand the food recovery network. Requirements for food generating business information is attached.

Jurisdiction's Annual Spring Review 2020: CalRecycle Local Assistance and Market Development (LAMD), Haley Aumiller, has begun scheduling jurisdictions for the annual review of the implementation of those local programs; AB 341 Mandatory Commercial Recycling (MCR) and SB 1826 Mandatory Commercial Organics Recycling (MORe) to determine if the jurisdiction has met the requirements of AB 939 (known as the Integrated Waste Management Act [IWMA]). In doing this, CalRecycle will continue to rely on annual reports, staff jurisdiction visits and other information that the jurisdiction deems relevant to local program work. IVRMA is available to meet with each city representative to prepare for the review. Jurisdictions will be expected to meet the requirements requested on the 2019 Fall Annual Review and MCR & MORe Plan recently submitted.

Household Hazardous Waste (HHW): All HHW facilities are now opened to welcome residents of the Imperial Valley to drop off their household hazardous material. Brawley & Calexico are opened every other Sunday from 8 a.m. to 12 p.m. El Centro is opened from 8 a.m. to 12 p.m. every Saturday of the month. For schedule information or verification of items received please feel free to contact our office at (760) 337-4537 between Monday through Friday from 8:00 a.m. to 5:00 p.m. or a full list of items received visit the IVRMA website at www.ivrma.org.

Commercial Edible Food Generator is subject to the requirements of [Article 10. of SB 1383](#), shall keep a record that includes the following:

1. A list of each food recovery service or organization that collects or receives its edible food pursuant to a contract or written agreement established under Section 21 18991.3(b).
2. A copy of contracts or written agreements between the commercial edible food generator and a food recovery service or organization.
3. A record of the following for each food recovery organization or service that the commercial edible food generator has a contract or written agreement with pursuant to Section 18991.3(b)
 - The name, address and contact information of the service or organization.
 - The types of food that will be collected by or self-hauled to the service or organization.
 - The established frequency that food will be collected or self-hauled.
 - The quantity of food collected or self-hauled to a service or organization for food recovery. The quantity shall be measured in pounds recovered per month.

Food Recovery Organization is an entity that engages in the collection or receipt of edible food from commercial edible food generators and distributes that edible food to the public for food recovery either directly or through other entities including, but not limited to:

- A food bank as defined in [Section 113783 of the Health and Safety Code](#);
- A nonprofit charitable organization as defined in [Section 113841 of the Health and Safety code](#); and,
- A nonprofit charitable temporary food facility as defined in [Section 113842 of the Health and Safety Code](#).

Food Recovery Organization shall maintain a record of:

- The name, address and contact information for each commercial edible food generator that the organization receives edible food from.
- The quantity in pounds of edible food received from each commercial edible food generator per month.
- The name, address and contact information for each food recovery service that the organization receives edible food from for food recovery.

Food Recovery Service means a person or entity that collects and transports edible food from a commercial edible food generator to a food recovery organization or other entities for food recovery.

Food Recovery Service shall maintain a record of:

- The name, address and contact information for each commercial edible food generator that the service collects edible food from.
- The quantity in pounds of edible food collected from each commercial edible food generator per month.
- The quantity in pounds of edible food transported to each food recovery organization per month.
- The name, address and contact information for each food recovery organization that the service transports edible food to for food recovery.



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017
T: (213) 236-1800 www.scag.ca.gov

Memorandum

Date: March 24, 2021
To: ICTC Management Committee/Commission Meeting
From: David Salgado, Regional Affairs Officer (RAO)
Re: **Southern California Association of Government's (SCAG) Report**

The following is a summary of the SCAG Executive Director's Report and/or Federal and State Legislature Staff Report for the Imperial County Transportation Commission's Management Committee and Commission meetings for March 24, 2021.

- 1. SCAG Joint Policy Committee Meeting March 2021:** In lieu of a regular schedule of Policy Committee Meetings SCAG held a Joint Policy Committee (JPC) meeting. The JPC was held to present SCAG's Racial Equity and Regional Planning "Baseline Conditions Report." In July 2020 SCAG adopted a resolution affirming its commitment to advancing justice, equity, diversity, and inclusion throughout Southern California. Since adoption of the resolution an ad hoc "Special Committee on Equity and Social Justice" has been meeting on a quarterly basis to advance efforts on an Early Action Plan (EAP). The Racial Equity EAP provides a set of goals and strategies designed to advance racial equity through SCAG's policies, practices, and activities.
- 2. SCAG March Regional Council (RC) Meeting:** At SCAG's March 4th Regional Council Meeting the board took action to approve the final 6th cycle Regional Housing Needs Assessment (RHNA) Allocation Plan. SCAG has completed all final reviews and appeals of the RHNA Allocation Plan. Upon approval the final plan will be submitted to the California Department of Housing and Community Development (HCD) for approval. Additionally, the RC approved the 2021 Federal Transportation Improvement Program (FTIP), including the associated transportation conformity determination.
- 3. SCAG 2021 General Assembly Delegate and Alternate Appointments:** SCAG has provided formal notice to all city clerks regarding the appointment of 2021 SCAG General Assembly Delegates and Alternates. Appointments should occur at a regularly scheduled council meetings to select one delegate and an alternate to vote at the General Assembly on behalf of the member city. Only the appointed delegate or alternate can vote at the convening of the 2021 SCAG General Assembly and must be present to do so.
- 4. SCAG 2021 General Assembly:** The annual convening of the SCAG General Assembly is scheduled for *Thursday May, 6th 2021*. The meeting will be held remotely. More information will be provided as it is made available. Please contact SCAG RAO David Salgado with any questions regarding the 2021 SCAG General Assembly.



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5. **2020 SCAG Sustainable Communities Program (SCP) Grant Program:** SCAG has approved the 2020 SCP grant guidelines. The FY 2020/2021 program will fund projects in the following areas that support and implement the policies and initiatives of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), Connect SoCal: Active Transportation & Safety; Housing and Sustainability; Smart Cities, Mobility Innovation & Transportation Demand Management; and Green Region. The first Call prioritizes Active Transportation & Safety projects, and the second Call prioritizes efforts to increase housing production.

SCAG is pleased to announce the 2020-2021 Sustainable Communities Program (SCP) – Smart Cities & Mobility Innovations Call for Applications is now open to eligible applicants.

The program will provide resources for projects that support the implementation of three Connect SoCal key connections, focusing on smart cities and job centers, go zones, and shared mobility/mobility as a service, to expand upon our mobility ecosystems and advance the region's vision. Application Webinars will be held Monday March 8th and Monday April 5th. One to one sessions are also available through April 16 for any interested potential applicants who may need assistance. **Deadline to apply is April 23, 2021. Please feel free to contact SCAG RAO David Salgado with any questions.**

6. **SCAG Regional Data Platform (RDP):** The Regional Data Platform will standardize regionally significant datasets, provide opportunities for local partners to update their data in real-time, and draw insights from local trends. More specifically, it will be an online tool for SCAG and local jurisdictions to access data necessary for local general plan development and general decision making by monitoring transportation, land development trends, housing and economic growth, and sustainability conditions. The platform will also feature a data-driven collaboration hub for local jurisdictions to engage with stakeholders for individual projects, such as local and regional land use planning, active transportation planning, greenhouse gas reduction strategies and development impact assessments.

Moving beyond just technology, this platform will help government engage with data in a simpler way, allowing the interpretation of information into actionable insights and knowledge, and provide a digital venue for local agencies to engage with their residents using data as a medium.

Process wise, SCAG will enable users to improve the platform through data revision and insight sharing, empower local partners to use the platform for their own initiatives (thereby spotlighting best practices), and ultimately foster continuous experimentation at the local level by helping jurisdictions understand how their plans could impact the region's most significant challenges – transportation, jobs, housing, and sustainability.

- **Housing Element Parcel Tool (HELPR):** The HELPR tool is a readily available mapping and data tool available to SCAG member agencies and partners. The tool drills down on parcel specific data and demographics which will support the development of housing plans and general plan updates.



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- **Local Information Services Team (LIST):** SCAG has created the “Local Information Services Team” in an effort to support the roll out of the Regional Data Platform (RDP) and other housing and data support needs.
7. **SCAG Broadband Action Plan:** At the February 4th SCAG Regional Council (RC) Meeting, the SCAG RC adopted a resolution which directs SCAG staff to develop a “Broadband Action Plan.” The development of an action plan would provide a model resolution and policy paper for local jurisdictions, pursue funding opportunities and partnerships to assist local jurisdictions with broadband implementation, convene a working group, and further support broadband planning and data research. These efforts would also be developed to compliment SCAG’s ongoing efforts to support an Inclusive Economic Recovery and efforts supporting Racial Equity and Social Justice.
 8. **SCAG Aerial Imagery Project 2020-21 Update:** After numerous meetings to discuss the potential for SCAG to facilitate a new Aerial Imagery Flyover Project, the County of Imperial has agreed to facilitate a public procurement process. This will allow for more funds to be applied to the project to support the procurement. SCAG has set aside \$250,000 for the project and will increase the support by \$50,000 for a total of \$300,000. The project is currently in the final phases. A meeting was held recently to discuss proposed member contributions in time for budget development. The proposed local contribution amount is attached for review.

6TH CYCLE RHNA UPDATE

On Feb. 16, the Regional Housing Needs Assessment (RHNA) Subcommittee/Appeals Board reviewed and recommended the 6th Cycle proposed Final RHNA Allocation Plan for further recommendation to the Community, Economic, and Human Development (CEHD) Committee. On Feb. 21, the CEHD Committee reviewed the proposed Final RHNA Allocation Plan and recommended it to the Regional Council for adoption at a public hearing scheduled for March 4. The Final RHNA Allocation Plan includes a redistribution of successfully appealed units from the RHNA appeals process and must be consistent with the regional determination provided by the California Department of Housing and Community Development (HCD) in October 2019.

The RHNA Subcommittee and CEHD Committee at their respective February meetings also reviewed and recommended a resolution to address various issues that were raised during the RHNA process. The resolution outlines a strategy for SCAG to explore these reforms, such as a continuation of supporting subregions and local jurisdictions through the Regional Early Action Planning (REAP) program, facilitations of discussion with HCD, statewide committee participation, legislative changes, and enhanced communications with county transportation commissions, policymakers, and stakeholders. The resolution will be included in the March 4 Regional Council agenda for adoption. For more information, please visit the [RHNA webpage](#).

CALL FOR COLLABORATION GRANT APPLICATION CLOSES, AWARD ANNOUNCEMENTS ANTICIPATED IN THE COMING WEEKS

In partnership with SCAG, the California Community Foundation (CCF) released the Call for Collaboration request for proposals on Jan. 19, inviting community organizations and their government partners to apply for small grants that fund the development of community-based policies and plans that support increased housing production. SCAG and the CCF issued widespread outreach and hosted a webinar to support community groups in developing their applications. As of the Feb. 23 deadline, dozens of applications had been received from organizations across the SCAG region. A review panel of foundations, academic scholars, housing professionals, and SCAG representatives has been carefully crafted to review proposals and identify grantees. The anticipated date of grantee award announcements is March 19, with grantees beginning an 18-month performance period on April 1. For more information about the [Call for Collaboration](#), please contact Alisha James at james@scag.ca.gov.

THIRD SUSTAINABLE COMMUNITIES PROGRAM CALL FOR APPLICATIONS RELEASED

On Feb. 8, SCAG released the third Sustainable Communities Program Call for Applications, which is open through April 23 and is focused on Smart Cities & Mobility Innovations. Applicants can apply for technical assistance for project types focusing on smart cities and job centers, go zones, and shared mobility and mobility as a service. Staff will hold two webinars to support application development and highlight best practices for eligible program areas on both March 8 and April 5. Staff is also holding weekly office hours for one-on-one coaching to support application development. To learn more and sign up for the upcoming webinars and office hours, please visit the [2020-2021 Sustainable Communities Program Call for Applications webpage](#).

SCAG LEADERSHIP MEETS WITH CONGRESSIONAL REPRESENTATIVES TO DISCUSS REGIONAL PRIORITIES

On Feb. 10, President Rex Richardson, First Vice-President Clint Lorimore, Second Vice-President Jan Harnik, and Immediate Past President Alan Wapner, and I conducted two virtual meetings, respectively, with Congressman Ken Calvert (R-Corona), Member of the House Appropriations Energy and Water Subcommittee, and Congressman Mike Garcia (R-Santa Clarita), Member of the House Appropriations Transportation and Housing & Urban Development Subcommittee. They were joined by Regional Council Members Juan Carrillo, Peggy Huang, David Pollock, Steve Manos, and Karen Spiegel.

The meetings provided an opportunity for leadership to advocate and discuss some of the agency's most critical federal legislative priorities. First, to support direct and flexible federal aid for all cities, regardless of population size, to help with unexpected COVID-19-

related expenses and to backfill tax revenues losses. Secondly, to support a long-term federal surface transportation reauthorization bill. The Fixing America's Surface Transportation (FAST) Act was extended for one-year to Sept. 30, which will give Congress more time to work on a new bill. Lastly, against the backdrop of the COVID-19 pandemic that has amplified the need for reliable and affordable broadband services, local governments and the private sector must have a strong federal partner as they deploy broadband infrastructure especially in underserved communities.

NEW MEMBER ORIENTATION

On Feb. 23, SCAG Regional Council President Rex Richardson, Executive Director Kome Ajise, and staff hosted a New Member Orientation for Regional Council members that have joined SCAG as a result of the November 2020 General Election outcomes. Staff provided an in-depth presentation that covered multiple topics such as the agency's governing structure, member benefits, and major ongoing projects. There was also an opportunity for members to ask questions on Connect SoCal, housing and economic recovery efforts, and other significant regional planning initiatives. Future New Member Orientations will be planned as needed to provide new members with an opportunity to learn more about SCAG, meet key staff, and discuss important programs and initiatives.

SCAG HOSTS TRIBAL GOVERNMENT LISTENING TOUR AND PRESENTS CONNECT SOCAL TO TRIBAL ALLIANCE OF SOVEREIGN NATIONS

In January, SCAG gave a presentation on Connect SoCal to the Tribal Alliance of Sovereign Indian Nations, who subsequently identified two members for GLUE Council membership. In February, President Rex Richardson and Tribal Government Regional Councilmember Andrew Masiel, Sr., hosted the Tribal Government Listening Tour, which was attended by elected officials from the Agua Caliente Band of Cahuilla Indians, Chemehuevi Indian Tribe, Pechanga Development Corporation, Santa Rosa Band of Cahuilla Indians, Morongo Band of Mission Indians, Torres-Martinez Desert Cahuilla Indians, and the Torres-Martinez Gaming Commission. Since 2006, SCAG's Bylaws have ensured that the Native American perspective is represented at the policy decision-making level by providing voting seats to tribal government representatives on the General Assembly, Regional Council, and Policy Committees.

INCLUSION, EQUITY, DIVERSITY & AWARENESS WEBPAGE, BASELINE CONDITIONS REPORT & PUBLIC SURVEY RELEASED

At its July 2020 meeting, SCAG's Regional Council adopted [Resolution 20-623-2](#), declaring systemic racism a human rights and public health crisis. The resolution affirms SCAG's commitment to work in partnership with others to close the gap of racial injustice and meaningfully advance inclusion, diversity, equity, and awareness. The [Special Committee on Equity & Social Justice](#) was formed to advise SCAG's Regional Council on policies and practices to: 1) End racial and social disparities internal to the agency; 2) Strengthen the way it engages and convenes to protect and expand community voice and power; and 3) Work in partnership with others to close the gap of racial injustice and better serve communities of color, and in so doing, serve all the people of the region. To bring together the agency's work regarding inclusion, equity, diversity and awareness, SCAG has published a [webpage](#) that provides a working definition of Racial Equity and covers the various work items currently underway, released the [Racial Equity: Baseline Conditions Report](#), and launched a [public survey](#) to gather input on the development of the Racial Equity Early Action Plan. For updates, please visit the [Inclusion, Equity, Diversity & Awareness page on the SCAG website](#).

SCAG'S INCLUSIVE ECONOMIC RECOVERY STRATEGY UPDATE

As part of SCAG President Rex Richardson's [2020-2021 Work Plan](#), SCAG is developing an Inclusive Economic Recovery Strategy that aims to support an equitable and inclusive economic recovery for the SCAG region. SCAG will be hosting 25–30 small focus groups from late February to early April for various industries to gather feedback and insights into what an inclusive economy would look like in their respective sectors and how SCAG can provide support. SCAG has kicked off the first seven convenings, meeting with community-based organizations, labor unions, incubators and accelerators, financial sector representatives, and commercial developers. In these first set of focus groups, we received invaluable input on the needs of each sector and SCAG's potential role in addressing these needs and narrowing racial disparities in accessing opportunities to economic mobility. SCAG will take the feedback from the convenings, combined with baseline data, to recommend strategies, policies, and programs for increasing our regional competitiveness and accelerating the creation of family supporting jobs.

SAVE THE DATE: 32ND ANNUAL DEMOGRAPHIC WORKSHOP

SCAG and the University of Southern California Sol Price School of Public Policy will jointly host the 32nd Annual Demographic Workshop as a virtual two-day event on June 8 and June 15 from 1:30 p.m. – 4:45 p.m. The theme for this year's program is "The Post-Pandemic City." Over the last year, Southern Californian residents, and the nation as a whole, have experienced extraordinary changes in all aspects of their lives such as those related to family formation and childcare, healthcare, employment, commuting, and housing accommodations. A demographic check-up panel covers the latest trends in migration, fertility, and vaccination, as well as the new 2020 Census counts due for release. Additional panels will focus on myths and realities of California's mass exodus and declining mobility, and the new trends in workplace, travel, and residential locations. The program will also include a keynote address and a series of expert-led roundtable discussions to build skills about topics discussed. Online registration will be available soon. For more information, please contact John Cho at choj@scag.ca.gov.

GLUE COUNCIL RECONVENES IN 2021

On Feb. 8, SCAG reconvened the Global Land Use & Economic (GLUE) Council, bringing together existing members and new members that reflect diverse industries from across the region. Staff provided presentations including updates on Connect SoCal, RHNA, SCAG's housing program, and legislative bills related to housing and land use policy. SCAG will continuously share its legislative agenda to keep GLUE Council members informed and receive industry-specific feedback. The framework of the Inclusive Economic Recovery Strategy (IERS), part of the President's Work Plan, was also shared by staff. As part of the work plan, SCAG will host a dedicated focus group for the GLUE Council to learn more about how they see local and regional governments supporting efforts to promote an economic recovery that is centered on racial and gender equity. Members suggested many potential topics for future meetings, including adjustments to the models used for Connect SoCal on population growth, utility companies contributing to permitting process evaluation in smart cities initiatives, regionally responding to the Climate Action Plan for Transportation Infrastructure process, the complexity of the state's new vehicle miles traveled (VMT) goals, and the region's overall economic picture.

TOOLBOX TUESDAY TRAINING FOCUSES ON PRESENTING DATA AND MAPS

On Feb. 23, SCAG hosted "StoryMapping: Transforming Data into Interactive Stories," a Toolbox Tuesday webinar that included an overview of ArcGIS StoryMaps and how it can be used to create immersive web-based stories or presentations by combining data, text, interactive maps, and other multimedia content. The webinar introduced participants to various types of StoryMaps, featured professionals using the tool, showcased regional StoryMaps from local jurisdictions and students, and closed with a tutorial on developing StoryMaps. The [2021 SCAG Student Showcase](#) was also briefly discussed as it is a StoryMap competition available to qualified students in the SCAG region. Please visit the [Toolbox Tuesday Online Training Materials page](#) for a recording of the webinar and other downloads of this training, as well as to access prior trainings and materials.

SCAG NATURAL & FARM LANDS CONSERVATION WORKING GROUP MEETS

On Feb. 25, SCAG hosted the Natural & Farm Lands Conservation Working Group. Meeting since 2014, the purpose of the working group is to provide a forum for stakeholders to share best practices and develop recommendations for natural and agricultural land conservation throughout the region and has been instrumental in the formation and implementation of Connect SoCal's conservation policies and strategies. The most recent meeting featured several presentations, many of which focused on agriculture and grazing lands conservation. An update on the SoCal Greenprint was provided, after which feedback was sought from the group on agricultural-related data and how the tool will convey that information. An additional presentation was given on agricultural conservation efforts around California and engaged the group on how SCAG can implement agricultural conservation strategies based on goals in Connect SoCal. For more information about the group and to attend future meetings, please contact India Brookover at brookover@scag.ca.gov.

Breakdown of total cost and reserves per project partner:

Entity	Contribution	Contribution
SCAG	\$300,000.00	50.00%
IID	\$120,000.00	20.00%
Imperial County	\$100,000.00	16.67%
ICTC	\$30,000.00	5.00%
LAFCO	\$15,000.00	2.50%
City of El Centro	\$7,675.00	1.28%
City of Calexico	\$6,800.00	1.13%
City of Brawley	\$4,550.00	0.76%
City of Imperial	\$3,250.00	0.54%
City of Calipatria	\$1,275.00	0.21%
City of Holtville	\$1,075.00	0.18%
City of Westmorland	\$375.00	0.06%
Caltrans	\$10,000.00	1.67%
Total	\$600,000.00	100.00%
Cost of 2020 Flight	\$455,465.62	
Reserves for Next Flight	\$144,534.38	

Breakdown of cities total contribution:

City	Percentage Contribution	\$25,000.00
City of El Centro	30.70%	\$7,675.00
City of Calexico	27.20%	\$6,800.00
City of Brawley	18.20%	\$4,550.00
City of Imperial	13.00%	\$3,250.00
City of Calipatria	5.10%	\$1,275.00
City of Holtville	4.30%	\$1,075.00
City of Westmorland	1.50%	\$375.00

News Release

FOR IMMEDIATE RELEASE

February 4, 2021

Contact: Steve Lambert, The 20/20 Network
(909) 841-7527/ steve@the2020network.com



SCAG commits to developing a Broadband Action Plan to help cities, counties address the digital divide

Los Angeles – The nation’s largest metropolitan planning organization on Thursday committed to helping its 191 cities and six counties bridge the digital divide and increase broadband access in underserved communities throughout Southern California.

Within the SCAG region alone, 10 percent of households do not have access to adequate internet speeds or have no internet access whatsoever. These households are disproportionately located in low-income or rural areas, where the population is predominantly Black, Latino or over 65 years old.

A resolution adopted by the Regional Council of the Southern California Association of Governments (SCAG) is aimed at addressing a problem that has become even more pronounced during the COVID-19 pandemic as schools, many jobs, healthcare and a significant number of government services have gone online. Without adequate broadband infrastructure, underserved communities find themselves at a bigger disadvantage, resulting in a widening of the equity gap.

The resolution adopted Thursday directs SCAG staff to develop a Broadband Action Plan, which would include:

- Developing a model resolution and policy paper for local jurisdictions, addressing the digital divide.
- Pursuing grant funding opportunities and partnerships to assist local jurisdictions with broadband implementation.
- Convening a working group to develop ways to facilitate rapid deployment of broadband technology such as streamlining the permit process, lowering fees to a reasonable level, and reducing the cost of entry and operation of broadband systems within underserved communities.
- Including broadband planning, data and research findings, and strategies as part of SCAG’s work in promoting an inclusive Regional Economic Recovery and Strategy.

“Closing the digital divide is critical to our commitment to addressing economic and social disparities within communities of color,” said SCAG President Rex Richardson, Vice Mayor of Long Beach.

“Broadband has become essential infrastructure for the 21st century, but as many as 10% of Southern California households – disproportionately located in low-income communities – continue to be left out in the cold.”

Under Richardson’s leadership, SCAG declared racism a public health crisis, established a special committee on equity and social justice, and focused its 2020 Southern California Economic Summit on developing an inclusive recovery strategy.

Those efforts have underscored just how onerous the digital divide has become, and the need to expedite the development of broadband infrastructure and prove connectivity at an affordable rate.

“It’s a vicious cycle for residents in disadvantaged communities, who are struggling to participate in the digital landscape due to lack of affordability or infrastructure,” said Kome Ajise, SCAG’s Executive Director. “Our aim is to build regional cohesiveness and work with local municipalities to develop the framework and support they need to address this critical task.”

###

About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and nearly 19 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG, please visit: www.scag.ca.gov.

California Department of Transportation



To: ICTC COMMISSION
ICTC MANAGEMENT COMMITTEE

Date: March 2021

From: GUSTAVO DALLARDA
Caltrans District 11 Director

Subject: **DISTRICT DIRECTOR'S REPORT**

CONSTRUCTION

1. **I-8/Imperial Avenue Interchange:** The project includes installing two ramps that will provide direct access to southbound Imperial Avenue which will provide connectivity to the south portion of El Centro. Work will take place weekdays from 7:00 a.m. to 3:30 p.m. for the time being. Eastbound I-8/ Imperial Avenue ramps will continue to be closed through spring 2021. Bridge work (pile-driving) began on November 12, 2020 and will continue for three months. Eastbound I-8/ Imperial Avenue ramps will continue to be closed; fully closing access to/from Imperial Avenue for six to eight months. The El Centro City Council has approved the installation of a community identifier for this structure. Caltrans District 11 and Headquarters units are moving forward based on this approval. A rendering is shown below. The project is expected to open to traffic in late 2021 or early 2022, with plant establishment and close out work continuing through 2023.



Project Website: <https://dot.ca.gov/caltrans-near-me/district-11/current-projects/i8-imp-interchange>

2. **SR-98 Widening Project:** As part of the Calexico West POE Expansion project, SR-98 and Cesar Chavez Boulevard were widened and improved to serve the expansion to the west. SR-98 work between VV Williams and Ollie Avenue was completed in March 2018, and the Cesar Chavez Blvd. widening was completed in October 2019 by the City of Calexico. Caltrans has completed the design and right of way phase for SR-98 widening between Rockwood

Avenue and Ollie Avenue. The total project cost is estimated at \$8.2 million using a combination of 2016 Earmark Repurposing, Demonstration, and Traffic Congestion Relief funds. The project has a \$1.7 million funding shortfall for which Caltrans requested an ICTC contribution of \$200,000; this was approved by the ICTC LTA board in September. The remaining \$1.5 million shortfall will be covered by other State funds, which was approved by the CTC in October. *SR-98 project contact was approved on December 24, 2020 and the project will start in spring 2021, no later than April 23, 2021.*

3. **SR-111 Niland Geyser/Mudpot:** The SR-111 Niland Geyser/Mud Pot is active. The caldera is approximately 20 feet away from SR-111. Water from the Mud Pot is free-flowing through the subsurface drainage installed in 2019. The original temporary detour road was opened to traffic in August of 2020. The original detour is being extended to accommodate for the Mud Pot's unpredictable change in direction. The temporary detour will remain in place as the mud pot moves beyond the original freeway.

PROJECT DELIVERY

1. **SR-186 All-American Canal Bridge:** This project proposes to construct a new bridge over the All-American Canal (AAC). The new bridge will improve safety and better facilitate international and interregional movement of people, goods and services. A 2019 feasibility study proposed 8 alternatives including a no-build option. The following stakeholders have been identified, Fort Yuma Quechan Indian Tribe, US BIA, US BOR, IID, International Boundary and Water Commission, County of Imperial, Union Pacific Railroad and US GSA. *Project Milestones: Project Approval/Environmental Clearance 9/2023. The Anticipated funding fiscal year for construction is 2025/26.*

MAINTENANCE AND TRAFFIC OPERATIONS

1. The El Centro Travelway Crew continued with paving project on SR-86 east of Heber Rd and performed litter control at various locations along I-8/SR-111. Potholes were repaired on SR-86 between Bradshaw and Adams.



2. The Midway Travelway Crew performed a crack sealing operation on Vanderlinden Rd OC(I-8) to prepare pavement for spring microseal project.

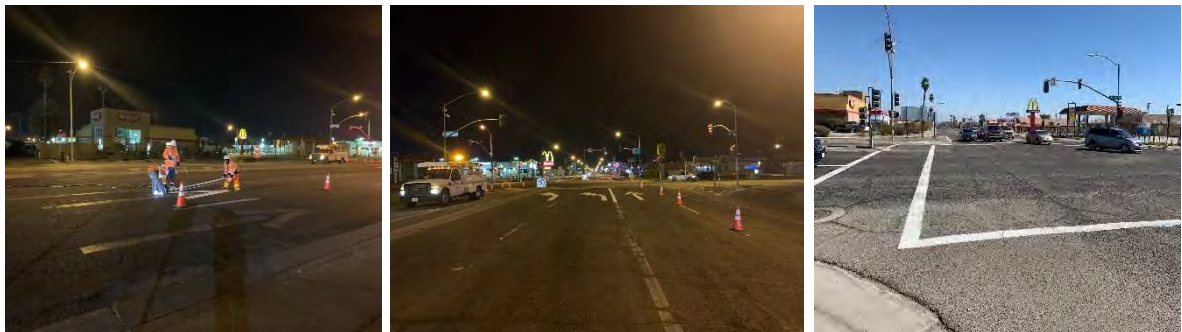
- The El Centro Functional/Landscape performed sign and landscape maintenance and litter control along I-8 (SR111/Dogwood) response to an installation order from Caltrans Traffic Operations.



- The Brawley Travelway Crew performed scheduled brush removal on SR-78 bypass and washout repair at various locations on SR-78 (Glamis)



- The Brawley Marking Crew refreshed pavement markings on SR-86 and Adams Ave in El Centro.



- SR-86/Customs & Border Protection Checkpoint Expansion:** ICTC informed Caltrans that the scope of the project has changed to add a second detour lane into the existing canopy to perform inspection. ICTC will work with their consultant and will provide Caltrans with a traffic study to identify necessary SR-78/SR-86 intersection operation improvements to accommodate the change in inspection operation. A location for secondary inspection is still being analyzed. Once Caltrans agrees with the operational improvements,

ICTC/AECOM will submit design plans for review and approval of their project. Caltrans will assist ICTC in coordinating upcoming meetings.

An environmental document as well all other appropriate studies will be needed to finalize the project. A series of permits will be required for their existing traffic control at the checkpoint, for the inspection operations and equipment within the facility, and for a temporary checkpoint while the project is in construction. A new Freeway Maintenance Agreement will be required for the portion of the existing canopy that is within Caltrans ROW.

PLANNING AND LOCAL ASSISTANCE

1. **District 11 Active Transportation Plan:** Caltrans District 11 is developing an Active Transportation Plan for San Diego and Imperial Counties. This plan will include an existing conditions analysis and a prioritized list of identified bicycle and pedestrian needs on and around the State Highway System. Input from regional and local partner agencies and local advocates is essential to the development of this plan. Caltrans encourages our partner agencies to participate in the Active Transportation Plan Working Group (ATPWG). Further outreach will occur at future TAC meetings and through non-traditional methods such as social media and virtual meetings.
2. **Border Master Plan (BMP):** The BMP is a comprehensive, binational approach to coordinate the planning and delivery of international land Ports of Entry (POEs) and their transportation infrastructure projects. *The draft 2021 California-Baja California BMP report was presented to the BMP Policy Advisory Committee and approved on February 11, 2021.*
3. **Project Study Report: Forrester Road Improvements** As drivers on SR-86 between I-8 and the City of Westmorland are experiencing greater delays, a growing number of vehicles are using the segment of Forrester Road between I-8 and Westmorland as an alternative route. This increase in traffic (including higher truck use and the movement of farm equipment) has led to longer travel times and limited passing opportunities. This project proposes short-term, mid-term, and long-term improvements to the segment of Forrester Road from I-8 to Westmorland. The project includes the development of a temporary Westmorland Bypass, various intersection improvements, the installation of passing lanes, shoulder widening, a long-term Westmorland Bypass, and an ultimate four-lane facility. Conceptual drawings and planning level cost estimates are currently being developed. This PSR is a partnership between Caltrans and ICTC with a Technical Working Group providing input, which includes stakeholders from the County of Imperial, the cities of El Centro, Westmorland, Imperial, and Brawley and representatives from the Imperial Irrigation District (IID). This PSR process began in 2016, with TWG meetings beginning in 2018 and being held as needed. The last meeting was held on December 16, 2020. Caltrans will

continue to develop alternatives for intersection improvements and a four-lane roadway.

4. **Local Assistance:** FHWA Federal Lands Access Program (FLAP)

FLAP funds projects providing access to, are adjacent to, or are located within Federal Lands on facilities maintained or owned by a state, county, local or tribal government. Projects near high-use Federal recreation sites or Federal economic generators receive priority. **Deadline: May 27, 2021**
<https://highways.dot.gov/federal-lands/programs-access/ca>

Federal Fiscal Year 20/21 Requests for Authorization/Obligation **Past Due:**

Funding Requests for Authorization (RFA) for this federal FY were due January 29, 2021. *Please continue to transmit RFA submittals and minimize delay in obtaining fund authorizations.*

Note the Obligation Authority (OA) funds for redistribution are dwindling faster than in prior years. Make sure that funds are programmed appropriately.

Schedule for California Transportation Commission (CTC) Allocation Requests:

Please review the attached schedule of deadlines to send allocation request packages for California Transportation Commission (CTC) approval during the *June 23-24 CTC meeting*. Caltrans District 11 must receive all documents at least two months prior to the preferred CTC meeting date. *April 23 is the next deadline (for the June 23-24, 2021 CTC meeting).*

February 23, 2021 – Assembly Bill (AB) 1012 Cycle 22 Obligation Plan **Past Due:**

In Imperial County over \$2.5 million from both the Congestion Mitigation and Air Quality (CMAQ) Improvement Program and Regional Surface Transportation Program (RSTP) are subject to reprogramming on November 1, 2021. For any questions, contact Peggy Siu: 916-651-6875.

Under provisions of AB 1012, Regions are required to obligate all federal funds within three years of receiving apportionments. *Annual obligation plans were due to the District 11 Local Assistance Engineer by February 23, 2021.* Please transmit at the earliest opportunity. Linked below is the Assembly Bill (AB) 1012 notification letter for federal apportionment balances from federal FY 2019.

<https://dot.ca.gov/programs/local-assistance/projects/ab1012>

June 30, 2021 – Funds Lapsing – Cooperative Work Agreement (CWA) Notice:

The Cooperative Work Agreement (CWA) process began December 21, 2020. Caltrans provided local agencies with a list of projects funded with budget authority that expires on June 30, 2021.

The CWA is intended to be a two-year extension of project funding availability before lapsing. Visit the Government Code 16304.3 webpage for details using link below.

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=16304.3.&lawCode=GOV

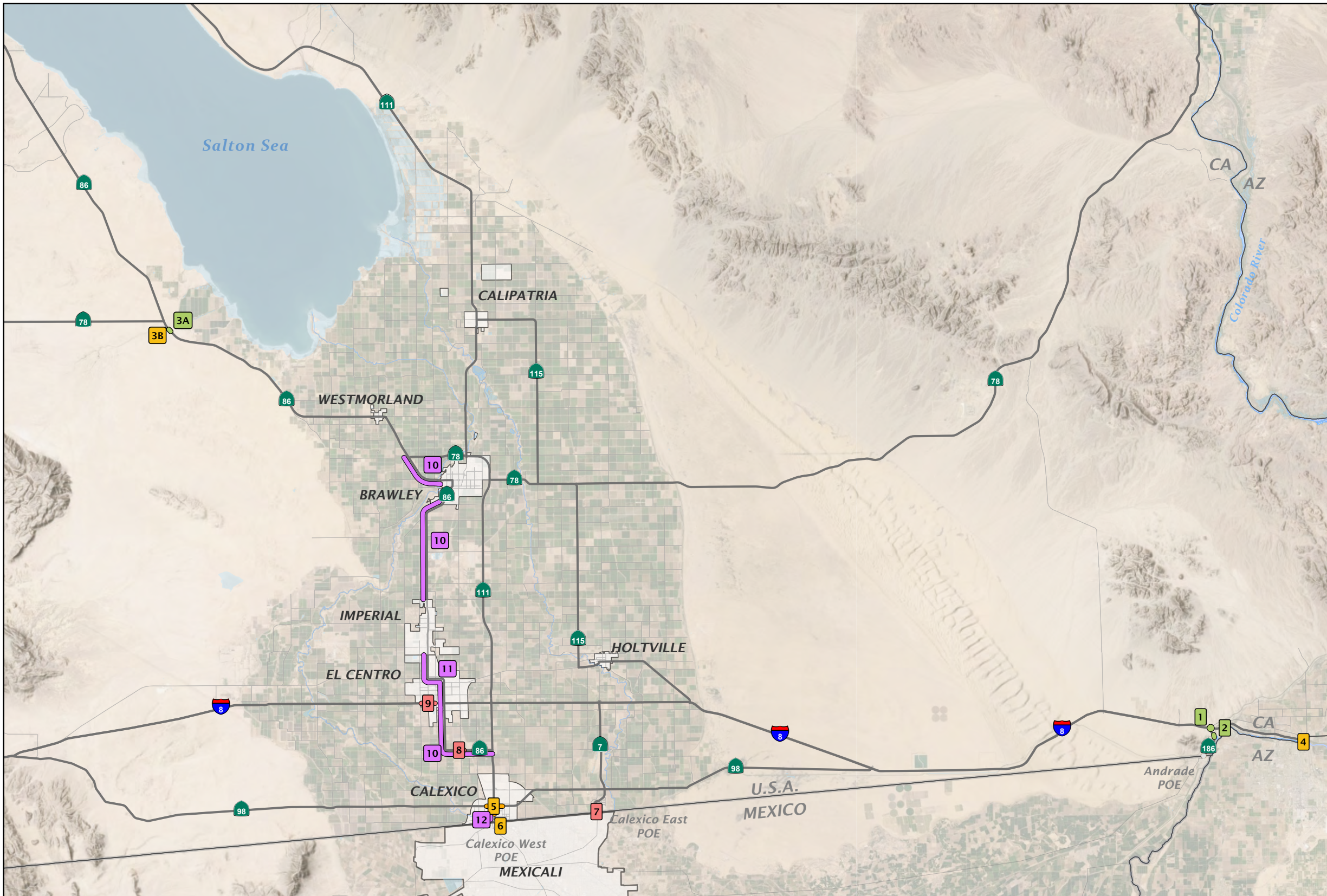
Local agencies unable to submit invoices for the expiring funds to Caltrans District 11 by April 1, 2021, may apply for CWA to avoid lapsing of funds and seek an additional two years of funding availability. Beyond eight years, which includes the two years extended by a CWA, funding may risk reverting to the fund of origin and require local agencies to continue financing projects from local sources only.

If budget authority assigned to a project lapses, the funding is consequently lost. Failure to complete a project may result in local agency repayment of any state or federal funds already reimbursed to the agency for the project.

Please send specific questions to CWA Support – CWASupport@dot.ca.gov

Title VI Nondiscrimination Program

A reminder that local agencies shall comply with all Title VI requirements. See LAPM Section 9.2, Title VI of the Civil Rights Act of 1964 and Related Statutes.



ENVIRONMENTAL

1. SR-186/I-8 Quechan Interchange Improvements*
Complete June 2022
2. SR-186 All-American Canal Bridge
Complete Mar 2023
- 3A. SR-86 USBP Checkpoint Canopy*
Complete June 2022

DESIGN

- 3B. SR-86 USBP Checkpoint Canopy*
Complete Dec 2022
4. I-8 Colorado River Viaduct
Complete April 2021
5. SR-98 Widening Phase 1C Ollie Ave to Rockwood Ave
Complete Feb 2020; Begin Construction Spring 2021
6. SR-111 Pavement Rehabilitation, Border to SR-98
Complete Nov 2020

CONSTRUCTION

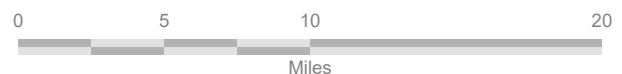
7. Calexico East POE Bridge Widening
Design/Build Begin Mar 2021; Complete June 2023
8. SR-86/Dogwood Road Intersection Improvements County Permit*
Complete Oct 2022
9. I-8/Imperial Ave Interchange Improvements
Open to Traffic May 2022; Complete May 2023

RELINQUISHMENT

10. SR-86 Relinquishment to County of Imperial
Date Estimate 2026
11. SR-86 Relinquishment to City of El Centro
Date Estimate 2026
12. SR-111 Relinquishment from 2nd St to SR-98 to City of Calexico
Date Estimate 2022

* The California Department of Transportation (Caltrans) is a partner in this study/projects, although not the lead agency.

- █ Environmental
- █ Design
- █ Construction
- █ Relinquishment



:Project funded by Senate Bill 1

Abbreviations:

GSA: General Services Administration

57: Port of Entry

Portions of this map contain geographic information copyrighted by the Imperial County GIS program. All rights reserved. The data provided is "as is" without warranty of any kind.

Questions can be directed to (619) 688-6699
ct.public.information.d11@dot.ca.gov

Date: 03/19/2021



**2021 PREPARATION SCHEDULE
CALIFORNIA TRANSPORTATION COMMISSION (CTC) MEETINGS
AGENDA ITEM(S) DUE DATES**

Prepared by:

OFFICE OF CTC LIAISON

DIVISION OF FINANCIAL PROGRAMMING

CALIFORNIA DEPARTMENT OF TRANSPORTATION

As of:

August 2020

<p align="center">2021 California Transportation Commission (CTC) Meeting Schedule</p>	<p align="center">Local Agency Submits Off System Funds Requests, Program Amendments, and Time Extensions to Caltrans Districts</p>	<p align="center">District Submits Off System and On System Requests to HQ Divisions</p>	<p align="center">HQ Divisions Submit Final Off System and On System Requests to Budgets</p>	<p align="center">Final Agenda Language Due From HQ Divisions to Office of CTC Liaison</p>	<p align="center">Final Book Items Due from HQ Divisions to Office of CTC Liaison</p>
<p align="center">Date and Location:</p>	<p align="center">10:00 AM District and CTC</p>	<p align="center">10:00 AM HQ Divisions</p>	<p align="center">5:00 PM Email to Budgets</p>	<p align="center">10:00 AM Email to CTC Liaison OCTCL Email: CTCLiaison@dot.ca.gov</p>	<p align="center">10:00 AM Email to CTC Liaison OCTCL Email: CTCLiaison@dot.ca.gov</p>
Jan 27-28 - Stockton	Mon, Nov 30, 20	Mon, Dec 7, 20	Mon, Dec 14, '20	Fri, Dec 18, '20	Mon, Dec 21, '20
Mar 24-25 - San Diego	Mon, Jan 25, 21	Mon, Feb 1, 21	Mon, Feb 8, '21	Wed, Feb 17, '21	Thu, Feb 18, '21
May 12-13 - San Francisco	Mon, Mar 15, 21	Mon, Mar 22, 21	Mon, Mar 29, '21	Wed, Apr 7, '21	Thu, Apr 8, '21
June 23-24 - Sacramento	Mon, Apr 26, 21	Mon, May 3, 21	Mon, May 10, '21	Wed, May 19, '21	Thu, May 20, '21
Aug 18-19 - Los Angeles	Mon, Jun 21, 21	Mon, Jun 28, 21	Tue, Jul 6, '21	Wed, Jul 14, '21	Thu, Jul 15, '21
Oct 13-14 - Baskerfield	Mon, Aug 16, 21	Mon, Aug 23, 21	Mon, Aug 30, '21	Wed, Sep 8, '21	Thu, Sep 9, '21
Dec 8-9 - Riverside	Mon, Oct 11, 21	Mon, Oct 18, 21	Mon, Oct 25, '21	Wed, Nov 3, '21	Thu, Nov 4, '21

* No Scheduled Meeting in: February, April, July, September and November

Moved - July 4 (Observed)

Moved -Christmas

Moved -Christmas

VI. ICTC ACTION CALENDAR

A. CALEXICO EAST PORT OF ENTRY BRIDGE EXPANSION PROJECT CON- TRACT AWARD

1. Authorize the Executive Director to sign the Agreement for Services between ICTC and Hazard Construction Company for the contract price of \$ 19,965,000 effective March 24, 2021.

2. Issuance of Notice to Proceed to Hazard Construction Company upon receipt and verification of required documentation.



1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243-2875
PHONE: (760) 592-4494
FAX: (760) 592-4410

March 21, 2021

ICTC Management Committee
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Calexico East Port of Entry Bridge Expansion Project – Contract Award

Dear Committee Members:

The U.S. Department of Transportation awarded the Imperial County Transportation Commission (ICTC) with a 2018 Better Utilizing Investment to Leverage Development (BUILD) grant in the amount of \$20 million for the Calexico East Port of Entry Bridge Expansion project. The Project will widen the existing Calexico East Port of Entry (POE) Bridge over the All-American Canal at the USA/Mexico Border to facilitate traffic flow to the existing U.S. federal primary inspection booths, and to reduce delays, idling times, and improve air quality emissions.

- The Project will widen the Bridge on its east side to minimize traffic impacts during construction and reduce construction costs.
- The project will add four northbound lanes: two commercial vehicle lanes and two passenger vehicle lanes including an eight-foot shoulder.
- The existing northbound pedestrian walkway will be shifted to the west to facilitate the addition of the two new northbound passenger vehicle lanes.
- The Project will add new concrete barriers and minor modifications to existing landscaping, drainage, signage, and lighting.
- The Project will also complete deferred maintenance improvements to the existing bridge structure.

The project is funded by a \$20 million BUILD award, \$3 million Trade Corridor Enhancement Program (TCEP), Cycle 1, \$7.5 million TCEP, Cycle 2, and Local Transportation Authority 5% Regional Highway Set-Aside funds in the amount of \$1,844,000. The project funds have been and will be used to complete environmental, preliminary engineering, design, construction and construction management costs of the widening of the bridge over the All-American Canal of the Calexico East Port of Entry.

The procurement process consisted of a two-phased approach. The Request for Qualifications (RFQ) was released in May 2020. Three qualified firms responded to the RFQ. The Request for Proposals (RFP) was released September 21, 2020. Only two of the three firms submitted proposals to ICTC.

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

A Best Value Determination process was utilized for the evaluation of the proposals. A Best Value Determination is a Caltrans proposal evaluation process which is comprised of a formal scoring process that factors the project cost resulting in a Best Value Determination. An evaluation team comprised of representatives from Caltrans, General Services Administration (GSA), Imperial Irrigation District (IID) and ICTC participated in the evaluation of the proposals. The evaluation was conducted on February 3, 2021 and cost estimates were opened on February 5, 2021, resulting in the selection of the firm Hazard Construction and their designated Design firm of Mark Thomas Company for a total project cost of \$19,965,000.00.

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. Authorize the Executive Director to sign the Agreement for Services between ICTC and Hazard Construction Company for the Contract Price of \$19,965,000 effective March 24, 2021.
2. Issuance of Notice to Proceed to Hazard Construction Company upon receipt and verification of required documentation.

Sincerely,



MARK BAZA
Executive Director

Attachments



**IMPERIAL COUNTY
TRANSPORTATION COMMISSION**

**DESIGN-BUILD CONTRACT
BOOK 1**

**Calexico East Port of Entry
Bridge Widening**

**FOR DESIGN AND CONSTRUCTION ADJACENT TO
STATE ROUTE 7 IN IMPERIAL COUNTY**

**Off System Facility Located in Imperial County
0.7 Mile South of Route 7 Near the US/Mexico Border**

**ICTC CONTRACT NO. 20-101
11-IMP-007-PM0.0
PROJECT ID: 1118000265**

Federal Aid Project BUILD L-6471 (017)

**RFP Issue Date: September 21, 2020
Proposal Due Date: January 22, 2021**

Final: March 19, 2021

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THIS Design-Build Contract is entered into by and between the Imperial County Transportation Commission (ICTC) through its Executive Director and Hazard Construction Company (Design- Builder), effective as of the last date set forth on the signature page hereto, with reference to the definitions contained in Exhibit A hereto and the following facts:

Recitals

- a) The Calexico East Port of Entry Bridge Widening Project (Project) is located in Imperial County within the Federal Port of Entry on Federal General Services Administration (GSA) property with the U.S. Customs and Border Protection (CBP) as the Site operator. The Site shall remain in full, uninterrupted operations during construction Work. The Project will widen the existing structure of the Calexico East Port of Entry (POE) Bridge over the All-American Canal near the USA/Mexico Border to facilitate flow to the existing inspection booths.
- b) The Project is funded through a U.S. Department of Transportation (DOT) Building Utilizing Investments to Leverage Development (BUILD) Transportation Development Grant. The Trade Corridor Enhancement Program (TCEP) provided funding for the Project Initiation Documents (PID). ICTC is the lead agency as the recipient of the BUILD funds and subsequent agreement approved by the DOT and Federal Highway Administration (FHWA).
- c) Additional governmental agencies who may be consulted regarding the Project development include the California Department of Transportation (Caltrans), the GSA, CBP, U.S. Bureau of Reclamation (USBR), and the Imperial Irrigation District (IID). ICTC will lead the selection process. Caltrans may be involved in various roles during the procurement and Project delivery process, as requested by ICTC, including procurement advisory support, design and construction reviews and Site inspection during construction, as appropriate. Other stakeholder agencies may have a purely consulting role. ICTC will provide additional information to the Proposers as these agency roles are identified and confirmed.
- d) California Public Contract Code, Chapter 6.5 [Transportation Design-Build Program 6820 - 6829] allows a regional transportation agency such as ICTC to utilize the design-build method to design and construct projects on or adjacent to the State Highway System, including related non-highway portions of the Project, and enter into a Cooperative Agreement with Caltrans for a Project on or interfacing with the State Highway System. California Streets and Highways Code Section 307 provides that State Route 7 is from the northerly boundary of the Federal Port of Entry near Calexico to Route 8 near El Centro. Through Cooperative Agreement, ICTC collaborated with Caltrans to complete the Project Approval and Environmental Document (PAED).
- e) The parties intend for the Contract to be a lump-sum design-build contract obligating Design-Builder to perform all Work necessary to complete the Project by the deadlines specified herein, for the Contract Price, subject only to certain specified limited exceptions. To allow ICTC to budget for the Project and to reduce the risk of cost overruns, the Contract includes restrictions affecting Design-Builder's ability to make claims for an increase to the Contract Price or an extension of the Completion Deadlines. Design-Builder has agreed in the Contract to assume such responsibilities and risks and has reflected the assumption of such responsibilities and risks in the Contract Price.
- f) If Design-Builder fails to complete the Project within the time limitations set forth in the Contract Documents, then ICTC and the public will suffer substantial losses and damages. The Contract Documents therefore provide that Design-Builder shall pay ICTC substantial Liquidated Damages if such completion is delayed.

- g) ICTC has provided certain documents to Design-Builder for the purpose of defining certain aspects of the Project, including the Preliminary Engineering Drawings establishing the Basic Configuration presented in the Approved Project Report and its Attachments. ICTC has also provided Reference Information Documents (RID) to Design-Builder. To the extent Design-Builder incurs time or cost impacts as a result of Errors in the RID, Preliminary Engineering Drawings or Basic Configuration that are material and not discovered by Design-Builder and not reasonably capable of being discovered through the exercise of due diligence (Latent Material Errors), then Design-Builder shall be entitled to a Change Order in accordance with Section 13. With the exception of such Latent Material Errors, ICTC and Design-Builder both intend for Design-Builder to assume full responsibility and liability with respect to the design of the Project, including correction of any other Errors in the Basic Configuration or RID, and ICTC and Design-Builder both intend for Design-Builder to indemnify and hold harmless ICTC and others with respect to any defects in the Project which may relate to such Errors (but not Latent Material Errors) in the Basic Configuration or RID.
- h) Design-Builder shall have the burden of proof with respect to establishing an Error to constitute a Latent Material Error. Evidence shall be in a form and amount reasonably acceptable to ICTC and shall be sufficiently detailed to show clearly that there was an Error in the reference documents which was material, not discovered by Design-Builder, and not reasonably capable of being discovered through the exercise of due diligence.

NOW, THEREFORE, in consideration of the sums to be paid to Design-Builder by ICTC, the foregoing premises and the covenants and agreements set forth herein, the parties hereto hereby agree as follows.

1. CONTRACT COMPONENTS; INTERPRETATION OF CONTRACT DOCUMENTS

1.1 Certain Definitions

Exhibit A hereto contains the meaning of various terms used in the Contract Documents.

1.2 Contract Documents

The term “Contract Documents” shall mean the documents listed in Section 1.3, including all exhibits thereto.

1.3 Order of Precedence

Each of the Contract Documents is an essential part of the Contract, and a requirement occurring in one is as binding as though occurring in all. The Contract Documents are intended to be complementary and to describe and provide for a complete Contract. In the event of any conflict among the Contract Documents, the order of precedence, from highest to lowest, shall be as set forth below:

1. Amendments, including Change Orders, to Book 1 (Design-Build Contract), as executed by ICTC and Design-Builder.
2. Book 1 (Design-Build Contract), as executed by ICTC and Design-Builder.
3. Amendments, including Change Orders, to Book 2 (Project Requirements).
4. Book 2 (Project Requirements), except that Book 2 (Project Requirements) Exhibits have a lower order of precedence as noted below.
5. Book 2 (Project Requirements) Exhibits.
6. Amendments, including Change Orders, to Book 3 (Applicable Standards).
7. Book 3 (Applicable Standards).
8. The Proposal, except if the Proposal includes statements that can reasonably be interpreted as offers to provide higher quality items than otherwise required by the Contract Documents or to perform services in addition to those otherwise required, or otherwise contains terms that are more advantageous to ICTC than the requirements of the Contract Documents, as determined by ICTC, Design-Builder’s obligations hereunder shall include compliance with all such statements, offers and terms.

Notwithstanding the foregoing, in the event of conflicting requirements involving any requirement established by reference contained in the Contract Documents, ICTC shall have the right to determine, in its sole discretion, which requirement applies. Design-Builder shall request ICTC’s determination in writing respecting the order of precedence among conflicting provisions promptly upon becoming aware of any such conflict.

1.4 Interpretations

In the Contract Documents, where appropriate:

- a) The singular includes the plural and vice versa.
- b) References to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation referred to.
- c) The words “including,” “included,” “includes,” and “include” are deemed to be followed by the words “without limitation.”
- d) Unless the context requires otherwise, in phrases involving performance by a Person, the word “shall” indicates a requirement imposed on the Person.
- e) Unless otherwise indicated, references to sections, appendices and exhibits are to the document which contains such references.
- f) Words such as “herein,” “hereof,” and “hereunder” refer to the entire document in which they are contained and not to any particular provision or section.
- g) Words not otherwise defined that have well-known technical or construction industry meanings are used in accordance with such recognized meanings.
- h) References to Persons include their respective permitted successors and assigns and, in the case of Governmental Persons, Persons succeeding to their respective functions and capacities.
- i) Words of any gender used herein include each other gender where appropriate.
- j) All references to law are California Law unless otherwise specified.

References to “engineer” or “Engineer” in the Contract Documents may mean Design-Builder’s Engineer or it may mean an ICTC representative, depending on the context, as determined by ICTC, in its sole discretion.

Unless otherwise specified, lists contained in the Contract Documents defining the Project or the Work shall not be deemed all-inclusive.

Design-Builder acknowledges and agrees that it has independently reviewed the Contract Documents with legal counsel, and that it has the requisite experience and sophistication to understand, interpret and agree to the particular language of the Contract Documents. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of the Contract Documents, the Contract Documents shall not be construed against the Person who prepared them, and instead other rules of interpretation shall be used. ICTC’s final answers to the questions posed during the proposal process for the Contract shall in no event be deemed part of the Contract Documents and shall not be relevant in interpreting the Contract Documents except as they may clarify provisions otherwise considered ambiguous.

1.5 Referenced Standards and Specifications

Except as otherwise specified in the Contract Documents or otherwise directed by ICTC, Work specified by the number, symbol, or title of any standard established by reference to a described publication affecting any portion of the Project shall comply with the latest edition or revision thereof and amendments and supplements thereto in effect as of the Request for Proposals (RFP) issue Date unless modified by Addendum or Change Order.

1.6 Omission of Details; Clarification by ICTC

Design-Builder shall not take advantage of any apparent Error in the Contract. Should it appear that the Work to be done or any matter relative thereto is not sufficiently detailed or explained in the Contract Documents, Design-Builder shall apply to ICTC in writing for such further written explanations as may be necessary and shall conform to the explanation provided. Design-Builder shall promptly notify ICTC of all Errors which it may discover in the Contract Documents and shall obtain specific instructions in writing regarding any such Error before proceeding with the Work affected thereby. The fact that the Contract Documents omit or misdescribe any details of any Work which are necessary to carry out the intent of the Contract Documents, or which are customarily performed under similar circumstances, shall not relieve Design-Builder from performing such omitted Work or misdescribed details of the Work, and they shall be performed as if fully and correctly set forth and described in the Contract Documents, without entitlement to a Change Order hereunder except as specifically allowed under Section 13.

1.7 Computation of Periods

References to “days” or “Days” contained in the Contract Documents shall mean Working Days unless otherwise specified, provided that if the date to perform any act or give any notice specified in the Contract Documents (including the last date for performance or provision of notice “within” a specified time period) falls on a non-Working Day, such act or notice may be timely performed on the next succeeding day which is a Working Day. Notwithstanding the foregoing, requirements contained in the Contract Documents relating to actions to be taken in the event of an emergency, requirements contained in Section 5.3, and any other requirements for which it is clear that performance is intended to occur on a non-Working Day, shall be required to be performed as specified, even though the date in question may fall on a non-Working Day.

1.8 Standard for Approvals

In all cases where approvals, acceptances, or consents are required to be provided by ICTC or Design-Builder hereunder, such approvals, acceptances, or consents shall not be withheld unreasonably except in cases where a different standard (such as sole discretion) is specified and shall not be unreasonably delayed if no response time is specified. In cases where sole discretion is specified, the decision shall not be subject to dispute resolution or other legal challenge; provided, however, the issue of whether the decision was arbitrary or capricious shall be subject to dispute resolution hereunder.

1.9 Federal Requirements

The Work to be performed under the Contract will be financed in part with federal funds and is therefore subject to federal statutes, rules and regulations applicable to work financed with federal funds, including the requirements set forth in Exhibit D and payment of Federal Prevailing Wages provided in Exhibit E. Notwithstanding anything to the contrary contained herein, in the event of any conflict between any Federal Requirement and the other requirements of the Contract Documents, the Federal Requirements shall prevail, take precedence and be in force over and against any such conflicting provisions.

2. OBLIGATIONS OF DESIGN-BUILDER

2.1 Performance Requirements

2.1.1 Performance of Work

All materials, services and efforts necessary to achieve Substantial Completion and Final Acceptance on or before the applicable Completion Deadline shall be Design-Builder's sole responsibility, except as otherwise specifically provided in the Contract Documents. Subject to the terms of Section 13, the costs of all such materials, services and efforts are included in the Contract Price.

2.1.2 Performance Standards

Design-Builder shall furnish the design of the Project and shall construct the Project as designed, in accordance with all professional engineering and architectural principles and construction practices generally accepted as standards of the industry in the State (but at least meeting the requirements of the Contract Documents), in a good and workmanlike manner, free from construction defects except to the extent that such defects are inherent in prescriptive specifications included in the Contract Documents unless (a) Design-Builder has actual or constructive knowledge of such defects, and (b) Design-Builder fails to request a change thereto by ICTC, and in accordance with the terms and conditions set forth in the Contract Documents.

2.1.3 Performance as Directed

At all times during the term hereof, including during the course of, and notwithstanding the existence of, any dispute, Design-Builder shall perform as directed by ICTC in a diligent manner and without delay, shall abide by ICTC's decision or order, and shall comply with all applicable provisions of the Contract Documents. If a dispute arises regarding such performance or direction, the dispute shall be resolved in accordance with Section 19.

2.2 General Obligations of Design-Builder

Design-Builder, in addition to performing all other requirements of the Contract Documents, shall:

- a) Furnish all design and other services, provide all materials and labor and undertake all efforts necessary or appropriate (excluding only those services, materials and efforts which the Contract Documents specify will be undertaken by other Persons):
 - i. To construct the Project and maintain it during construction in accordance with the requirements of the Contract Documents, all Governmental Rules, all Governmental Approvals, and all other applicable safety, security, environmental, licensing and other requirements, taking into account the Site right of way and other constraints affecting the Project, so as to achieve, Substantial Completion and Final Acceptance by the applicable Completion Deadlines.
 - ii. Otherwise to do everything required by and in accordance with the Contract Documents.
- b) At all times provide the Project Manager, Approved by ICTC, who will
 - i. Have full responsibility for the prosecution of the Work.
 - ii. Act as agent and be a single point of contact in all matters on behalf of Design-Builder.

- iii. Be present (or its Approved designee will be present) at the Site at all times that Work is performed.
 - iv. Have authority to bind Design-Builder on all matters relating to the Project.
- c) Obtain all Governmental Approvals (other than the Environmental Approvals and certain New Environmental Approvals as provided in Section 6.3).
- d) Comply with all conditions imposed by and undertake all actions required by and all actions necessary to maintain in full force and effect all Governmental Approvals, including implementation of all environmental commitments (including avoidance, minimization, and/or mitigation measures) required by the Contract Documents, except to the extent that such responsibility is expressly assigned in the Contract Documents to another Person.
- e) Provide such assistance as is reasonably requested by ICTC in dealing with any Person and/or in prosecuting and defending lawsuits in any and all matters relating to, or arising out of the Project, which may include providing information and reports regarding the Project, executing declarations and attending meetings and hearings, maintain insurance in compliance with Contract requirements; indemnify, hold harmless, and defend ICTC in compliance with Contract requirements.
- f) Comply with all requirements of all Governmental Rules, including:
 - i. The Environmental Laws, including all environmental mitigation and monitoring measures required for the Project, including those set forth in Book 2, Section 7, “Environmental Compliance,” and requirements regarding the handling, generation, treatment, storage, transportation, and disposal of Hazardous Materials.
 - ii. The Americans with Disabilities Act of 1990 (ADA), 42 USC § 12101 et seq., including any amendments, and all applicable regulations and guidelines.
 - iii. The Federal Requirements.
- g) Comply with the Quality Manual requirements in Book 2, Section 5, “Quality Program.”
- h) Cooperate with ICTC and Governmental Persons with jurisdiction over the Project in the review and oversight of the Project and other matters relating to the Work.
- i) Supervise and be responsible to ICTC for acts and omissions of all Design-Builder-Related Entities, as though all such Persons were directly employed by Design-Builder.
- j) Mitigate delay to the Project and mitigate damages due to delay to the extent possible, including by resequencing, reallocating, or redeploying Design-Builder’s forces to other Work, as appropriate.
- k) Pay all applicable federal, State and local sales, consumer, use and similar taxes, property taxes and any other taxes, fees, charges or levies imposed by a Governmental Person, whether direct or indirect, relating to, or incurred in connection with, the performance of the Work.
- l) Comply with all Design-Builder related requirements of the Project Oversight Agreement between the Federal Highway Administration (FHWA), the California Department of Transportation (Caltrans), and the Imperial County Transportation Commission, Exhibit O. ICTC obligations do not pass through to the Design-Builder unless specifically noted in the Exhibit.
- m) Comply with all Design-Builder related requirements of the Grant Agreement Under the Consolidated Appropriations Act, 2018 for the National Infrastructure Investments Discretionary

Grant Program, Exhibit P. ICTC obligations do not pass through to the Design-Builder unless specifically noted in the Exhibit.

- n) Comply with all Design-Builder related requirements of the Donation Acceptance Agreement by and Between the United States of America, Acting by and through the U.S. General Services Administration, Public Building Service and the Imperial County Transportation Commission, Exhibit Q. ICTC obligations do not pass through to the Design-Builder unless specifically noted in the Exhibit.

2.3 Representations, Warranties, and Covenants

Design-Builder represents, warrants, and covenants for the benefit of ICTC as follows:

2.3.1 Maintenance of Professional Qualifications

Design-Builder and its design Subcontractor(s) have maintained, and throughout the term of the Contract and its design Subcontract(s) shall maintain, all required authority, license status, professional ability, skills and capacity to perform the Work, and shall perform them in accordance with the requirements of the Contract Documents.

2.3.2 Evaluation of Constraints

Design-Builder has evaluated the constraints affecting delivery of the Project, including the Site right of way, Approved Project Report and its Attachments, Reference Information Documents, Basic Configuration, the conditions of the Environmental Approvals, and has reasonable grounds for believing and does believe that the Project can be delivered within such constraints.

2.3.3 Feasibility of Performance

Design-Builder has evaluated the feasibility of performing the Work within the time specified herein and for the Contract Price and has reasonable grounds for believing and does believe that such performance (including achievement of Substantial Completion and Final Acceptance by the applicable Completion Deadlines, for the Contract Price) is feasible and practicable.

2.3.4 Review of Site Information

Design-Builder has, prior to submitting its Proposal, in accordance with prudent and generally accepted engineering and construction practices, reviewed the preliminary boring logs provided by ICTC in the RFP and undertaken appropriate activities sufficient to familiarize itself with surface conditions and subsurface conditions discernible from the surface affecting the Project, to the extent Design-Builder deemed necessary or advisable for submittal of a Proposal. Said activities have included inspection and examination of the Site and surrounding locations, to the extent possible. Based on its review, inspection, examination and other activities, Design-Builder is familiar with and accepts the physical requirements of the Work, subject to the right to receive a Change Order for Differing Site Conditions as specified herein. Before commencing any Work on a particular aspect of the Project, Design-Builder shall confirm all governing dimensions and conditions at the Site and shall examine all adjoining work which may have an impact on such Work. Design-Builder shall be responsible for ensuring that the Design Documents and Construction Documents accurately depict all governing and adjoining dimensions and conditions.

2.3.5 Governmental Approvals

Design-Builder has no reason to believe that any Governmental Approval required to be obtained by Design-Builder will not be granted in due course and thereafter remain in effect so as to enable the Work to proceed in accordance with the Contract Documents. If any Governmental Approvals required to be obtained by Design-Builder must formally be issued in the name of ICTC, Design-Builder shall undertake all efforts to obtain such approvals, subject to ICTC's reasonable cooperation with Design-Builder, including execution and delivery of appropriate applications and other documentation in a form Approved by ICTC. Design-Builder shall assist ICTC in obtaining any Governmental Approvals which ICTC may be obligated to obtain, including providing information requested by ICTC and participating in meetings regarding such approvals.

2.3.6 Progression of Work

Design-Builder shall at all times schedule and direct its Work to provide an orderly progression of the Work to achieve Substantial Completion and Final Acceptance by the applicable Completion Deadlines and in accordance with the Project Schedule, including furnishing such employees, materials, facilities and equipment and working such hours (including extra shifts and overtime operations) as may be necessary to achieve such goals, all at Design-Builder's own expense, except as otherwise specifically provided in Section 13.

2.3.7 Design and Engineering Personnel

All design and engineering Work furnished by Design-Builder shall be performed by or under the supervision of Persons licensed to practice architecture, engineering or surveying (as applicable) in the State, and by personnel who are careful, skilled, experienced and competent in their respective trades or professions, who are professionally qualified to perform the Work in accordance with the Contract Documents, and who shall assume professional responsibility for the accuracy and completeness of the Design Documents and Construction Documents prepared or checked by them.

2.3.8 Organization

Design-Builder is a company duly organized and validly existing under the laws of the State of California, with all requisite power to own its properties and assets and carry on its business as now conducted or proposed to be conducted. Design-Builder is duly qualified to do business, and is in good standing, in the State, and shall remain in good standing throughout the term of the Contract and for as long thereafter as any obligations remain outstanding under the Contract Documents.

2.3.9 Authorization

The execution, delivery, and performance of the Contract have been duly authorized by all necessary actions of Design-Builder, and, if applicable, Design-Builder's members, and shall not result in a breach or a default under the organizational documents of any such Person or any indenture, loan, credit agreement, or other material agreement or instrument to which any such Person or any Guarantor is a party or by which their properties and assets may be bound or affected.

2.3.10 Legal, Valid, and Binding Obligation

The Contract constitutes the legal, valid, and binding obligation of Design-Builder and, if applicable, of each member of Design-Builder, enforceable in accordance with its terms.

2.3.11 False or Fraudulent Statements and Claims

Design-Builder recognizes that the requirements of the Program Fraud Civil Remedies Act of 1986, as amended, 31 USC § 3801 et seq. and the USDOT regulations, “Program Fraud Civil Remedies,” 49 C.F.R. Part 31, apply to its actions hereunder. Accordingly, by signing the Contract, Design-Builder certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, or it may make pertaining to the Contract. In addition to other penalties that may be applicable, Design-Builder also acknowledges that if it makes a false, fictitious, or fraudulent claim, statement, submission, or certification, the federal government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, on Design-Builder to the extent the federal government deems appropriate. Design-Builder also recognizes that the California False Claims Act (Government Code §12650 et seq) apply to its action hereunder.

2.4 Design Requirements

2.4.1 Required Approval

Approval by ICTC is required before commencing any Work that would necessitate a modification in the Basic Configuration, regardless of whether the modification is required by a Governmental Approval, is desired by Design-Builder for its benefit or for any other reason. Design-Builder acknowledges and agrees that constraints set forth in the Contract Documents, as well as Site conditions, environmental footprint, the Site right of way and the requirement to obtain Approval, will impact Design-Builder’s ability to revise the Basic Configuration. ICTC commits to work in good faith with Design-Builder on all reasonable modifications and will not unreasonably withhold Approval of modifications.

2.4.2 Design Review Process; Compliance with Design

2.4.2.1 Design Review Process

Design-Builder shall furnish the Released for Construction Documents and other Design Documents to ICTC in accordance with Book 2, Section 5, “Quality Program”. Design-Builder shall obtain ICTC’s Approval of the Released for Construction Documents in accordance with Book 2, Section 5, “Quality Program,” and, if required, shall obtain ICTC’s acceptance or Approval of the other Design Documents (as applicable) in accordance with Book 2. ICTC shall have the right to review and comment on all Released for Construction Documents and other Design Documents for compliance with the requirements of the Contract Documents in accordance with Book 2, Section 5, “Quality Program”. ICTC shall complete its review and provide all of its comments, if any, with respect to any individual Released for Construction Document or other Design Document within fifteen (15) Days of receipt or such earlier time as is required to not delay Design-Builder in the finalization of the design or the commencement or performance of the Work, and any failure to do so shall be considered an ICTC-Caused Delay. Design-Builder shall notify ICTC in writing within fourteen (14) Days after receipt of any such comments if Design-Builder believes incorporation of the comments would cause the Released for Construction Documents, other Design Documents or any Contract Documents to contain Errors in any respect or which would otherwise adversely affect in any manner the design or construction of the Project or the Project Schedule, and ICTC shall have the right to modify its

comments. Any failure of Design-Builder to so notify ICTC shall constitute Design-Builder's full acceptance of all responsibility for changes made to the Released for Construction Documents and other Design Documents in response to such ICTC comments and will be treated for all purposes hereunder as if Design-Builder had initiated such changes. Within fourteen (14) Days of receipt of comments (including modifications to previous comments) or such longer period as may be allowed by ICTC, Design-Builder shall revise and modify all such documents or materials so as to fully reflect all such comments.

2.4.2.2 Design Reviews Required by Third Parties

Design-Builder, in coordination with ICTC, shall be responsible for giving and obtaining all design reviews required by Utility Owners, Governmental Persons, and any other Persons other than ICTC, as applicable.

2.4.2.3 Compliance with Contract Documents and Design

Design-Builder shall deliver the Project in accordance with and otherwise meet the requirements of the Contract Documents and Design Documents. To the extent of any conflicts between the Contract Documents and the Design Documents, the Contract Documents shall have precedence over the Design Documents.

2.4.3 Ownership of Design

Released for Construction Documents and other Design Documents become ICTC's property upon preparation and payment by ICTC of all sums due under the Contract Documents. Other documents prepared or obtained by Design-Builder in connection with the performance of its obligations under the Contract, including Construction Documents, studies, manuals, As-Built Documents, calculations, technical and other reports and the like, become ICTC's property upon Design-Builder's preparation or receipt thereof and payment by ICTC of all sums due under the Contract Documents.

2.5 Alternative Technical Concepts

Alternative Technical Concepts (ATCs) were not allowed during the Proposal phase.

2.5.1 Reserved

2.5.2 Reserved

2.5.3 Reserved

3. INFORMATION SUPPLIED TO DESIGN-BUILDER; RESPONSIBILITY FOR DESIGN; DISCLAIMER

3.1 Information Supplied

ICTC has made available to Design-Builder information which is described in the Contract Documents and certain Reference Information Documents (RID) regarding the Project and has allowed Design-Builder access to the Site for purposes of inspection and testing.

3.2 Responsibility for Design

Design-Builder agrees that it has full responsibility for the design of the Project and that Design-Builder shall furnish the design of the Project, regardless of the fact that certain conceptual design work occurred and was provided to Design-Builder before the date of execution of the Contract. Design-Builder specifically acknowledges and agrees that:

- a) The Basic Configuration based on the Approved Project Report and its Attachments is preliminary and conceptual in nature.
- b) Design-Builder is not entitled to rely on and has not relied on (i) the RID or (ii) any other documents or information provided by ICTC, except to the extent specifically permitted in the Contract Documents (including, without limitation, Recital g) of this Contract).
- c) Design-Builder is responsible for correcting any Errors (but not Latent Material Errors) in the Basic Configuration through the design and/or construction process as set forth in Book 2 without any increase in the Contract Price or extension of a Completion Deadline.
- d) Design-Builder's Warranties and indemnities hereunder cover Errors in the Project even though they may be related to Errors (but not Latent Material Errors) in the Basic Configuration or RID.

3.3 Reliance of Specified RID Information

3.3.1 No Other Liability Regarding RID

Design-Builder understands and agrees that ICTC shall not be responsible or liable in any respect for any loss, damage, injury, liability, cost or cause of action whatsoever suffered by any Design-Builder-Related Entity by reason of any use of any information contained in the RID or any action or forbearance in reliance thereon, except for Latent Material Errors in the RID and except to the extent that ICTC has specifically agreed herein that Design-Builder shall be entitled to an increase in the Contract Price and/or extension of a Completion Deadline with respect to such matter. Design-Builder further acknowledges and agrees that:

- a) If and to the extent Design-Builder or anyone on Design-Builder's behalf uses any of said information in any way, such use is made on the basis that Design-Builder, not ICTC, has approved and is responsible for said information.
- b) Design-Builder is capable of conducting and obligated hereunder to conduct any and all studies, analyses and investigations as it deems advisable to confirm or supplement said information, and that any use of said information is entirely at Design-Builder's own risk and at its own discretion.

3.3.2 No Representation or Warranty Regarding Basic Configuration and RID

ICTC DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED IN THE BASIC CONFIGURATION AND RID IS EITHER COMPLETE OR ACCURATE OR THAT SUCH INFORMATION CONFORMS WITH THE REQUIREMENTS OF THE CONTRACT DOCUMENTS. NOTWITHSTANDING THE FOREGOING, ICTC IS NOT AWARE OF ANY ERRORS IN THE BASIC CONFIGURATION OR RID, AND ACKNOWLEDGES THAT DESIGN-BUILDER HAS USED THE BASIC CONFIGURATION AND RID, AMONG OTHER ITEMS, TO PREPARE ITS BID. THE FOREGOING SHALL IN NO WAY AFFECT ICTC'S AGREEMENT HEREIN TO ISSUE CHANGE ORDERS IN ACCORDANCE WITH SECTION 13, INCLUDING, WITHOUT LIMITATION, CHANGE ORDERS FOR TIME AND/OR COST IMPACTS CAUSED BY LATENT MATERIAL ERRORS IN THE BASIC CONFIGURATION AND/OR RID.

3.4 Professional Licensing Laws

ICTC does not intend to contract for, pay for, or receive any design services which are in violation of any professional licensing laws, and by execution of the Contract, Design-Builder acknowledges that ICTC has no such intent. It is the intent of the parties that Design-Builder is fully responsible for furnishing the design of the Project, although the fully licensed design firm(s) or individuals designated herein will perform the design services required by the Contract Documents. Any references in the Contract Documents to Design-Builder's responsibilities or obligations to "perform" the design portions of the Work shall be deemed to mean that Design-Builder shall "furnish" the design for the Project. The terms and provisions of this Section 3.4 shall control and supersede every other provision of the Contract Documents with respect to this issue.

4. TIME WITHIN WHICH PROJECT SHALL BE COMPLETED; SCHEDULING

4.1 Time of Essence

Time is of the essence for this Contract.

4.2 Notices to Proceed

4.2.1 Issuance of NTP1

Design-Builder shall begin performance of certain limited Work as directed and described in NTP1 issued by ICTC. Limited Work includes design Work and may include non-permanent construction, if specifically authorized in writing by ICTC, such as tree removal, clearing and grubbing, utility coordination, soil borings, and temporary construction. ICTC anticipates that it will issue NTP1 within fourteen (14) Days after all the following requirements have been fully satisfied with respect to the Work proposed to be performed:

- a) Design-Builder has notified ICTC in writing of the Work to be performed and has received ICTC Approval, which may require Released for Construction Documents with ICTC Approval.
- b) All insurance policies and bonds required to be delivered to ICTC as set forth in Section 9 of the Contract have been received and Approved by ICTC and remain in full force and effect before the start of the Project.
- c) Design-Builder has submitted for ICTC Approval a Preliminary Schedule in accordance with Book 2, Section 4, "Project Schedule Management."
- d) Approval of the Design Quality Management Plan and Document Management Plan in accordance with Book 2, Section 5, "Quality Program."
- e) Acceptance of DBE Performance Plan in accordance with Exhibit E.
- f) All Governmental Approvals necessary for construction of such portion of the Project have been obtained and all conditions of such Governmental Approvals that are a prerequisite to start of such construction have been performed.
- g) All necessary rights of access for such portion of the Project have been obtained.

4.2.2 Issuance of NTP2

Design-Builder shall begin performance of the remainder of the Work as directed and described in NTP2 issued by ICTC. ICTC anticipates that it will issue NTP2 within fourteen (14) Days after the occurrence of all of the following requirements have been fully satisfied:

- a) Approval of the Baseline Schedule in accordance with Book 2, Section 4, "Project Schedule Management."
- b) Approval of the entire Quality Manual in accordance with Book 2, Section 5, "Quality Program."

- c) Approval of the Environmental Management Plan in accordance with Book 2, Section 7, “Environmental Compliance.”
- d) Approval of the Transportation Management Memorandum in accordance with Book 2, Section 25, “Maintenance of Traffic.”
- e) Design-Builder has obtained Approval of the Storm Water Pollution Prevention Plan (SWPPP).
- f) Design-Builder has submitted a Utility Tracking Report.
- g) Approval of the Visual Quality Management Memorandum in accordance with Book 2, Section 15, “Visual Quality Management.”
- h) Design-Builder has submitted Original Payment Breakdown in Book 2, Section 2.2.3.3 “Original Payment Breakdown.”
- i) Approval of the Maintenance Management Plan.

4.3 Completion Deadlines

4.3.1 Reserved

4.3.2 Substantial Completion Deadline

Design-Builder shall achieve Substantial Completion not to exceed four hundred sixty (460) Working Days after issuance of NTP1. Said deadline for Substantial Completion, is referred to herein as the “Substantial Completion Deadline.”

4.3.3 Final Acceptance Deadline

Design-Builder shall achieve Final Acceptance within forty five (45) Working Days following Substantial Completion. See Section 10.2.2 for Highway Planting Establishment requirements and Section 11.3 on Limitations on Payment. Said deadline for Final Acceptance, as it may be extended hereunder, is at ICTC’s sole discretion and is referred to herein as the “Final Acceptance Deadline.”

4.3.4 No Time Extensions

Except as otherwise specifically provided in Section 13, ICTC shall have no obligation to extend any Completion Deadline and Design-Builder shall not be relieved of its obligation to comply with the Project Schedule and achieve Substantial Completion and Final Acceptance by the applicable Completion Deadlines for any reason.

4.4 Project Schedule

Design-Builder shall deliver the Project, including planning, design, construction, management, development, and completion in accordance with the Project Schedule, as described in Book 2, Section 4, “Project Schedule Management.” Such schedule shall also be the basis for determining the amount of monthly progress payments to be made to Design-Builder.

4.5 Prerequisites for Start of Construction

Design-Builder shall not start construction (or recommence construction following any suspension) of any portion of the Project, except Work specifically authorized under NTP1, until all the following events have been fully satisfied with respect to the Work proposed to be constructed:

- a) ICTC has issued a Notice to Proceed authorizing such Work.
- b) All requirements of the Quality Manual that are a condition to construction have been met.
- c) Design-Builder has furnished the Released for Construction Documents to ICTC and has received ICTC's Approval thereof in accordance with Book 2, Section 5, "Quality Program," relating to such portion of the Project, unless waived in writing by ICTC.
- d) All Governmental Approvals necessary for construction of such portion of the Project have been obtained and all conditions of such Governmental Approvals or the application to the Governmental Persons which allow construction to proceed during the application process, that are a prerequisite to start of such construction have been performed.
- e) All insurance policies and bonds required to be delivered to ICTC hereunder have been received and Approved by ICTC as applicable and remain in full force and effect.
- f) All necessary rights of access for such portion of the Project have been obtained.
- g) ICTC has Approved the Design Builder's Safety and Security Program.
- h) Any additional conditions for construction set forth in the Contract Documents.

5. CONTROL OF WORK

5.1 Control and Coordination of Work

Design-Builder shall be solely responsible for and have control over the construction means, methods, techniques, sequences, procedures, public safety and Site safety and security, and shall be solely responsible for coordinating all portions of the Work under the Contract Documents, subject, however, to all requirements contained in the Contract Documents.

5.2 Safety and Security

Design-Builder shall take all reasonable precautions to prevent damage, injury, or loss to, all Persons on the Site or who would reasonably be expected to be affected by the Work, including individuals performing Work, employees of ICTC and its consultants, visitors to the Site, GSA and CBP employees working at the Site, traffic, and the public who may be affected by the Work. Design-Builder shall at all times comply with the Safety and Security Management Plan as defined in Book 2, Section 2.4.2.1 “Design-Builder Safety and Security Management Plan” including those GSA and CBP Site safety and security requirements. Design-Builder shall immediately notify ICTC if Design-Builder believes that any Contract requirement creates a safety or security risk. By so doing, Design-builder is not relieved of responsibility for safety or security on the Site. Should ICTC point out to Design-Builder a perceived safety hazard or security risk or lack of adequate warning devices and protective measures, that action by ICTC shall not relieve Design-Builder from responsibility for public safety and Site security. Conformance by Design-Builder with the Safety and Security Management Plan or any other safety and security provisions in this Contract shall not relieve Design-Builder of its responsibility for safety and security on the Site.

5.3 Process to be Followed for Discovery of Certain Site Conditions

5.3.1 Notification to ICTC

5.3.1.1 Discovery of Certain Site Conditions

As a condition precedent to Design-Builder’s right to a Change Order, Design-Builder shall immediately notify ICTC via telephone or in person, to be followed immediately by written notification, if Design-Builder becomes aware of any of the following that were not previously identified in the Contract Documents: (a) any on-Site material that Design-Builder believes may contain Hazardous Materials that is required to be removed or treated, (b) any archeological, paleontological, cultural, or biological resources, or (c) any Differing Site Conditions. For situations falling under the scope of clause (a), Design-Builder’s written notice shall specify (i) whether the potential Hazardous Material is HM-1 or HM-2 and (ii) whether the potential Hazardous Material is located with ICTC’s existing right of way. Upon any such discovery, Design-Builder shall immediately stop Work in the affected area and secure the affected area pending receipt of direction from ICTC. Design-Builder shall not move or take from the Site any archeological, paleontological, cultural, or biological resources. ICTC will view the location within two (2) Working Days of receipt of such notification and will advise Design-Builder at that time whether Work can be resumed or whether further investigation is required. Any delay resulting from the conditions described in this Section 5.3.1.1 or from ICTC viewing the location up to two (2) Working Days shall not be considered an ICTC-Caused Delay.

5.3.1.2 Identified Conditions; Alternative Procedure

Notwithstanding the foregoing, Design-Builder shall not be obligated to stop Work upon discovery of any materials, resources, species, or conditions which the Contract Documents indicate are present in the location in question, provided, however, that Design-Builder shall provide prompt notice to ICTC of any such discovery. Furthermore, if any Governmental Approval specifies a procedure to be followed which differs from the procedure set forth herein, Design-Builder shall follow the procedure set forth in the Governmental Approval.

5.3.2 Further Investigation and Mitigation Work

Design-Builder shall promptly conduct such further investigation as ICTC deems appropriate.

If Differing Site Conditions are discovered, Design-Builder shall advise ICTC within ten (10) Working Days after the initial notification to ICTC required in Section 5.3.1, of any action recommended to be taken regarding the situation in a written action plan. ICTC then will determine whether Design-Builder's findings and proposed actions are acceptable within three (3) Working Days of receipt of Design-Builder's proposed action plan and either Approve, or require modification of, Design-Builder's proposed action plan.

If Hazardous Materials are involved, see Book 2, Section 7, "Environmental Compliance."

If archeological, paleontological, cultural, or biological resources are present, ICTC will either perform the necessary Mitigation Work or direct Design-Builder to perform the necessary Mitigation Work pursuant to a Change Order issued under Section 13.

5.3.3 Recommence Work

ICTC shall have the right to require Design-Builder to recommence Work in the area at any time, even though an investigation may still be ongoing (so long as such Work is not in violation of any Governmental Rules or Governmental Approvals). Design-Builder shall promptly recommence Work in the area upon receipt of notification from ICTC to do so. On recommencing Work, Design-Builder shall follow all applicable procedures contained in the Contract Documents and all other Governmental Rules with respect to such Work, consistent with ICTC's determination or preliminary determination regarding the nature of the material, resources, species, or condition.

5.4 Obligation to Minimize Impacts

Design-Builder shall ensure that all of its activities and the activities of all Design-Builder-Related Entities are undertaken in a manner that will minimize the effect on surrounding property, the public, and Site operations to the maximum extent practicable. Design-Builder and all Design-Builder-Related Entities shall perform Work as to offer the least possible obstruction and inconvenience to the public and shall have under construction no greater length or amount of Work that can be prosecuted properly with due regard to the rights of the public.

5.5 Quality Management

5.5.1 Design-Builder Quality Management

Design-Builder shall perform the quality management necessary for Design-Builder to comply with its obligations under the Contract Documents.

5.5.2 Oversight, Inspection, and Testing by ICTC and Others

All materials and each part or detail of the Work shall also be subject to oversight, inspection, and testing by ICTC and other Persons designated by ICTC. When any Utility Owner is to accept or pay for a portion of the cost of the Work, its respective representatives have the right to oversee, inspect, and test the Work. Such oversight, inspection, and/or testing does not make such Person a party to the Contract nor will it change the rights of the parties hereto. Design-Builder hereby consents to such oversight, inspection, and testing. Upon request from ICTC, Design-Builder shall furnish information to such Persons as are designated in such request and shall permit such Persons access to the Site and all parts of the Work.

5.5.3 Obligation to Uncover Finished Work

At all times before Final Acceptance, Design-Builder shall remove or uncover such portions of the finished construction Work as directed by ICTC. After examination by ICTC and any other Persons designated by ICTC, Design-Builder shall restore the Work to the standard required by the Contract Documents. If the Work exposed or examined is not in conformance with the requirements of the Contract Documents, then uncovering, removing, and restoring the Work and recovery of any delay to the Critical Path occasioned thereby shall be at Design-Builder's expense and Design-Builder shall not be entitled to a time extension. Furthermore, any Work done or materials used without notice to and opportunity for prior inspection by ICTC as provided in Book 2, Section 5, "Quality Program" may be ordered uncovered, removed, or restored at Design-Builder's expense and without a time extension, even if the Work proves acceptable after uncovering. Except with respect to Work done or materials used as described in the foregoing sentence, if Work exposed or examined under this [Section 5.5.3](#) is in conformance with the requirements of the Contract Documents, then any delay in the Critical Path from uncovering, removing, and restoring Work shall be considered an ICTC-Caused Delay, and Design-Builder shall be entitled to a Change Order for the cost of such efforts and recovery of any delay to the Critical Path occasioned thereby, subject to the provisions of [Section 13](#).

5.6 Effect of Oversight, Spot Checks, Audits, Tests, Acceptances, and Approvals

5.6.1 Oversight and Acceptance

Design-Builder shall not be relieved of its obligation to perform the Work in accordance with the Contract Documents, or any of its other obligations under the Contract Documents, by oversight, spot checks, audits, reviews, tests, inspections, acceptances, or approvals by any Persons, or by any failure of any Person to take such action. The oversight, spot checks, audits, reviews, tests, inspections, acceptances, and approvals by any Person do not constitute Final Acceptance of the particular material or Work, or waiver of any legal or equitable right with respect thereto. ICTC may reject or require Design-Builder to remedy any Nonconforming Work and/or identify additional Work which shall be done to bring the Project into compliance with Contract requirements at any time prior to Final Acceptance, whether or not previous

oversight, spot checks, audits, reviews, tests, inspections, acceptances, or approvals were conducted by any Person. ICTC's Approval of Design Documents for construction as described by the Contract Documents shall constitute Approval of the design by ICTC for purposes of Government Code Section 830.6 but shall not be deemed to relieve Design-Builder of liability for the design.

5.6.2 No Estoppel

ICTC shall not be precluded or estopped, by any measurement, estimate, or certificate made either before or after Final Acceptance and payment therefor, from showing that any such measurement, estimate, or certificate is incorrectly made or untrue, or from showing the true amount and character of the Work performed and materials furnished by Design-Builder, or from showing that the Work or materials do not conform in fact to the requirements of the Contract Documents. Notwithstanding any such measurement, estimate or certificate, or payment made in accordance therewith, ICTC shall not be precluded or estopped from recovering from Design-Builder and its Surety(ies) such damages as ICTC may sustain by reason of Design-Builder's failure to comply or to have complied with the terms of the Contract Documents.

5.7 Nonconforming Work

5.7.1 Rejection, Removal, and Replacement of Work

Subject to ICTC's right, in its sole discretion, to accept or reject Nonconforming Work, Design-Builder shall remove and replace rejected Nonconforming Work so as to conform with the requirements of the Contract Documents, at Design-Builder's expense and without any time extension; and Design-Builder shall promptly stop the Work, submit a written plan for ICTC Approval and take all action necessary to prevent similar deficiencies from occurring in the future. The fact that ICTC may not have discovered the Nonconforming Work shall not constitute an acceptance or Approval of such Nonconforming Work. The Design-Builder shall, within five (5) Days of the identification of construction-related Nonconforming Work, propose a resolution for ICTC's Approval. Following Approval of the proposed resolution, the Design-Builder shall notify ICTC 24 hours before implementing the proposed resolution so that ICTC may witness the implementation, if ICTC so chooses. If Design-Builder fails to correct any Nonconforming Work within ten (10) Days ICTC's Approval of the proposed resolution (or, for Nonconforming Work which cannot be corrected within ten (10) Days, if Design-Builder fails to provide to ICTC a schedule for correcting any such Nonconforming Work Approved by ICTC within such ten (10) Day period, begin correction within such ten (10) Day period and thereafter diligently prosecute such correction in accordance with such Approved schedule to completion), then ICTC may cause the Nonconforming Work to be remedied or removed and replaced, and may deduct the cost of doing so from any moneys due or to become due Design-Builder and/or obtain reimbursement from Design-Builder for such cost.

5.7.2 Acceptance of Nonconforming Work

ICTC may, in its sole discretion, accept any Nonconforming Work without requiring it to be fully corrected, and shall be entitled to a pay adjustment (or reimbursement of a portion of the Contract Price, if applicable). In certain events, it may not be possible for the Nonconforming Work to be made to conform to the requirements of the Contract Documents, including, without limiting the foregoing, Design-Builder's failure to perform such items to be paid in equal monthly amounts indicated in Book 2, Section 2.2, "Cost Management," during a required time period. In general, the pay adjustment (or reimbursement) shall equal, at ICTC's election, (a) Design-Builder's cost savings associated with its failure to perform the Work in accordance with the Contract requirements, and/or (b) the amount deemed appropriate by ICTC to provide compensation for impacts to affected parties such as future maintenance and/or other costs relating to the

Nonconforming Work. In certain events, ICTC shall be entitled to a pay adjustment (or reimbursement) as expressly set forth elsewhere in the Contract Documents.

6. ACCESS TO SITE; UTILITY RELOCATIONS; ENVIRONMENTAL MITIGATION

6.1 Access to Site

6.1.1 Access to Right of Way

6.1.1.1 Obligation to Provide Access to Right of Way

CBP, GSA, and ICTC shall provide access to the Project Site right of way.

6.1.1.2 Right of Way Access Requirements

Concurrently with review of the Baseline Schedule, Design-Builder and ICTC shall discuss the access requirements for the Site right of way associated with the scheduled activities, mutually determine which parcels are on the Critical Path and establish dates to be included in the Baseline Schedule for activities associated with provision of access. Design-Builder shall be provided access to the Site right of way as specified in Book 2, Section 11, "Right of Way". For Approval, the Baseline Schedule shall be structured to provide reasonable work-arounds to progress the Project until these parcels become available, and reasonably minimize dependence on these parcels.

6.1.1.3 Delay in Providing Access

If ICTC at any time determines it will be unable to provide access to the Site, ICTC shall notify Design-Builder regarding the revised projected date for delivery of access forty five (45) days before the current scheduled date for delivery of access. Design-Builder shall take appropriate action to minimize any cost and time impact and shall work-around such parcel until access can be provided, including rescheduling and resequencing Work so as to avoid any delay to the Project. Subject to Section 6.1.1.4, to the extent that a delay to the Critical Path cannot be avoided, such delay to the Critical Path shall be considered an ICTC-Caused Delay.

6.1.1.4 Obligation to Provide Written Notice

In addition to the requirements of Section 6.1.1.3, and as a necessary condition for obtaining any increase in the Contract Price or extension of a Completion Deadline related to ICTC, GSA, and CBP's providing access to the Site right of way, Design-Builder shall provide ICTC with a thirty (30)-Day written notice when lack of Site access will result in an impact to the cost or schedule.

6.1.2 Access to Right of Way Not Identified

6.1.2.1 Unidentified Right of Way as a Result of an ICTC-Directed Change

Any right of way not identified in the Approved Project Report and its Attachments that is required as the result of an ICTC-Directed Change will be addressed in the respective Change Order for the ICTC-Directed Change.

6.1.2.2 Right of Way Associated with a Design-Builder Initiated Change Order

The cost of obtaining any right of way not identified in the Approved Project Report and its Attachments associated with a Design-Builder-initiated Change Order under Section 13.3 will be considered in determining the Contract Price adjustment under Section 13.

6.1.2.3 Reimbursement of ICTC Costs

Subject to ICTC Approval, Design-Builder shall reimburse ICTC for any costs (including attorneys', accountants', and expert witness fees and costs) of acquiring any real property that is not ICTC's responsibility under Sections 6.1.1.1, 6.1.2.1 or 6.1.2.2 which Design-Builder determines is necessary or advisable in order to complete the Project, including obtaining any Construction Easements. ICTC may deduct such amounts from payments otherwise owing hereunder or may separately invoice Design-Builder. Design-Builder shall reimburse ICTC for any such amounts paid by ICTC within ten (10) Days after receipt of an invoice from ICTC therefor.

6.1.2.4 Additional Requirements

Additional requirements applicable to Design-Builder are set forth in Book 2, Section 11, "Right of Way".

6.2 Utility Relocations

This Section 6.2 describes how the risk of increased costs and delays associated with the Utility Work is allocated between ICTC and Design-Builder through the Change Order process, and contains certain additional terms relating to Utility Work to supplement those set forth in Book 2, Section 12, "Utilities". Design-Builder agrees that (a) the Contract Price covers all of the Relocations and other Utility Work to be furnished or performed by Design-Builder described in Book 2, Section 12, "Utilities" and in this Section 6.2, and (b) it is feasible to obtain and/or perform all necessary Utility Work within the time deadlines of the Contract Documents. Accordingly, Design-Builder shall be entitled to receive a Change Order for additional costs and delays associated with the Utility Work only as permitted by this Section 6.2 or in circumstances for which such a Change Order is otherwise permitted under Section 13 (such as for ICTC-Directed Changes which increase the Utility Work to be furnished or performed by Design-Builder). A deductive Change Order for reductions in the Utility Work to be furnished or performed by Design-Builder shall be issued only when permitted by this Section 6.2 or in circumstances for which a deductive Change Order is otherwise permitted under Section 13. Notwithstanding the foregoing, Design-Builder's entitlement to any Change Orders pursuant to Section 13 relating to the Utility Work shall be subject to any applicable limitations and restrictions set forth in this Section 6.2, and Design-Builder's entitlement to any Change Orders pursuant to this Section 6.2 shall be subject to the limitations, restrictions, and procedures set forth in Section 13, except as otherwise set forth in Section 6.2.8.

6.2.1 Accuracy of Design and Data

6.2.1.1 “Reasonable Accuracy” Defined

6.2.1.2 Reasonable Accuracy

For purposes of Sections 6.2.1.1 and 6.2.1.2, a Utility shall be deemed indicated with reasonable accuracy if:

- a) With respect to the “Quality Level A” Utility information provided by ICTC (as indicated therein) or the Approved Project Report and its Attachments, the Utility’s actual location is within two (2) feet of the indicated horizontal and vertical locations at the “xyz” coordinates in the utility plan sheets or pothole matrices showing Verified Utility Information in Book 2, Section 12, “Utilities.”.
- b) With respect to the “Quality Level B” Utility information provided by ICTC (as indicated therein) or the Approved Project Report and its Attachments, the Utility’s actual location is within two (2) feet of the indicated horizontal location at the “xy” coordinates in the utility plan sheets or pothole matrices showing Verified Utility Information in Book 2 (with no limitation on vertical location).

6.2.1.3 Inconsistency Among Verification Data Sheets

If there is any inconsistency between any two (2) or more utility plan sheets or pothole matrices showing Verified Utility Information cited in Section 6.2.1.3, the most accurate of the indications will be used for purposes of Section 6.2.1.3.

6.2.1.4 Design-Builder Acknowledgment Regarding RID

Design-Builder acknowledges that statements in the RID as to the extent or nature of the Work required to Relocate any Utility (as opposed to statements regarding the location of the Utility) shall have no relevance to the determination of reasonable accuracy and shall not be considered in calculating the amount of the Change Order, if any, to which either party is entitled pursuant to this Section 6.2.1.

6.2.1.5 Inaccuracy Increasing the Work

In general, if any existing underground Utility identified in Book 2, Section 12, “Utilities,” as part of the Work (or any portion of such Utility) is not indicated at all in the utility plan sheets or the Approved Project Report and its Attachments or is not indicated therein with “reasonable accuracy” (as defined in Section 6.2.1.1) therein, then, upon Design-Builder’s fulfillment of all applicable requirements of Section 13, and subject to the limitations contained therein, ICTC shall be responsible for, and agrees to issue a Change Order to (a) compensate Design-Builder for additional costs of the Utility Work (other than Betterments added to the Work pursuant to Section 6.2.4) to be furnished or performed by Design-Builder which are directly attributable to such lacking or incorrect information and/or (b) to extend the Completion Deadlines as a result of any delay in the Critical Path caused by any such conditions. Notwithstanding the foregoing, Design-Builder shall be responsible for, and no Change Order shall be issued under this Section 6.2.1 with respect to:

- a) Any Utility (or portion thereof) which a surface inspection of the area would have shown the existence or the likelihood of existence thereof in the correct location and/or size, as applicable, by reason of above-ground facilities such as buildings, meters, junction boxes or identifying markers.
- b) Service Lines.

6.2.1.6 Inaccuracy Decreasing the Work

If any existing underground Utility identified in Book 2, Section 12, “Utilities” as part of the Work (or any portion of such Utility) is not indicated with “reasonable accuracy” in the utility plan sheets or the Approved Project Report and its Attachments, then ICTC shall have the right to issue a Change Order reducing the Contract Price and/or Completion Deadlines to reflect the value of any reduction in the costs and/or duration of the Utility Work (other than Betterments added to the Work pursuant to Section 6.2.4) to be furnished or performed by Design-Builder which is directly attributable to the correction of such information. The amount of any such Change Order shall be determined in accordance with Section 13.

6.2.1.7 Partial Inaccuracy

If only a portion of an existing underground Utility identified in Book 2, Section 12, “Utilities” is not indicated at all in the Approved Project Report and its Attachments or is not indicated with “reasonable accuracy” therein, then a Change Order pursuant to Sections 6.2.1.2 or 6.2.1.3 shall be allowed only for the resulting increased or decreased costs (respectively) of the Utility Work incurred by Design-Builder with respect to that portion of such Utility (subject, in the case of any increase in the Contract Price, to the restrictions set forth in clauses (a), (b), (c), (d), and (e) of Section 6.2.1.2).

6.2.2 Change in Allocation of Responsibility

6.2.2.1 Change in Allocation of Responsibility Increasing the Work

The scope of the Work with respect to Utilities may be increased by reallocating Utility Work from a Utility Owner to Design-Builder by Change Order.

Upon Design-Builder’s fulfillment of all applicable requirements of Section 13, and subject to the limitations contained therein, Design-Builder shall be entitled to an increase in the Contract Price to compensate Design-Builder for its additional costs directly attributable to any increase in the scope of the Work pursuant to this Section 6.2.2.1; provided, however, that if ICTC determines in its sole discretion that ICTC is entitled to reimbursement by the Utility Owner for the cost of such Relocation, then the amount of such resulting increase in the Contract Price shall instead be determined in the same manner as that provided in Section 6.2.4 for a Betterment, subject to the requirements of any applicable Utility Agreement. Design-Builder is responsible for scheduling all Utility Work so as to minimize delays, without regard to whether such Utility Work is performed by Design-Builder or the affected Utility Owner.

6.2.2.2 Change in Allocation of Responsibility Decreasing the Work

Any Utility Work initially included in the scope of the Work may be deleted from the scope of the Work as required to accommodate actual utility conditions encountered at the Project Site.

ICTC shall be entitled to a reduction in the Contract Price to reflect any reduction in the scope of the Work pursuant to this Section 6.2.2.2. The amount of any such deductive Change Order shall be determined in accordance with Section 13. Any reduction in the scope of the Work pursuant to this Section 6.2.2.2 shall not be considered an ICTC-Directed Change.

6.2.3 Added Utility Work

Upon Design-Builder’s fulfillment of all applicable requirements of Section 13, and subject to the limitations contained therein, Design-Builder shall be entitled to (a) an increase in the Contract Price to

compensate Design-Builder for its additional costs, and/or (b) an extension of the applicable Completion Deadlines as the result of any delay in the Critical Path directly attributable to any Utility Work added after the Proposal Due Date in accordance with Book 2, Section 12.2.3.3, “Changes in Design-Builder’s Work.”

6.2.4 Betterments

Utility Betterments may be added to the Work pursuant to this Section 6.2.4.

6.2.4.1 Procedure

Any Utility Owner may request ICTC to permit Design-Builder to perform work relating to Betterments as a part of the Work, at the Utility Owner’s expense. If ICTC Approves any such request, Design-Builder will have the obligation to perform such work, with the right to receive additional payment and an extension of any affected Completion Deadline to the extent that any delay in the Critical Path is directly attributable to the Betterment. The price charged by Design-Builder for such Betterment shall either be a lump sum amount negotiated with the Utility Owner or determined on a time and materials cost basis as specified below. Any extension of any Completion Deadline(s) or Contract Price increase requested for any Betterment shall be subject to the requirements of Sections 6.2 and 13, as applicable.

6.2.4.2 Pricing

If a Utility Owner requests that Design-Builder design and/or construct a Betterment, Design-Builder shall use its best efforts to negotiate a lump sum price or unit prices for such work with the Utility Owner, in good faith. If Design-Builder and the Utility Owner are unable to agree on a lump sum price or unit prices, then ICTC will direct Design-Builder to perform such work on a time and materials basis pursuant to Section 13.7, provided that the conditions set forth in Section 6.2.4.1 are satisfied.

6.2.4.3 Change Order Increasing the Contract Price

A proposed Betterment will be added to the scope of the Work if Approved by ICTC pursuant to Section 6.2.4.1, ICTC agrees to issue a Change Order increasing the Contract Price on account of any Betterment added to the Work pursuant to this Section 6.2.4.3. The amount of any Change Order issued under this Section 6.2.4.3 shall be a direct pass-through of the lump sum price negotiated by Design-Builder and the Utility Owner (with no additional mark-ups) or, if no such price has been negotiated, an amount determined on a time and materials basis pursuant to Section 13.7. Design-Builder shall not request or accept any payment directly from the Utility Owner for any Betterment added to the Work.

6.2.4.4 ICTC’s Approval of Betterments

ICTC will Approve the addition of a Betterment to the scope of the Work under this Section 6.2.4.4 only if:

- (a) The Utility Owner has agreed to the addition of such Betterment to the Work.
- (b) Such Betterment is compatible with the Project.
- (c) The Utility Owner has agreed to reimburse ICTC for all the costs thereof.
- (d) The Utility Owner has agreed as to the method (e.g., negotiated lump sum amount, unit prices or time and materials cost basis) of pricing such work.

- (e) It is feasible to separate the cost/pricing of the Betterment work from that for any related Utility Work being furnished or performed by Design-Builder. Design-Builder shall provide ICTC with such information, analyses, and certificates as may be requested by ICTC in connection with its Approval.

6.2.4.5 Change Order Reducing the Contract Price

If any Betterment has been added to the Work and the Contract Price has been increased accordingly by Change Order, but subsequently for any reason the Betterment is deleted from the Work, or the scope of Design-Builder's Work with regard to such Betterment is materially reduced, then ICTC shall be entitled to issue a Change Order reducing the Contract Price to reflect the value of any reduction in the costs of the Work that is directly attributable to such deletion or reduction. Such Change Order shall be equal to the lump sum amount added to the Contract Price pursuant to Section 6.2.4.3, if applicable and if the entire Betterment has been deleted from the Work; otherwise, the amount of such Change Order shall be determined in accordance with Section 13.

6.2.4.6 Betterment Not Considered ICTC-Directed Change

Any change in the scope of the Work pursuant to this Section 6.2.4 shall not be considered an ICTC-Directed Change.

6.2.5 Utility Delays

Design-Builder shall give written notice to ICTC of any circumstance which may lead to a claim under this Section 6.2.5 immediately after Design-Builder's becoming aware that such circumstance has occurred or is likely to occur.

6.2.5.1 Allocation of Risk of Schedule Impacts

Design-Builder shall bear the risk of schedule impacts associated with the first eight (8) Days of Utility Delays per Utility Owner for the Project not to exceed eight (8) Days for all Utility Delays by all Utility Owners. Subject to the limitations and conditions set forth herein, if aggregate Utility Delays caused by a particular Utility Owner exceed eight (8) Days or if aggregate Utility Delays caused by all Utility Owners exceed eight (8) Days, then any Completion Deadline(s) affected thereby shall be extended for one (1) Day for every Day of Utility Delay caused by such Utility Owner(s) in excess of these limits identified in this Section 6.2.5.1 so long as the Utility Delay impacts the Project's Critical Path.

Failure of the parties to reach agreement regarding Design-Builder's entitlement to an extension due to Utility Delays shall be a Dispute to be resolved in accordance with Section 19. Design-Builder shall not be entitled to any extension of any Completion Deadline on account of any Utility Delay except as provided in this Section 6.2.5.1.

6.2.5.2 Conditions to Extensions for Utility Delays

With respect to each Utility Delay claimed by Design-Builder, Design-Builder shall not be entitled to any extension of any Completion Deadline(s) pursuant to Section 6.2.5.1, and such Utility Delay shall not be counted toward the four (4) Day cap on Design-Builder's risk per Utility Owner set forth in Section 6.2.5.1, unless all of the following conditions are satisfied:

- a) Design-Builder has provided evidence reasonably satisfactory to ICTC that (i) Design-Builder has fulfilled its obligation under the applicable Utility Agreement(s) to coordinate with the Utility Owner to prevent or reduce such delays, and (ii) Design-Builder has otherwise made diligent efforts to obtain the timely cooperation of the Utility Owner but has been unable to obtain such timely cooperation.
- b) If Design-Builder is responsible for the Relocation, Design-Builder has provided a reasonable Relocation plan to the Utility Owner and Design-Builder has obtained, or is in a position to timely obtain, all applicable approvals, authorizations, certifications, consents, exemptions, filings, leases, licenses, permits, registrations, options, and/or rulings required by or with any Governmental Person in order to design and construct such Relocation.
- c) No circumstances exist which have delayed or are delaying the affected Relocation, other than those which fit within the definition of a Utility Delay.

6.2.5.3 Concurrent Delays

To the extent one (1) or more Utility Delays is or are concurrent with any other delay which is Design-Builder's responsibility hereunder but which is not a Utility Delay, whether or not such other delay is on the Critical Path, then to the extent of the concurrency such Utility Delay(s) shall not be considered in calculating any four (4) Day cap on Design-Builder's risk pursuant to Section 6.2.5.1. Furthermore, to the extent two (2) or more Utility Delays occur concurrently with each other (whether caused by the same Utility Owner or by different Utility Owners), then only one (1) of such Utility Delays shall be considered in calculating a four (4) Day cap on Design-Builder's risk pursuant to Section 6.2.5.1 (in selecting between two (2) or more Utility Owners for such purpose, the Utility Delay caused by the Utility Owner with the greater or greatest amount of accrued Utility Delay shall be selected and applied to the four (4) Day cap on Design-Builder's risk for such Utility Owner).

6.2.6 Certain Obligations of Design-Builder; Utility-Related Right of Way Costs

6.2.6.1 Multiple Relocations of the Same Utility

Design-Builder shall endeavor to avoid multiple Relocations of the same Utility, whether by the Utility Owner or by Design-Builder. Accordingly, after a Utility has been Relocated once in order to accommodate the Project, Design-Builder shall be responsible for all costs incurred by either Design-Builder or the Utility Owner in order to subsequently Relocate such Utility to accommodate the Project. If the Utility Owner performs such subsequent Relocation at ICTC's expense, then Design-Builder shall reimburse ICTC for all amounts paid by ICTC to such Utility Owner in reimbursement for such subsequent Relocation. If Design-Builder performs such subsequent Relocation, then Design-Builder shall not receive any extension of any Completion Deadline or increase in the Contract Price on account of the performance of such subsequent Relocation.

6.2.6.2 Minimizing ICTC's Reimbursement Obligation

In designing and constructing the Project, Design-Builder shall take all reasonable steps to minimize costs to the Utility Owners which will be subject to reimbursement by ICTC, to the extent practicable and otherwise consistent with other requirements of the Contract Documents.

6.2.6.3 Reserved

6.2.6.4 ICTC's Responsibility

With respect to Utility Easements other than those described in Section 6.2.6.3.2, ICTC shall be responsible for any compensation required to be paid to Utility Owners for relinquishing their Utility Easements.

6.2.6.5 Design-Builder's Responsibility

With respect to Utility Easements resulting from a change in Basic Configuration not caused by a Latent Material Error, Design-Builder shall be responsible for, and shall reimburse ICTC within ten (10) Days after receiving an invoice therefor, any compensation which ICTC may be obligated to pay to the Utility Owners for relinquishing such Utility Easements.

6.2.7 Additional Restrictions on Change Orders

In addition to all of the other requirements and limitations contained in this Section 6.2 and in Section 13, the entitlement of Design-Builder to any Change Order under this Section 6.2 shall be subject to the restrictions and limitations set forth in this Section 6.2.7.

6.2.7.1 Burden of Proof

Design-Builder shall provide adequate support, by documentation acceptable to ICTC, to prove that the amount of any additional costs and/or time incurred by Design-Builder are both necessary and reasonable. For Relocations, Design-Builder shall also bear the burden of proving that the Relocation cannot reasonably be avoided.

6.2.7.2 Incremental Costs Only

Any Change Order increasing the Contract Price pursuant to this Section 6.2 shall include only the Incremental Costs arising from the circumstances giving rise to such Change Order.

6.2.7.3 Coordination Costs

Design-Builder shall not be entitled to an increase in the Contract Price for any costs of coordinating with Utility Owners or for assisting ICTC in coordinating with Utility Owners.

6.2.7.4 Voluntary Action by Design-Builder

If Design-Builder elects to make payments to Utility Owners or to undertake any other efforts which are not required by the terms of the Contract Documents, Design-Builder shall not be entitled to a Change Order in connection therewith. Design-Builder shall promptly notify ICTC of the terms of any such arrangements.

6.2.8 Special Provision Regarding Change Orders

Notwithstanding any contrary provision of Section 13, ICTC reserves the right, in its sole discretion, to waive certain of the requirements imposed on Design-Builder as set forth in Section 13 with respect to any Change Order to be issued pursuant to this Section 6.2.

6.3 Environmental Compliance

In performance of the Work, Design-Builder shall comply with all requirements of all applicable Environmental Laws and Governmental Approvals issued thereunder, whether obtained by ICTC or Design-Builder. Design-Builder acknowledges and agrees that it shall be responsible for all fines and penalties that may be assessed in connection with any failure to comply with such requirements.

6.3.1 Mitigation Requirements

Design-Builder shall perform all environmental commitments (which term shall be deemed to include all avoidance, minimization and/or mitigation measures associated with the approval of the Environmental Document for the Project, including all related requirements of the Environmental Approvals and similar Governmental Approvals, regardless of whether such requirements would be considered to fall within a strict definition of the term) for the Project. The Contract Price includes compensation for Design-Builder's performance of all environmental commitments (avoidance, minimization, and/or mitigation measures) and for performance of all environmental commitments arising from New Environmental Approvals which Section 6.3.2 designates as Design-Builder's responsibility as well as the cost of all activities to be performed by Design-Builder as described in Book 2, Section 7, "Environmental Compliance".

6.3.2 New Environmental Approvals

6.3.2.1 Approvals To Be Obtained by ICTC

ICTC shall be responsible for obtaining any New Environmental Approvals necessitated by an ICTC-Directed Change, ICTC-Caused Delay, change in a Governmental Rule under Section 13.3.1.2(d)(v), or Force Majeure event. Design-Builder shall provide support services to ICTC with respect to obtaining any such New Environmental Approval. Any Change Order covering an ICTC-Directed Change, ICTC-Caused Delay, change in a Governmental Rule under Section 13.3.1.2(d)(v), or Force Majeure event may include compensation to Design-Builder for any changes in the Work (including performance of additional avoidance, minimization, and/or mitigation measures but excluding performance of such support services) resulting from such New Environmental Approvals, and any time extension necessitated by an ICTC-Directed Change, ICTC-Caused Delay, change in Governmental Rule under Section 13.3.1.2(d)(v), or Force Majeure event, subject to the conditions and limitations contained in Section 13.

6.3.2.2 Approvals To Be Obtained by Design-Builder

If a New Environmental Approval becomes necessary for any reason other than those specified in Section 6.3.2.1, Design-Builder shall be fully responsible for the cost and delay of obtaining the New Environmental Approval and any other environmental approvals that may be necessary, for all requirements resulting therefrom, and for any litigation arising in connection therewith. ICTC will reasonably assist Design-Builder in obtaining any New Environmental Approvals. ICTC will be the implementing agency for any CEQA or NEPA reevaluations or approvals.

7. EQUAL EMPLOYMENT OPPORTUNITY; SUBCONTRACTS; LABOR

7.1 Equal Employment Opportunity

7.1.1 Equal Employment Opportunity Policy

Design-Builder shall comply with the Equal Employment Opportunity (EEO) requirements set forth in Exhibits D and F.

Under 49 CFR 26.13(b), Design-Builder and each Subcontractor or Subconsultant shall comply with the following:

The Design-Builder, sub recipient or Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Design-Builder shall carry out applicable requirements of 49 CFR part 26 in the award and administration of United States Department of Transportation (DOT)-assisted contracts. Failure by the Design-Builder to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as the recipient deems appropriate, which may include:

- a) Withholding monthly progress payments.
- b) Assessing sanctions.
- c) Liquidated damages.
- d) Disqualifying the Design-Builder from future bidding as non-responsible.

Design-Builder shall include this language in each Subcontract.

7.1.2 Inclusion in Subcontracts

Design-Builder shall include Section 7.1.1 and Exhibits D and F in every Subcontract over ten thousand dollars (\$10,000) (including purchase orders) and shall require that they be included in all Subcontracts over ten thousand dollars (\$10,000) at lower tiers, so that such provisions shall be binding upon each Subcontractor.

7.2 Disadvantaged Business Enterprises

7.2.1 Disadvantaged Business Enterprises Policy

Design-Builder shall comply with the requirements set forth in Exhibit E.

7.2.2 Inclusion in Subcontracts

Design-Builder shall include Section 7.2.1 and Exhibit E in every Subcontract (including purchase orders) and shall require that they be included in all Subcontracts at lower tiers, so that such provisions shall be binding upon each Subcontractor.

7.3 Subcontracting Requirements

Design-Builder shall comply with all applicable requirements of the Contract Documents relating to Subcontracts (including Exhibits D, E, and F), and shall ensure that its Subcontractors (at all tiers) comply with all applicable requirements of the Contract Documents relating to subcontracting (including Exhibits D, E, and F).

7.3.1 Major Participants

Design-Builder shall not add, delete, or change the role of any Major Participant as set forth in its Proposal without the prior Approval of ICTC.

7.3.2 Assignment of Subcontract Rights

Each Subcontract shall provide that, pursuant to terms in form and substance satisfactory to ICTC, (a) ICTC is a third party beneficiary of the Subcontract and shall have the right to enforce all terms of the Subcontract for its own benefit, (b) all guarantees and warranties, express and implied, shall inure to the benefit of ICTC, its successors and assigns, as well as Design-Builder, and (c) the rights of Design-Builder under such instrument are assigned to ICTC contingent upon delivery of written request from ICTC following default by Design-Builder, termination for such default, or expiration of the Contract, allowing ICTC to assume the benefit of Design-Builder's rights with liability only for those remaining obligations of Design-Builder accruing after the date of assumption by ICTC, but shall not release or relieve Design-Builder from its obligations or liabilities under the assigned Subcontract.

7.3.3 Subcontract Terms

Each Subcontract shall include terms and conditions sufficient to ensure compliance by the Subcontractor with all applicable requirements of the Contract Documents and shall include provisions addressing the following requirements and any other terms that are specifically required by the Contract Documents to be included therein. Each Subcontract shall include terms that are substantially similar to those terms required by Sections 5.1, 5.2, 5.3, 5.4, 7.1 (as appropriate), 7.2, 7.3.1, 7.4.3, 10.1, 13.7, 14, 15, 19, 20.3, and 23.6 and Exhibits D (as appropriate), E, and F (as appropriate), specifically including an agreement by the Subcontractor to be joined in any dispute resolution proceeding pursuant to Section 19 if such joinder is reasonably necessary to resolve the dispute; and each Subcontract other than Subcontracts with Suppliers shall include terms that are substantially similar to those contained in Sections 2.2(e), 2.2(f), 2.2(h), 2.3.1, 21.3, 22.2 (as appropriate), 22.3, and 22.4.

7.3.4 Subcontract Data

Design-Builder shall notify ICTC, in writing, of the name and address of, licenses held by, and any insurance documents required pursuant to Section 9 of, each Subcontractor (excluding Suppliers), as soon as the potential Subcontractor has been identified by Design-Builder, but in no event less than fourteen (14) Days before the scheduled initiation of Work by such proposed Subcontractor.

Design-Builder shall provide requests to sublet any portion of the Contract to ICTC on a form provided by ICTC, at least ten (10) Days in advance of the date on which the Subcontractor intends to start Work. Design-Builder shall allow ICTC access to all Subcontracts and records regarding Subcontracts within seven (7) Days following receipt of ICTC's request. All Subcontracts shall be in writing and shall include design costs (if applicable).

7.3.5 Responsibility for Work by Subcontractors

Notwithstanding any Subcontract or agreement with any Subcontractor, Design-Builder shall be fully responsible for all of the Work. ICTC shall not be bound by any Subcontract, and no Subcontract shall include a provision purporting to bind ICTC. Each Subcontract shall include a reference to the following provision:

“Nothing contained herein shall be deemed to create any privity of contract between the Imperial County Transportation Commission (ICTC) through its Executive Director and Subcontractor, nor does it create any duties, obligations or liabilities on the part of ICTC to Subcontractor except those allowed under California law. In the event of any claim or dispute arising under this Subcontract and/or Design-Builder’s Contract with ICTC, Subcontractor shall look only to Design-Builder for any payment, redress, relief or other satisfaction. Subcontractor hereby waives any claim or cause of action against ICTC arising out of this Subcontract or otherwise arising out of or in connection with Subcontractor’s Work.”

7.3.6 Subcontract Work

Design-Builder shall coordinate the Work performed by Subcontractors.

7.3.7 Debarred Subcontractors

Design-Builder shall not enter into any Subcontracts with any Person then debarred or suspended from submitting bids by any agency of the State.

7.4 Key Personnel; Character of Workers

7.4.1 Key Personnel

Exhibit G hereto identifies certain key positions for the Project. ICTC shall have the right in its reasonable discretion to review the qualifications and character of each individual to be assigned to a key position (including personnel employed by Subcontractors) and to Approve or disapprove use of such key Person in such key position before the start of any Work by such individual or during the prosecution of the Work. Design-Builder shall notify ICTC in writing of any proposed changes in any Key Personnel and shall not change any Key Personnel without the prior written Approval of ICTC, which approval shall not be unreasonably withheld, conditioned or delayed.

7.4.2 Representations, Warranties, and Covenants

Design-Builder acknowledges and agrees that the award of the Contract by ICTC to Design-Builder was based, in large part, on the qualifications and experience of the personnel listed in the Statement of Qualifications, the Proposal, and Design-Builder’s commitment that such individuals would be available to undertake and perform the Work. Design-Builder represents, warrants, and covenants that such individuals are available for and shall fulfill the roles identified for them in the Proposal in connection with the Work. Unless otherwise agreed to by ICTC in writing, individuals filling key personnel roles shall devote a sufficient amount of their time for the applicable role with respect to the prosecution and performance of the Work and Design-Builder shall document such commitment to ICTC’s satisfaction upon ICTC’s request.

7.4.3 Employee Performance Requirements

All individuals performing the Work by or on behalf of Design-Builder shall have the skill and experience and any licenses or certifications required to perform the Work assigned to them. If ICTC determines in its reasonable discretion that any Person employed by Design-Builder or by any Subcontractor is not performing the Work properly and skillfully, or who is intemperate or disorderly, then, at the written request of ICTC, Design-Builder or such Subcontractor shall remove such Person and such Person shall not be re-employed on the Project without the prior Approval of ICTC in its reasonable discretion. If Design-Builder or the Subcontractor fails to remove such Person(s) or fails to furnish skilled and experienced personnel for the proper performance of the Work, then ICTC may, in its reasonable discretion, suspend the affected portion of the Work by delivery of written notice of such suspension to Design-Builder. Such suspension shall in no way relieve Design-Builder of any obligation contained in the Contract Documents or entitle Design-Builder to a Change Order. Once compliance is achieved, Design-Builder shall be entitled to and shall promptly resume the Work.

Surveys performed to progress the construction activities on the Project are covered by the Contract labor requirements. The workers performing the Work shall be paid at a minimum wage based on the most similar trade or occupation as set forth in Exhibit F.

7.5 Labor Code Requirements

7.5.1 General Requirements

Design-Builder shall strictly adhere to the provisions of the Labor Code and implementing regulations, including requirements with respect to prevailing wages, and employment and training of apprentices, as more specifically described in Exhibit B. Design-Builder shall submit all mandated and requested documents/reports to ICTC in a timely manner.

7.5.2 Nondiscrimination

Design-Builder shall comply with the applicable provisions of the Labor Code and implementing regulations relating to labor nondiscrimination, and with the applicable federal requirements, including those more specifically set forth in Exhibit D.

7.5.3 Department of Industrial Relations

The California Department of Industrial Relations is responsible for monitoring and enforcing prevailing wage requirements of applicable labor laws to ensure that the Design-Builder and all Subcontractors working on the Project are in compliance with State (Division 2, Part 7, Chapter 1 of the Labor Code) and Federal (Code of Federal Regulations 29) prevailing wage statutes and regulations. Accordingly, the Project is subject to the requirements of DIR's compliance monitoring and enforcement program as set forth in Title 8, Chapter 8, Subchapter 4.5 of the California Code of Regulations, which include, among other requirements, the obligation to furnish payroll records directly to the California Department of Industrial Relations Labor Commissioner.

7.5.4 Notice

Design-Builder shall post a notice at the Site containing the following language:

“This public works project is subject to monitoring and investigative activities by the Compliance Monitoring Unit (CMU) of the Division of Labor Standards Enforcement, Department of Industrial Relations, State of California. This Notice is intended to provide information to all workers employed in the execution of the contract for public work and to all contractors and other persons having access to the job Site to enable the CMU to ensure compliance with and enforcement of prevailing wage laws on public works projects.

The prevailing wage laws require that all workers be paid at least the minimum hourly wage as determined by the Director of Industrial Relations for the specific classification (or type of work) performed by workers on the Project. These rates are listed on a separate job Site posting of minimum prevailing rates required to be maintained by the public entity which awarded the public works contract. Complaints concerning nonpayment of the required minimum wage rates to workers on this Project may be filed with the CMU at any office of the Division of Labor Standards Enforcement (DLSE). Complaints should be filed in writing immediately upon discovery of any violations of the prevailing wage laws due to the short period of time following the completion of the Project that the CMU may take legal action against those responsible.

Complaints should contain details about the violations alleged (for example, wrong rate paid, not all hours paid, overtime rate not paid for hours worked in excess of eight (8) hours per day or forty (40) per week, etc.) as well as the name of the employer, the public entity which awarded the public works contract, and the location and name of the Project.

For general information concerning the prevailing wage laws and how to file a complaint concerning any violation of these prevailing wage laws, you may contact any DLSE office. Complaint forms are also available at the Department of Industrial Relations web site found at: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>”

8. SURETY BONDS

Design-Builder shall provide to ICTC and maintain at all times during the term of the Contract security for performance of the Work as described below (or other assurance satisfactory to ICTC in its sole discretion). Each bond required hereunder shall be provided by a Surety licensed as surety and qualified to do business in the State. The Surety shall have a “Best’s Rating” of A- or better and Financial Size Category of VIII or better by A.M. Best Co.

8.1 Payment and Performance Bonds

Design-Builder has provided to ICTC and shall maintain in full force and effect the Payment Bond in the form of Exhibit L in the amount of one hundred (100) percent of the Contract Price and the Performance Bond in the form of Exhibit K in the amount of one hundred (100) percent of the Contract Price.

8.1.1 Surety’s Obligation

The Surety’s obligation under the Performance Bond, Exhibit K, shall arise after an Event of Default occurs and remedies and rights of ICTC are exercised in accordance with Section 16.2. When ICTC has satisfied the conditions of Section 16.2, the Surety shall promptly and at the Surety’s expense take one of the following actions:

- a) Arrange for the Design-builder, with the consent of ICTC, to perform and complete the Contract
- b) Undertake to perform and complete the Contract itself, through its agents or independent design-builders
- c) Obtain bids or negotiated proposals from qualified design-builders acceptable to ICTC for a contract for performance and completion of the Contract; arrange for a contract to be prepared for execution by ICTC and a design-builder selected with ICTC’s concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract; and pay to ICTC the amount of damages as described in Section 8.1.2, in excess of the balance of the Contract Price incurred by ICTC as a result of the Design-builder Default
- d) Waive its right to perform and complete, arrange for completion, or obtain a new design-builder and with reasonable promptness under the circumstances
 - i. After investigation, determine the amount for which it may be liable to ICTC and, as soon as practicable after the amount is determined, make payment to ICTC
 - ii. Deny liability in whole or in part and notify ICTC, citing the reasons for denial

8.1.2 Surety and ICTC Responsibilities

If the Surety elects to act under Sections 8.1.1.a), 8.1.1.b), or 8.1.1.c), then the responsibilities of the Surety to ICTC shall not be greater than those of the Design-Builder under the Contract, and the responsibilities of ICTC to the Surety shall not be greater than those of ICTC under the Contract. Subject to the commitment by ICTC to pay the balance of the Contract Price, the Surety is obligated, without duplication, for:

- a) The responsibilities of the Design-Builder for correction of defective work and completion of the Contract

- b) Additional legal, design professional, and delay costs resulting from the Design-Builder's Default, and resulting from the actions or failure to act of the Surety under Section 8.1.1
- c) Liquidated damages or actual damages caused by delayed performance or non-performance of the Design-Builder

8.2 Warranty Bond

After Final Acceptance has occurred, Design-Builder may obtain a release of the Performance Bond by providing to ICTC and maintaining in full force and effect a warranty bond which shall guarantee performance of all obligations of Design-Builder that survive Final Acceptance under the Contract Documents. The warranty bond (a) shall be in an amount equal to four (4) percent of the Contract Price during the first two (2) years following Final Acceptance and shall be in an amount equal to two (2) percent of the Contract Price during the third year following Final Acceptance and (b) shall be in the form set forth in Exhibit M.

8.3 Utility Work

The Utility Work furnished or performed by Design-Builder hereunder will automatically be covered by the Payment and Performance Bonds and any warranty bond or other security to be provided by Design-Builder pursuant to Section 8.2. At their request, Utility Owners whose Utilities are being Relocated by Design-Builder shall be added as additional obligees to the Payment and Performance Bonds (as their interests may appear), and to such replacement bond or other security (as their interests may appear), to the limited extent of the amount of the Utility Work required on behalf of the Utility Owner. The Payment and Performance Bonds shall be provided in their full amount, however, on behalf of ICTC, with no riders that reduce ICTC's potential of recovery based on the Utility Owner's limited obligee amounts. Alternatively, Design-Builder may provide separate bonds satisfactory to the Utility Owners. Design-Builder shall provide all information necessary for such coverage to the surety(ies) providing such bonds. All cost estimates required to be provided under the Contract Documents with respect to Utility Work furnished or performed by Design-Builder shall include the cost of bond premiums.

8.4 Reserved

8.5 No Relief of Liability

Notwithstanding any other requirements of the Contract Documents, performance by a Surety or any Guarantor of any of the obligations of Design-Builder shall not relieve Design-Builder of any of its obligations hereunder.

9. INSURANCE

9.1 General Insurance Requirements

9.1.1 Evidence of Insurance

Design-Builder shall provide evidence of insurance as proof of compliance for all insurance requirements contained in this Section 9. Evidence of insurance in the form of copies of insurance policies, Certificates of Insurance, and any self-insurance coverage documentation, including the required “additional insured” endorsements, shall be furnished by Design-Builder to ICTC. The evidence of insurance shall provide that no lapse, cancellation, or reduction of coverage without thirty (30) Days’ prior written notice to ICTC. Insurance policies and Certificates of Insurance, furnished as evidence of required insurance, for the General Liability, Umbrella-Excess Liability and Professional Liability (Errors and Omissions) policies shall set forth deductible amounts applicable to each policy and all exclusions which are added by endorsement to each policy. Allowance of any additional exclusions is at the sole discretion of ICTC. Regardless of the allowance of exclusions or deductions by ICTC, Design-Builder shall be responsible for any deductible amount and shall warrant that the coverage provided to ICTC is consistent with the requirements of Section 9 herein.

9.1.2 Submission of Insurance Documentation

Design-Builder shall submit, before starting of Work, the following:

- a) The Design-Builder’s General Liability Insurance shall be provided under Commercial General Liability policy form No. CG 00 01 as published by the Insurance Services office (ISO), or under a policy form at least as broad as policy form No. CG 00 01 and is not inconsistent with the provisions of Section 9 herein.
- b) Copy of its commercial general liability policy and its excess policy, including the declarations page, all amendments, riders, endorsements, and other modifications in effect at the time of Contract execution.
- c) Certificate of Insurance showing all other required coverages, including Professional Liability (Errors and Omissions), auto liability insurance, and workers compensation insurance. Design- Builder shall provide to ICTC, in advance of the start of Work, each policy and all exclusions, amendments, riders, declarations pages, and other modifications in effect at the time of Contract execution.

9.1.3 A.M. Best Rating

All insurance companies providing policies obtained to satisfy the insurance requirements shall have an

A.M. Best rating of A- or better, a Financial Size Category of VII or better and be authorized to do business in the State of California.

9.1.4 Full Force and Effect

All policies shall remain in full force and effect throughout the term of the Project and, when there is an extended reporting period, shall remain in effect for the time stipulated. The Design-Builder shall maintain

completed operations coverage with a carrier acceptable to ICTC through the expiration of the statute of repose set forth in Code of Civil Procedure Section 337.1.

9.1.5 No Recourse

There shall be no recourse against ICTC for payment of premiums or other amounts with respect to the insurance provided by Design-Builder, or for deductibles under these policies.

9.1.6 Indemnification and Duty to Defend

The insurance coverage provided hereunder shall support, but is not intended to limit, Design-Builder's indemnification and duty to defend obligations under Section 18.

9.1.7 Primary and Non-contributory

The policy shall stipulate that for claims covered by the insurance specified herein, said insurance coverage shall be primary insurance with respect to the insureds, additional insureds, and their respective members, directors, officers, employees, agents and consultants, and shall specify that coverage continues notwithstanding the fact that Design-Builder has left the Site. Any insurance or self-insurance beyond that specified in the Contract that is maintained by an insured, additional insured, or their members, directors, officers, employees, agents and consultants shall be excess of such insurance and shall not contribute with it.

9.1.8 Deductibles

ICTC may expressly allow deductible clauses, which it does not consider excessive, overly broad, or harmful to the interests of ICTC. Regardless of the allowance of exclusions or deductions by ICTC, the Design-Builder is responsible for any deductible amount and shall warrant that the coverage provided to ICTC is in accordance with Section 9.

9.1.9 Self-Insurance

Self-insurance programs and self-insured retentions in insurance policies are subject to separate annual review and Approval by ICTC.

If Design-Builder uses a self-insurance program or self-insured retention, Design-Builder shall provide ICTC with the same protection from liability and defense of suits as would be afforded by first-dollar insurance. Execution of the Contract is the Design-Builder's acknowledgement that the Design-Builder shall be bound by all laws as if the Design-Builder were an insurer as defined under Insurance Code Section 23 and that the self-insurance program or self-insured retention shall operate as insurance as defined under Insurance Code Section 22.

9.1.10 Enforcement

ICTC may take any steps necessary to assure Design-Builder's compliance with its insurance obligations. Should any insurance policy lapse or be canceled during the Contract period Design-Builder shall, no less than thirty (30) days before the effective expiration or cancellation date, furnish ICTC with written evidence of renewal or replacement of the policy. Failure to continuously maintain insurance coverage as herein required is a material breach of this Contract. The required insurance shall be subject to the Approval of

ICTC, but any acceptance of copies of insurance policies, insurance certificates, and self-insurance documentation by ICTC shall in no way limit or relieve Design-Builder of its duties and responsibilities under this Contract to indemnify, defend, and hold harmless ICTC, its officers, agents, and employees. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Design-Builder for liability in excess of such coverage, nor shall it preclude ICTC from taking other actions available to it under any other provision of the Contract or law, including the withholding of funds under this Contract. Failure of ICTC to enforce in a timely manner any of the provisions of Section 9 shall not act as a waiver to enforcement of any of these provisions at a later time.

If Design-Builder fails to maintain any required insurance coverage, ICTC may maintain this coverage and withhold or charge the expense to Design-Builder or terminate the Design-Builder's control of the Work in accordance with Section 16.

Design-Builder is not relieved of its duties and responsibilities to indemnify, defend, and hold harmless ICTC, its officers, agents, and employees by ICTC's acceptance of insurance policies and certificates.

Minimum insurance coverage amounts do not relieve Design-Builder for liability in excess of such coverage, nor do they preclude ICTC from taking other actions available to it, including the withholding of funds under this Contract.

9.2 Design-Builder Provided Insurance

Design-Builder shall procure, at its own expense, insurance acceptable to ICTC, as described herein, and shall maintain such insurance, as specified herein, in accordance with the requirements stated in Section 9.1, or as otherwise Approved by ICTC at its sole discretion. Nothing in the Contract is intended to establish a standard of care owed to any member of the public or to extend to the public the status of a third-party beneficiary for any of these insurance specifications.

9.2.1 Worker's Compensation and Employer's Liability Coverage

In accordance with Labor Code Section 1860, Design-Builder shall provide Worker's Compensation coverage in accordance with Labor Code 3700.

In accordance with Labor Code Section 1861, the Design-Builder shall submit to ICTC the following certification before performing the Work:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this contract."

Contract execution constitutes certification submittal.

Design-Builder shall provide Employer's Liability Insurance in amounts not less than:

- a) One million dollars (\$1,000,000) for each accident for bodily injury by accident.
- b) One million dollars (\$1,000,000) policy limit for bodily injury by disease.
- c) One million dollars (\$1,000,000) for each employee for bodily injury by disease.

If there is an exposure of injury to the Design-Builder’s employees under the U.S. Longshoremen’s and Harbor Workers’ Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

9.2.2 Liability Insurance

Design-Builder shall provide General Liability and Umbrella or Excess Liability Insurance covering all operations by or on behalf of the Design-Builder providing insurance for bodily injury and property damage written on an occurrence form that shall be no less comprehensive or more restrictive than the coverage provided by Insurance Services Office (ISO) form CG 00 01 or under a policy form at least as broad as policy form No. CG 00 01.

a) Limits of liability shall be at least the amounts shown in the following table:

For Each Occurrence 1	Aggregate for Products/Completed Operation	General Aggregate 2	Umbrella or Excess Liability 3
\$2,000,000	\$2,000,000	\$4,000,000	\$15,000,000
1. Combined single limit for bodily injury and property damage. 2. This limit shall apply separately to the Design-Builder's Work under this Contract. 3. The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.			

The general aggregate limits shall apply separately to the Project (Endorsement CG-25-03)

- b) ICTC, including its officers, directors, agents (excluding agents who are design professionals), and employees, shall be named as additional insureds under the General Liability Policy and Umbrella Liability Policies with respect to liability arising out of or connected with Work or operations performed by or operations performed by or on behalf of the Design-Builder under this Contract. Coverage for such additional insureds does not extend liability:
 - i. Arising from any defective or substandard condition of the roadway which existed at or before the time the Design-Builder started Work, unless such condition has been changed by the Work or the scope of the Work requires the Design-Builder to maintain existing roadway facilities and the claim arises from the Design-Builder’s failure to maintain.
 - ii. For claims occurring after the Work is completed and accepted unless these claims are directly related to alleged acts or omissions of the Design-Builder that occurred during the course of the Work.
 - iii. To the extent prohibited by Insurance Code Section 11580.04.
- c) Additional insured coverage shall be provided by a policy provision or by an endorsement providing coverage at least as broad as Additional Insured endorsement form CG 2010 and form

CG 2037, as published by the Insurance Services Office, or other form designated by ICTC. The policy shall stipulate that the insurance afforded the additional insureds shall apply as primary insurance. Any other insurance or self-insurance maintained by ICTC will be excess only and shall not be called upon to contribute with this insurance. Such additional insured coverage shall be provided by a policy provision or by an endorsement providing coverage at least as broad as Additional Insured (Form B) endorsement form CG 2010, as published by the Insurance Services Office (ISO).

9.2.3 Automobile Liability Insurance

Design-Builder shall provide comprehensive automobile liability insurance covering the ownership, maintenance, and use of all owned, non-owned, and hired vehicles used in the performance of Work, both on and off the Site, including loading and unloading.

The following limits of liability and other requirements shall apply:

- a) Two (\$2) million combined single limit each accident for bodily injury and property damage liability.
- b) The policy shall include uninsured and underinsured in compliance with California law.

9.2.4 Pollution/Environmental Impairment Liability Insurance

Design-Builder agrees to maintain pollution liability insurance applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed; cleanup costs; and defense, including costs, fees and expenses incurred in the investigation, defense, or resolution of claims. Coverage shall apply to sudden and non-sudden pollution conditions. Coverage shall apply to construction activities and to acts, errors, or omissions arising out of or in connection with Design-Builder's scope of Work under this Contract. Coverage may be arranged under the Design-Builder's pollution liability, as part of a professional liability policy, by any combination thereof, or by other insurance, as long as pollution liability coverage is provided for both construction activities and professional services. Coverage shall include transport and disposal of contaminants and shall include liability assumed under Contract. Coverage is preferred by ICTC to be occurrence based; however, if provided on a claims-base, Design-Builder warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage shall be maintained or an extended discovery period will be exercised for a period of five (5) years beginning from the time Work under this Contract is completed. Limits shall be no less than \$2,000,000 per loss and \$4,000,000 annual aggregate.

9.2.5 Professional Liability Insurance

Design-Builder agrees to maintain, and shall cause to be maintained by other Major Participants who are involved in design Work or other professional services, professional liability insurance specifically designed to protect against acts, errors, or omissions of the Design-Builder or other Major Participant as appropriate, and "Professional Services" as designated in any such policy shall specifically include Services performed under this Contract with a retroactive date no later than the date of this Contract execution. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate and shall either be in the form of a practice policy or a project specific policy. Design-Builder or other Major Participant as appropriate shall maintain this professional liability insurance throughout the term of this Contract and for at least three (3) years after the date of completion and acceptance of the Project whether through terms or endorsements

providing for an extended reporting period, or through renewals and replacement coverage with preservation of the retroactive date. All such extended reporting periods, renewals, and replacement coverage are subject to Approval by ICTC.

10. RISK OF LOSS

10.1 Site Security

Design-Builder shall provide security for the Site in compliance with GSA and CBP requirements, including securing any buildings from entry, and shall take all reasonable precautions and provide protection to prevent damage, injury, or loss to the Work and materials and equipment to be incorporated therein, as well as all other property at the Site, whether owned by Design-Builder, ICTC, or any other Person. Design-Builder shall at all times keep the Site in a neat and clean condition, including performing litter removal, removal of graffiti, and weed control and payment shall be considered included in the Contract Price.

10.2 Maintenance and Repair of Work and On-Site Property

10.2.1 Responsibility of Design-Builder

Design-Builder shall maintain, rebuild, repair, restore, or replace all Work (including Design Documents, Construction Documents, materials, equipment, supplies and maintenance equipment which are purchased for permanent installation in, or for use during construction of, the Project, regardless of whether ICTC has title thereto under the Contract Documents) that is injured or damaged before the date of acceptance of maintenance liability by ICTC or third parties as specified in Section 10.2.3. All such Work shall be at no additional cost to ICTC except to the extent that ICTC is responsible for such costs as provided in Section 13.

For damage within the right of way that ICTC would typically seek compensation from the insurance company of the responsible party, ICTC will subrogate its right to seek said financial reimbursement to Design-Builder. ICTC will provide copies of accident reports, when they exist, to Design-Builder. ICTC makes no guarantee that Design-Builder will be able to obtain any financial reimbursement based on this subrogation of ICTC's rights.

10.2.2 Reserved

10.2.3 Relief from Liability for Maintenance

Effective as of the date on which Substantial Completion occurs, ICTC shall be considered to have accepted maintenance liability for all elements of the Project which are one hundred (100) percent complete as of such date and placed in service. All remaining elements of the Project shall be considered accepted for maintenance purposes as of the date on which Final Acceptance occurs. Notwithstanding the foregoing, all elements of the Work which will be owned by Persons other than ICTC (such as Utility facilities) will be considered accepted for purposes of maintenance responsibility only as of the date of acceptance of maintenance responsibilities by such Persons. However, nothing in this Section 10.2.3 providing for relief from maintenance will be construed as relieving the Design-Builder of full responsibility for making good any defective Work or materials found at any time before the formal written acceptance of the entire Contract by ICTC.

10.3 Damage to Off-Site Property

Design-Builder shall take all reasonable precautions and provide protection to prevent damage, injury, or loss to property adjacent to the Site or likely to be affected by the Work. Design-Builder, at its sole expense,

shall restore damaged, injured or lost property caused by an act or omission of any Design-Builder-Related Entity to a condition similar or equal to that existing before the damage, injury or loss occurred.

10.4 Title

Design-Builder warrants that it owns, or will own, and has, or will have, good and marketable title to all materials, equipment, tools, and supplies furnished, or to be furnished, by it and its Subcontractors that become part of the Project or are purchased for ICTC for the operation, maintenance, or repair thereof, free and clear of all Liens. Title to all of such materials, equipment, tools, and supplies which shall have been delivered to the Site shall pass to ICTC, free and clear of all Liens, upon the sooner of:

- a) Incorporation into the Project.
- b) Payment by ICTC to Design-Builder of invoiced amounts pertaining thereto.

Notwithstanding any such passage of title, and subject to Section 10.1, Design-Builder shall retain sole care, custody and control of such materials, equipment, tools, and supplies, and shall exercise due care with respect thereto as part of the Work until Final Acceptance or until Design-Builder is removed from the Project.

11. PAYMENT

11.1 Contract Price

11.1.1 Contract Price

As full compensation for the Work and all other obligations to be performed by Design-Builder under the Contract Documents, ICTC shall pay to Design-Builder a lump sum amount of nineteen million nine hundred sixty five dollars (\$19,965,000.00) (such amount, as it may be adjusted from time to time to account for Change Orders, is referred to herein as the “Contract Price”). The Contract Price shall be increased or decreased only by a Change Order issued in accordance with Section 13, by a Contract amendment or as specifically provided elsewhere in the Contract Documents.

11.1.2 Items Included in Contract Price

Design-Builder acknowledges and agrees that, subject only to Design-Builder’s rights under Section 13, the Contract Price includes:

- a) Performance of each and every portion of the Work.
- b) All designs, equipment, materials, labor, insurance and bond premiums, home office, jobsite and other overhead, profit, and services relating to Design-Builder’s performance of its obligations under the Contract Documents (including all Work, Warranties, equipment, materials, labor, and services provided by Subcontractors and intellectual property rights necessary to perform the Work).
- c) The cost of obtaining all Governmental Approvals (except for approvals which are the responsibility of ICTC, as specifically provided elsewhere in the Contract Documents).
- d) All costs of compliance with and maintenance of the Governmental Approvals and compliance with Governmental Rules.
- e) Payment of any taxes, duties, and permit and other fees and/or royalties imposed with respect to the Work and any equipment, materials, labor, or services included therein.

11.1.3 Delay in Issuance of NTP1

11.1.3.1 Delays beyond fourteen (14) Days

If ICTC has not issued NTP1 on or before fourteen (14) Days after satisfaction of all conditions precedent to issuance of NTP1 set forth in Section 4.2.1, to the extent provided in Section 4.2.1, Design-Builder may seek to negotiate a Change Order including an extension in the time allowed to ICTC for issuance of NTP1 and an increase in the Contract Price mutually acceptable to Design-Builder and ICTC. If Design-Builder does not wish to seek a Change Order as provided above or ICTC fails to issue a Change Order acceptable to Design-Builder, then Design-Builder’s sole remedy shall be to proceed as provided in Sections 13.13 and Section 19, or to terminate the Contract by delivery of notice of termination to ICTC, with the right to receive payment as specified in Section 15.

11.1.3.2 Allocation of Price Increase

Any price increase under this Section 11.1.3 shall be amortized proportionally over all Work remaining to be performed and shall be evidenced by a Change Order.

11.1.4 Asphalt Price Fluctuations

11.1.4.1 General

This section applies to asphalt contained in materials for pavement structural sections and pavement surface treatments such as hot mix asphalt (HMA), tack coat, asphaltic emulsions, bituminous seals, asphalt binders, and modified asphalt binders placed in the Work. This section does not apply if Design-Builder opted out of payment adjustment for price index fluctuations at the time of Price Proposal. ICTC adjusts payment if the California Statewide Crude Oil Price Index for the month the material is placed is more than five (5) percent higher or lower than the price index at the time of Price Proposal. The California Statewide Crude Oil Price Index is determined each month on or about the 1st business day of the month by ICTC using the average of the posted prices in effect for the previous month as posted by Chevron, ExxonMobil, and ConocoPhillips for the Buena Vista, Huntington Beach, and Midway Sunset fields.

If a company discontinues posting its prices for a field, ICTC determines the index from the remaining posted prices. ICTC may include additional fields to determine the index. For the California Statewide Crude Oil Price Index, go to: <http://www.dot.ca.gov/hq/construc/crudeoilindex/>

If the adjustment is a decrease in payment, ICTC deducts the amount from the monthly progress payment. If Work is not completed within the Contract time, payment adjustments during the overrun period are determined using the California Statewide Crude Oil Price Index in effect for the month in which the overrun period began.

If the price index at the time of placement increases:

- a) Fifty (50) percent or more over the price index at Price Proposal opening, notify ICTC.
- b) One Hundred (100) percent or more over the price index at Price Proposal opening, do not furnish material containing asphalt until ICTC authorizes Design-Builder to proceed with that Work. ICTC may eliminate Work or terminate the Contract.

11.1.4.2 Submittals

Before placing material containing asphalt, submit the current sales and use tax rate in effect in the tax jurisdiction where the material is to be placed. Submit certified weight slips for HMA, tack coat, asphaltic emulsions, and modified asphalt binders. For slurry seals, submit certified weight slips separately for the asphaltic emulsion. The scales used for weighing shall be operated by a weighmaster licensed in conformance with the requirements in the California Business and Professions Code, Division 5, Chapter 7. The Design-Builder shall furnish a Public weighmasters certificate or certified daily summary weight sheets. ICTC may, at its discretion, have a representative present to witness the weighing and to check and compile the daily record of the scale weights. When required by ICTC, the operator of each vehicle weighed shall obtain a weight or load slip from the weigher and deliver that slip to ICTC at the point of delivery of the material.

11.1.4.3 Payment Adjustments

ICTC includes payment adjustments for price index fluctuations in progress pay estimates. If material containing asphalt is placed within two (2) months during one (1) estimate period, ICTC calculates two (2) separate adjustments. Each adjustment is calculated using the price index for the month in which the quantity of material containing asphalt subject to adjustment is placed in the Work. The sum of the two (2) adjustments is used for increasing or decreasing payment in the progress pay estimate.

ICTC calculates each payment adjustment as follows:

$$PA = Q_t \times A$$

where:

PA = Payment adjustment in dollars for asphalt contained in materials placed in the Work for a given month.

Q_t = Sum of all quantities of asphalt-contained materials in pavement structural sections and pavement surface treatments placed ($Q_h + Q_{rh} + Q_{mh} + Q_{rap} + Q_{tc} + Q_e + Q_{ss} + Q_{mab} + Q_o$). (See Exhibit H for quantity calculations).

A = Adjustment in dollars per ton of asphalt used to produce materials placed in the Work rounded to the nearest \$0.01.

For US Customary projects, use:

$A = [(I_u / I_b) - 1.05] \times I_b \times [1 + (T / 100)]$ for an increase in the crude oil price index exceeding five (5) percent

$A = [(I_u / I_b) - 0.95] \times I_b \times [1 + (T / 100)]$ for a decrease in the crude oil price index exceeding five (5) percent

I_u = California Statewide Crude Oil Price Index for the month in which the quantity of asphalt subject to adjustment was placed in the Work.

I_b = California Statewide Crude Oil Price Index for the month in which the Price Proposal opening for the project occurred

T = Sales and use tax rate, expressed as a percent, currently in effect in the tax jurisdiction where the material is placed. If the tax rate information is not submitted timely, the statewide sales and use tax rate is used in the payment adjustment calculations until the tax rate information is submitted.

11.1.4.4 Allowance for Asphalt Price Index Fluctuations

The Contract Price includes an allowance of eighty thousand dollars (\$80,000.00) for asphalt price index fluctuations (“Asphalt Price Index Fluctuation Allowance”). A monthly price adjustment will be made as specified in Section 11.1.4.3 to account for significant fluctuations in the cost of asphalt over the course of the Project. The adjustment amount shall be calculated as specified in Section 11.1.4.3. The monthly price adjustment shall be tracked throughout the Project and charged against the Asphalt Price Index Fluctuation Allowance. Any upward adjustment resulting in a payment to the Design-Builder shall be contained in the progress payment and shall be deducted from the Asphalt Price Index Fluctuation Allowance. Any

downward adjustment resulting in a credit to ICTC shall be added to the Asphalt Price Index Fluctuation Allowance. In the event the cumulative adjustments exceed the Asphalt Price Index Fluctuation Allowance, Design-Builder shall be entitled to a Change Order for any adjustments in excess of the Asphalt Price Index Fluctuation Allowance. If at the end of the Project any portion of the Asphalt Price Index Fluctuation Allowance remains unused, including any additions based on credits to ICTC, ICTC shall issue a change order decreasing the Contract Price by the remaining amount of the Asphalt Price Index Fluctuation Allowance.

11.1.5 Pavement Smoothness Pay Adjustment

11.1.5.1 General

This section applies to the pavement smoothness pay adjustment of Continuously Reinforced Concrete Pavement placed in the Work. Construction of Continuously Reinforced Concrete Pavement shall comply with all Contract requirements, including Book 3, and the Caltrans *Standard Specifications*.

ICTC verifies and accepts pavement smoothness based on the results of Design-Builder’s inertial profiler testing per Caltrans *Standard Specifications*.

11.1.5.2 Pay Adjustments

Pavement smoothness is measured per the Caltrans *Standard Specifications*. The following table shows the applicable smoothness for continuously reinforced concrete pavement. For segments 0.05 miles to 0.10 miles in length, the pay adjustment will be prorated based on length. A partial section less than 0.05 mi will not receive proportional pay adjustment but must meet ALR thresholds.

Target 60 Pavement Smoothness Table		
0.1-mi MRI (in/mi)	Pay Adjustment/0.1 mi	Corrective Action ^a
≤ 45.00	+ \$1500	None
45.01 – 55.00	+ ((55 - MRI) x \$150)	None
55.01 – 65.00	0	None
65.01 – 80.00	- ((MRI - 65) x \$150)	Optional ^b
> 80.00	-	Mandatory ^c

^aCorrective action must not reduce pavement thickness below minimums in section 40-1.01D(8)(c)(iv). Applicable to MRI only.

^bDiamond grinding allowed.

^cCorrection is diamond grinding.

ICTC does not pay for mandatory smoothness corrections. Grinding to improve pay to positive pay adjustments is not allowed. Corrective grinding is only allowed to avoid negative pay adjustments.

Pavement smoothness pay adjustments are applied in addition to other pay adjustments.

11.1.6 Reserved

11.2 Invoices and Payment

Requirements relating to invoicing are set forth in Book 2, Section 2.2, “Cost Management”. Within thirty (30) Days after receipt by ICTC of each invoice, ICTC shall pay Design-Builder the amount of the invoice Approved for payment less any amounts which ICTC is entitled to withhold.

11.3 Limitations on Payment

In no event shall ICTC have any obligation to pay Design-Builder any amount which would result in (a) payment for any activity in excess of the value of the activity times the completion percentage of such activity, or (b) aggregate payments hereunder in excess of (i) the overall completion percentage for the Project times the Contract Price or (ii) the payment caps described herein. That portion of price allocated to those activities leading to Final Acceptance is not payable until Final Acceptance is achieved.

11.3.1 Reserved

11.3.2 Reserved

11.3.3 Reserved

11.3.4 Unincorporated Materials (Materials on Hand)

ICTC will not pay for materials associated with a progressed Work Breakdown Structure activity before their incorporation into the Project, except under the circumstances described in this [Section 11.3.4](#).

11.3.4.1 Delivery of Materials

Materials shall be delivered to the Site or delivered to Design-Builder and promptly stored by Design-Builder in storage Approved by ICTC. Materials that have not been delivered to or adjacent to the Site will be eligible for payment only if they were specifically manufactured or produced for the Project, and then only after being irrevocably assigned to ICTC. As a condition to inclusion of such materials in any invoice, Design-Builder shall submit certified bills for such materials with its invoice. Payment will not be made when the invoice value of such materials, as determined by ICTC, amounts to less than two thousand dollars (\$2,000) or if materials are to be stored less than thirty (30) Days.

11.3.4.2 Title to Materials

All such materials so delivered shall become the property of ICTC. Payment for stockpiled materials will not constitute final acceptance of such materials. At ICTC’s request, Design-Builder at its own expense shall promptly execute, acknowledge, and deliver to ICTC actual bills of sale or other instruments in a form acceptable to ICTC, conveying and assuring to ICTC title to such materials included in any invoice, free and clear of all Liens. Design-Builder at its own expense shall conspicuously mark such materials as the property of ICTC, shall not permit such materials to become commingled with non-ICTC-owned property and shall take such other steps, if any, as ICTC may require or regard as necessary to vest title to such materials in ICTC free and clear of Liens. The required invoice, billing, title, or assignment documents, furnished by Design-Builder, shall contain complete material description and identification data.

11.3.4.3 Deductions

The amount shown in an invoice for material which is subsequently lost, damaged, or unsatisfactory will be deducted from succeeding invoices until the material is repaired or replaced (at Design-Builder's expense). In case any Supplier claims against Design-Builder remain (for materials so paid for) unsatisfied for more than thirty (30) Days following issuance of payment to Design-Builder, the applicable payment may be canceled on the next invoice.

11.3.4.4 Not to Exceed Amount

Payment for material furnished and delivered as indicated in this Section 11.3.4 will not exceed the amount paid by Design-Builder as evidenced by a bill of sale supported by paid invoice, or seventy five (75) percent of the in-place price, whichever is less.

11.3.5 Materials Ineligible for Payment

11.3.5.1 Equipment

ICTC will not pay directly for equipment costs. Payment for equipment, whether new, used, or rented, and to the extent not included in the mobilization payments under Book 2, Section 2.2, "Cost Management," will be allocated to and paid for as part of the activities with which the equipment is associated, in a manner which is consistent with the requirements of Section 13.7.3.

11.3.5.2 Perishable Materials

ICTC will make no partial payment on living or perishable materials until incorporated as specified in the Contract.

11.3.5.3 Design-Builder's Election

ICTC will make no payment for materials brought onto the Site at Design-Builder's election that may be incorporated into the Project such as fuels, supplies, metal decking forms, ties, or supplies used to improve efficiency of operations.

11.3.6 Nonconforming Work

ICTC will make no payment for Nonconforming Work, except as provided under Section 5.7.

11.4 Mobilization and Time-Related Overhead

11.4.1 Mobilization

ICTC makes partial payments for mobilization as follows:

ICTC makes partial payments for the mobilization costs, not to exceed the following:

1. When five (5) percent of the original Contract amount is earned, fifty (50) percent of the amount bid for mobilization, or five (5) percent of the original Contract amount, whichever is lesser, may be paid.

2. When ten (10) percent of the original Contract amount is earned, seventy five (75) percent of the amount bid for mobilization or seven and one half (7.5) percent of the original Contract amount, whichever is lesser, may be paid.
3. When twenty (20) percent of the original Contract amount is earned, ninety five (95) percent of the amount bid for mobilization, or nine and one half (9.5) percent of the original Contract amount, whichever is lesser, may be paid.
4. When fifty (50) percent of the original Contract amount is earned, one hundred (100) percent of the amount bid for mobilization, or ten (10) percent of the original Contract amount, whichever is lesser, may be paid.
5. Upon completion of all Work on the Project, payment of any amount bid for mobilization in excess of ten (10) percent of the original Contract amount shall be paid.

11.4.2 Time Related Overhead

11.4.2.1 General

Time-Related Overhead includes payment for time-related field- and home-office overhead for the time required to complete the Work.

The field office overhead includes time-related expenses associated with the normal and recurring construction activities not directly attributed to the Work, including:

- a) Salaries, benefits, and equipment costs of:
 - i. Project managers
 - ii. General superintendents
 - iii. Field office managers
 - iv. Field office staff assigned to the Project.
- b) Rent
- c) Utilities
- d) Maintenance
- e) Security
- f) Supplies
- g) Office equipment costs for the Project's field office

The home-office overhead includes the fixed general and administrative expenses for operating Design-Builder's business, including:

- a) General administration
- b) Insurance
- c) Personnel and subcontract administration
- d) Purchasing
- e) Accounting
- f) Project engineering and estimating

Payment for the Time-Related Overhead does not include payment for:

- a) Home-office overhead expenses specifically related to:
 - i. Design-Builder's other contracts or other businesses
 - ii. Equipment coordination
 - iii. Material deliveries
 - iv. Consultant and legal fees
- b) Non-time-related costs and expenses such as mobilization, licenses, permits, and other charges incurred once during the Contract.
- c) Additional overhead involved in incentive/disincentive provisions to satisfy an internal milestone or multiple calendar requirements.
- d) Additional overhead involved in performing additional work that is not a controlling activity.

11.4.2.2 Progress Payments

For progress payments, the total work completed for Time-Related Overhead is the number of Working Days for the pay period until the Substantial Completion Deadline.

For progress payments, ICTC pays a unit price equal to the lesser of the following amounts:

- a) Unit price per Working Day as determined by dividing the Time-Related Overhead price (Form 9, Line 6) by the number of Working Days to achieve Substantial Completion.
- b) Twenty (20) percent of the Contract Price divided by the number of original Working Days to achieve Substantial Completion.

ICTC pays the balance due for the Time-Related Overhead in the first progress payment after Substantial Completion.

11.5 Deductions and Withholds

11.5.1 Deductions

ICTC may deduct from any amounts otherwise owing to Design-Builder, including each progress payment and the final payment, the following:

- a) Any anticipated or accrued losses, liability, Liquidated Damages, or other damages for which Design-Builder is responsible hereunder.
- b) The estimated cost of remedying any Nonconforming Work or otherwise remedying any breach of Contract by Design-Builder.
- c) Any amounts that ICTC deems advisable, in its reasonable discretion, to cover any existing Liens and stop notices by Subcontractors, Suppliers, laborers, Utility Owners, or other third parties relating to the Project.
- d) Any sums expended by ICTC in performing any of Design-Builder's obligations under the Contract which Design-Builder has failed to perform.

- e) Any other sums which ICTC is entitled to deduct from the Contract Price or to recover from Design-Builder under the terms of the Contract.

Deductions are cumulative and are not retentions under Public Contract Code Section 7107. ICTC's failure to deduct from a progress payment any amount which ICTC is entitled to recover from Design-Builder under the Contract shall not constitute a waiver of ICTC's right to such amounts.

11.5.2 Withholds

11.5.2.1 General

ICTC may withhold payment for noncompliance.

ICTC returns the noncompliance withhold in the progress payment following the correction of noncompliance except as specified in Section 11.5.2.3.

Withholds are not retentions under Public Contract Code Section 7107 and do not accrue interest under Public Contract Code Section 10261.5.

Withholds are cumulative and independent of deductions under Section 11.5.1.

Section 11.5.2 does not include all withholds that may be taken; ICTC may withhold other payments as specified.

11.5.2.2 Progress Withholds

ICTC withholds ten (10) percent of a progress payment for noncompliant progress. Noncompliant progress occurs when both occur:

- a) Total Working Days elapsed to date exceed seventy five (75) percent of the Contract Working Days, and
- b) Percent of the Working Days elapsed exceeds the percent of value of the Work completed by more than fifteen (15) percent.

ICTC determines the percent of the Working Days elapsed by dividing the total Working Days to date by the revised Contract Working Days and converting the quotient to a percentage.

ICTC determines the percent value of the Work completed by summing payments made to date and the amount due on the current progress estimate, dividing this sum by the current Contract Price, and converting the quotient to a percentage. These amounts are shown on the progress payment invoice.

When the percent of the Working Days elapsed minus the percent value of Work completed is less than or equal to fifteen (15) percent, ICTC returns the withhold in the next progress payment.

11.5.2.3 Performance Failure Withholds

During each estimate period Design-Builder fails to comply with a Contract part, including the submittal of a document as specified, ICTC withholds a part of the progress payment except as specified below for the failure to submit a document during the last estimate period. These documents include schedules, water pollution control submittals, quality plans, traffic control plans, and other management plans.

For one (1) performance failure, ICTC withholds twenty five (25) percent of the progress payment but does not withhold more than ten (10) percent of the total Contract Price.

For multiple performance failures, ICTC withholds one hundred (100) percent of the progress payment but does not withhold more than ten (10) percent of the total Contract Price.

During the last estimate period, if Design-Builder fails to submit a document as specified, ICTC withholds ten thousand dollars (\$10,000) for each document. ICTC returns the withhold within thirty (30) days after receipt of the document.

11.5.2.4 Stop Notice Withholds

ICTC withholds payments to cover claims filed under Civil Code Section 9000 et seq. ICTC will release to Design-Builder the amount withheld upon ICTC's receipt of a valid stop notice release bond executed by an admitted surety insurer, in an amount equal to one hundred twenty five (125) percent of the claim stated in the stop payment notice, conditioned for the payment of any amount the claimant recovers in an action on the claim, together with court costs if the claimant prevails, in accordance with the requirements of Civil Code Section 9364.

Stop notice information may be obtained from ICTC.

11.5.2.5 Penalty Withholds

Penalties include fines and damages that are proposed, assessed, or levied against Design-Builder or ICTC by a Governmental Person or private lawsuit. Penalties are also payments made or costs incurred in settling alleged violations of federal, State, or local laws, regulations, requirements, or PLACs. The cost incurred may include the amount spent for mitigation or correcting a violation.

If ICTC is assessed a penalty, ICTC may withhold the penalty amount until the penalty disposition has been resolved. ICTC may withhold penalty amounts without notifying Design-Builder.

Instead of the withhold, Design-Builder may provide a bond equal to the highest estimated liability for any disputed penalties proposed except Design-Builder may not provide a bond for withholds related to labor compliance violations.

11.6 Final Payment

Final payment will be made in accordance with this Section 11.6.

11.6.1 Application for Final Payment

On or about the date of delivery of its Affidavit of Final Completion, Design-Builder shall prepare and submit a proposed Application for Final Payment to ICTC showing the proposed total amount due Design-Builder. In addition to meeting all other requirements for invoices hereunder, the Application for Final Payment shall list all outstanding or pending Change Notices and all existing or threatened claims, Liens and stop notices by Subcontractors, laborers, Utility Owners, or other third parties relating to the Project, including any notices filed or to be filed with the Affidavit of Final Completion, stating the amount at issue

associated with each such notice. The Application for Final Payment shall be accompanied by all of the following:

- a) Complete and legally effective releases or waivers of Liens and stop notices satisfactory to ICTC, from all Persons legally eligible to file Liens and stop notices in connection with the Work.
- b) Consent of Surety(ies) to final payment.
- c) The release and affidavit required by Section 11.6.2.
- d) Any such other documentation as ICTC may reasonably require.

Prior applications and payments shall be subject to correction in the proposed Application for Final Payment. Change Notices filed concurrently with the Application for Final Payment shall be otherwise timely and meet all requirements under Sections 13 and 19. If a Subcontractor refuses to furnish a release or waiver required by ICTC, Design-Builder may furnish a bond satisfactory to ICTC to indemnify ICTC against such Lien.

ICTC will review Design-Builder's proposed Application for Final Payment, and changes or corrections will be forwarded to Design-Builder for correction.

11.6.2 Payment

11.6.2.1 Release and Affidavit as Condition to Final Payment

As a condition to its obligation to make payment to Design-Builder based on the Application for Final Payment, ICTC shall have received an executed release from Design-Builder for any and all claims arising from the Work, releasing and waiving any claims against the Indemnified Parties, excluding only those matters identified in any Change Notices listed as outstanding in the Application for Final Payment, and otherwise satisfactory in form and content to ICTC.

The release shall be accompanied by an affidavit from Design-Builder certifying:

- a) That it has resolved any claims made by Subcontractors, Utility Owners, and others against Design-Builder or the Project, or to the extent any such claims have not been fully resolved, that it has provided a release bond and/or is otherwise defending the claim at no expense to ICTC.
- b) That it has no reason to believe that any Person has a valid claim against Design-Builder or the Project which has not been communicated in writing by Design-Builder to ICTC as of the date of the certificate.
- c) That all guarantees and Warranties are in full force and effect.

The release and the affidavit shall survive final payment. The payment amount will be reduced by any amounts deductible under Section 11.5.

11.6.2.2 Partial Estimates and Payments Subject to Correction

All prior partial estimates and payments shall be subject to correction in the final payment.

11.7 Payments to Subcontractors

Within ten (10) Days after receipt of payment from ICTC, Design-Builder shall pay each Subcontractor, out of the amount paid to Design-Builder on account of such Subcontractor, all undisputed amounts (less any retainage and any other offsets and deductions provided in the Subcontract or by law) due and owing in accordance with the Subcontract. Within ten (10) Days after satisfactory completion of all Work to be performed by a Subcontractor, including provision of appropriate releases, certificates, and other evidence of the Subcontractor's compliance with all applicable requirements of the Contract Documents, Design-Builder shall return any moneys withheld in retention from the Subcontractor. Design-Builder shall, by

appropriate agreement with each Subcontractor, require each Subcontractor to make payments to its lower tier Subcontractors in a similar manner. ICTC shall have no obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

11.8 Interest on Late Payments

All amounts owing by Design-Builder to ICTC under the Contract shall earn interest from the date on which such amount is owing at the lesser of:

- a) Ten (10) percent per annum.
- b) The maximum rate allowable under Governmental Rules.

11.9 Disputes

Subject to ICTC's right to withhold from progress payments amounts in dispute as provided in the Contract Documents, and except as expressly stated otherwise in this Section 11, any disagreement between ICTC and Design-Builder relating to this Section 11 shall be subject to Section 19. Failure by ICTC to pay any amount in dispute shall not alleviate, diminish, or modify in any respect Design-Builder's obligation to perform under the Contract Documents, including Design-Builder's obligation to achieve Final Acceptance in accordance with the Contract Documents, and Design-Builder shall not cease or slow down its performance under the Contract Documents on account of any such amount in dispute. Design-Builder shall proceed as directed by ICTC pending resolution of the dispute. Upon resolution of any such dispute each party shall promptly pay to the other any amount owing.

12. RESERVED

12.1 Reserved

12.2 Reserved

13. CHANGES IN THE WORK

This Section 13 sets forth the requirements for obtaining all Change Orders under the Contract. Design-Builder hereby acknowledges and agrees that the Contract Price constitutes full compensation for performance of all of the Work, subject only to those exceptions specified in this Section 13, and that ICTC is subject to constraints which limit its ability to increase the Contract Price or extend the Completion Deadlines. Design-Builder hereby waives the right to make any claim for a time extension or for any monetary compensation in addition to the Contract Price and other compensation specified in the Contract, except as set forth in this Section 13. To the extent that any other provision of the Contract expressly provides for a Change Order to be issued, such provision is hereby incorporated into this Section 13.

13.1 Circumstances under which Change Orders May Be Issued

13.1.1 Definition of and Requirements Relating to Change Orders

13.1.1.1 Change Orders

The term “Change Order” shall mean a written amendment to the terms and conditions of the Contract Documents issued in accordance with this Section 13. ICTC may issue Unilateral Change Orders as specified in Section 13.2. A Change Order shall not be effective for any purpose unless executed by ICTC, as specified herein. As used herein, execution of a Change Order by ICTC shall mean that the Change Order has been fully executed with all the required signatures by ICTC and any other necessary parties of the State. Change Orders may be requested by Design-Builder only pursuant to Section 13.3. Change Orders may be issued for the following purposes (or combination thereof):

- a) To modify the scope of the Work.
- b) To revise a Completion Deadline.
- c) To revise the Contract Price.
- d) To revise other terms and conditions of the Contract Documents.

A Change Order may, at the sole discretion of ICTC, direct Design-Builder to proceed with the Work with the amount of any adjustment of a Completion Deadline or the Contract Price to be determined in the future.

13.1.1.2 Issuance of Directive Letter

ICTC may at any time issue a Directive Letter to Design-Builder in the event of any desired change in the Work or of any Dispute regarding the scope of the Work. The Directive Letter will state that it is issued under this Section 13.1.1.2, will describe the Work in question, and will state the basis for determining compensation, if any. Design-Builder shall proceed immediately with the Work as directed in the letter, pending the execution of a formal Change Order (or, if the letter states that the Work is within the original scope of the Work, Design-Builder shall proceed with the Work as directed but shall have the right pursuant to Section 13.3 to request that ICTC issue a Change Order with respect thereto).

13.1.1.3 Performance of Changed or Extra Work

As a condition precedent to Design-Builder’s right to receive additional payment or an extension of a Completion Deadline for changed or extra Work, Design-Builder shall have received either a Directive Letter from ICTC stating that it is issued pursuant to Section 13.1.1.2 or a Change Order for such Work executed by ICTC. To the extent that Design-Builder undertakes any such Work without receiving a

Directive Letter or Change Order executed by ICTC, Design-Builder shall be deemed to have performed such Work voluntarily and shall not be entitled to a Change Order in connection therewith. In addition, Design-Builder may be required to remove or otherwise undo any such Work, at its sole cost.

13.1.2 Directive Letter as Condition Precedent to Claim That an ICTC-Directed Change Has Occurred

In addition to provision of a Change Notice and subsequent Request for Change Order pursuant to Section 13.3.2, receipt of a Directive Letter from ICTC is a condition precedent to Design-Builder's right to claim that an ICTC-Directed Change has occurred, provided that no Directive Letter shall be required for alleged ICTC-Directed Changes directly attributable to delays caused by bad faith actions, active interference, gross negligence, or comparable tortious conduct by ICTC. The fact that a Directive Letter was issued by ICTC shall not be considered evidence that in fact an ICTC-Directed Change occurred. The determination whether an ICTC-Directed Change in fact occurred shall be based on an analysis of the original Contract requirements and a determination whether the Directive Letter in fact constituted a change in those requirements. The foregoing requirements shall not imply that a Directive Letter would be required in order for Design-Builder to have the right to receive compensation for Work within its original scope for which additional compensation is specifically allowed under this Section 13.

13.1.3 Significant Changes in the Character of Work

If an ICTC-Directed Change significantly changes the character of the Work, whether the alterations or changes included in such direction are in themselves significant changes to the character of the Work or by affecting other Work cause such other Work to become significantly different in character, an adjustment, excluding anticipated profit, will be made to the Contract. The basis for the adjustment shall be agreed upon before performance of such Work. If a basis cannot be agreed upon, then an adjustment will be made either for or against Design-Builder in such amount as ICTC may determine to be fair and equitable, subject to resolving the Dispute in accordance with Section 19. The term "significant change" shall be construed to apply only when (a) the changes materially modify the general definition of the Project or the design-build character of the Work, or (b) ICTC requires Work to be performed that is physically remote from the original Project and not necessary for completion of the original Project. Changes that are specifically contemplated by the Contract shall not be considered significant changes in the character of the Work. If the changes do not significantly change the character of the Work to be performed under the Contract, the altered Work will be paid for as provided elsewhere in the Contract.

13.2 Procedure for ICTC-Initiated Change Orders

This Section 13.2 concerns Change Orders issued by ICTC following a Request for Change Proposal and Change Orders unilaterally issued by ICTC.

13.2.1 Request for Change Proposal

13.2.1.1 Issuance of Request

If ICTC desires to issue an ICTC-Directed Change or to evaluate whether to initiate such a change, then ICTC may, at its discretion, issue a Request for Change Proposal.

13.2.1.2 Initial Consultation

Within two (2) Days after Design-Builder's receipt of a Request for Change Proposal, ICTC and Design-Builder shall consult to define the proposed scope of the change. Within seven (7) Days after the initial consultation, ICTC and Design-Builder shall consult concerning the estimated cost and time impacts. Design-Builder shall provide data regarding such matters as requested by ICTC.

13.2.1.3 Notification by ICTC

Within seven (7) Days after the second consultation and provision of any data as described in Section 13.2.1.2, ICTC shall notify Design-Builder whether ICTC:

- a) Wishes to issue a Change Order.
- b) Wishes to request Design-Builder to prepare a Change Order form as discussed at the meeting.
- c) No longer wishes to issue a Change Order.

ICTC may at any time, in its sole discretion, require Design-Builder to provide two (2) alternative Change Order forms, one of which shall provide for a time extension and any additional costs permitted hereunder, and the other of which shall show all Acceleration Costs associated with meeting the original Completion Deadlines, and any additional costs permitted hereunder.

13.2.1.4 Submittal of Change Order Form

If so requested, Design-Builder shall, within twenty one (21) Days after receipt of the notification described in Section 13.2.1.3, prepare and submit to ICTC for review and Approval by ICTC a Change Order form for the requested change, complying with all applicable requirements of Section 13.4, and incorporating and fully reflecting all requests made by ICTC. Design-Builder shall bear the cost of developing the Change Order form, including any modifications thereto requested by ICTC, except that costs of design and engineering Work required for preparation of Plans or exhibits necessary to the Change Order form and preauthorized by ICTC shall be included in the Change Order as reimbursable items. If the Change Order is Approved, the design and engineering costs will be included within the Change Order, otherwise, they shall be separately reimbursed through a separate Change Order.

13.2.1.5 Order To Proceed

If ICTC and Design-Builder agree that a change in the requirements relating to the Work has occurred but disagree as to whether the change justifies additional compensation or time or disagree as to the amount of any change to be made to the Contract Price or a Completion Deadline, ICTC may, in its sole discretion, order Design-Builder to proceed with the performance of the Work in question notwithstanding such disagreement. Such order may, at ICTC's option, be in the form of either a:

- a) Time and Materials Change Order as provided in Section 13.7.
- b) Directive Letter as described in Section 13.1.1.2.

13.2.2 Unilateral Change Orders

ICTC may issue a Change Order at any time, regardless of whether it has issued a Request for Change Proposal.

13.2.2.1 Additive and Deductive Change Orders

Additive Unilateral Change Orders shall state that Design-Builder shall be entitled to compensation in accordance with Section 13.7 for the additional Work required thereby. The Change Order may contain a price deduction deemed appropriate by ICTC, and Design-Builder shall have the right to submit the amount of such price deduction to dispute resolution in accordance with Section 19.

13.2.3 Changes in Law

ICTC shall be entitled to a decrease in the Contract Price for any change in Governmental Rules that reduces the cost of the Work, if and to the extent that the change (a) allows a material modification in the design of the Project resulting in a net cost savings or (b) reduces the requirements of complying with environmental approvals.

13.3 Procedure for Design-Builder Initiated Change Orders

13.3.1 Eligible Changes

This section outlines instances whereby Design-Builder shall submit Change Notice and subsequent Request for Change Orders to ICTC.

13.3.1.1 Time Extension

Design-Builder may submit a Request for Change Order to extend a Completion Deadline and a corresponding equitable adjustment to the Contract Price, subject to certain limitations, only for the following excusable delays changing the duration of the Critical Path:

- a) ICTC-Caused Delays.
- b) Delays directly attributable to Differing Site Conditions, to the extent permitted by Section 13.8.
- c) Delays directly attributable to Force Majeure events.
- d) Certain delays relating to Hazardous Materials, as described in Section 13.10, to the extent permitted therein and in Section 5.3.
- e) Certain delays relating to Utilities, as described in Section 6.2.
- f) Suspensions for convenience as described in Section 14.1.
- g) Delays attributable to Latent Material Errors.

13.3.1.2 Contract Price Increase

Design-Builder may submit a Request for Change Order to increase the Contract Price, subject to certain limitations, including with respect to delay damages, as specified in Section 13.5.2, only for increased costs in the Work as follows:

- a) Additional costs directly attributable to additional Work resulting from ICTC-Directed Changes for which ICTC has not submitted a Change Order or a Request for Change Proposal.
- b) Additional costs directly attributable to ICTC-Caused Delays.
- c) Additional costs directly attributable to Differing Site Conditions, to the extent provided in Section 13.8.
- d) Additional costs directly attributable to the following:
 - i. An earthquake.
 - ii. Any rebellion, war, riot, sabotage, terrorism, or civil commotion.
 - iii. The discovery at, near, or on the Site of any paleontological, cultural, or biological resources or any species presently or in the future listed as threatened or endangered under the federal or state endangered species act, provided that the existence of such resources was not disclosed in the RFP documents.
 - iv. The suspension, termination, interruption, denial, failure to obtain, nonrenewal, or amendment of any Environmental Approval or New Environmental Approval, except as otherwise provided in Section 6.3.
 - v. Any change in a Governmental Rule, change in the judicial interpretation of a Governmental Rule, or adoption of any new Governmental Rule, which is materially inconsistent with Governmental Rules in effect on the Proposal Due Date (excluding any such change or new Governmental Rule which was passed or adopted but not yet effective as of the Proposal Due Date), and which:
 - Requires a material modification in the Project design.
 - Requires Design-Builder to obtain a major State or federal environmental approval not previously required for the Project.
 - Specifically targets the Project or Design-Builder.
- e) Certain additional costs relating to Hazardous Materials, as described in Section 13.10, to the extent provided therein and in Section 5.3.
- f) Certain additional costs relating to Utility Work, as described in Section 6.2, to the extent provided therein.
- g) Additional costs directly attributable to uncovering, removing, and restoring Work, to the extent provided in Section 5.5.3.

- h) Certain costs relating to partnering, as described in Section 19.1, to the extent provided therein.
- i) Additional costs attributable to Latent Material Errors.

13.3.1.3 Design-Builder Initiated Change Proposal

Design-Builder at any time may submit a Request for Change Order to ICTC that proposes changes to the scope of Work of the Contract. Proposals can include changes to add or reduce the scope of Work or implement changes to the Contract that are “equal to or better” than the existing requirements. Provisions of Section 13.3.2 regarding delivery of Change Notice do not apply to a Design-Builder-initiated change proposal under this Section 13.3.1.3.

13.3.2 Conditions Precedent

The requirements set forth in this Section 13.3.2 constitute conditions precedent to Design-Builder’s entitlement to request and receive a Change Order in all circumstances except those involving a Request for Change Proposal by ICTC or a price increase under Section 11.1.3. Design-Builder agrees that the filing of Change Notices and subsequent filing of Requests for Change Orders with ICTC pursuant to this Section 13.3.2 are necessary in order to begin the administrative process for Design-Builder-initiated Change Orders. Design-Builder understands that it shall be forever barred from recovering against ICTC under this Section 13 if it fails to give notice of any act, or failure to act, by ICTC or any of its representatives or the happening of any event, thing or occurrence pursuant to a proper Change Notice, and thereafter complies with the remaining requirements of this Section 13.3.

13.3.2.1 Delivery of Change Notice

Design-Builder shall deliver to ICTC written Change Notice stating that an event or situation has occurred within the scope of Section 13.3.1.1 and/or 13.3.1.2 and shall state which subsection thereof is applicable. The first notice shall be labeled “Change Notice No. 1” and subsequent notices shall be numbered sequentially.

13.3.2.2 Importance of Prompt Delivery

Each Change Notice shall be delivered as promptly as possible after the occurrence of such event or situation. If any Change Notice is delivered later than ten (10) Days after Design-Builder first discovered (or should have discovered in the exercise of reasonable prudence) the occurrence which is described therein, Design-Builder shall be deemed to have waived the right to collect any and all costs incurred before the date of delivery of the Change Notice (unless such costs were reasonably incurred to prevent imminent harm to persons or damage to property), and shall be deemed to have waived the right to seek an extension of any Completion Deadline with respect to any delay in the Critical Path which accrued before the date of delivery of the written notice, but only to the extent that the late notice resulted in material prejudice to ICTC. Furthermore, if any Change Notice concerns any condition or material described in Section 5.3, Design-Builder shall be deemed to have waived the right to collect any and all costs incurred in connection therewith to the extent that ICTC is not afforded the opportunity to inspect such material or condition before it is disturbed and is materially prejudiced thereby. Design-Builder shall bear burden of proving that ICTC is not materially prejudiced. Design-Builder’s failure to provide a Change Notice within thirty (30) Days after Design-Builder first discovered (or should have discovered in the exercise of reasonable prudence) the occurrence of a given event or situation shall preclude Design-Builder from any relief, unless Design-Builder can show, based on a preponderance of the evidence, that (a) ICTC was not materially prejudiced by the lack of notice, or (b) ICTC’s designated representative specified in accordance with Section 23.5.1

had actual knowledge (including items (a) through (f) of Section 13.3.2.1.2), before the expiration of the thirty (30) Day period, of the event or situation and that Design-Builder believed it was entitled to a Change Order with respect thereto. A Change Notice shall be deemed delivered only if it fully conforms to the requirements of Section 13.3.2.1.2.

13.3.2.3 Contents of Change Notice

The Change Notice shall:

- a) State in detail the facts underlying the potential Change Order, the reasons why Design-Builder believes additional compensation or time will or may be due and the date of occurrence.
- b) State in detail the basis that the work is not required by the Contract, if applicable.
- c) Identify particular elements of Contract performance for which additional compensation may be sought under this Section 13.
- d) Identify any potential Critical Path impacts.
- e) Provide an estimate of the time within which a response to the notice is required to minimize cost, delay, or disruption of performance.
- f) Include a Time Impact Analysis.

13.3.2.4 Facts Supporting Objection to Decision

If the Change Notice relates to a decision which the Contract leaves to the discretion of a Person or as to which the Contract provides that such Person's decision is final, the Change Notice shall set out in detail all facts supporting Design-Builder's objection to the decision, including all facts supporting any contention that the decision was capricious or arbitrary or is not supported by substantial evidence.

13.3.2.5 Notices Under Other Contract Provisions

The written notification under Section 5.3 may also serve as a Change Notice provided it meets the requirements for Change Notices.

13.3.2.6 Failure to Provide Information

Any adjustments made to the Contract shall not include increased costs or time extensions for delay resulting from Design-Builder's failure to provide requested additional information under this Section 13.3.2

13.3.2.7 Delivery of Requests for Change Orders

Design-Builder shall deliver a Request for Change Order to ICTC within thirty (30) Days after delivery of the Change Notice. ICTC may require design and construction costs to be covered by separate Request for Change Orders, in which case Design-Builder shall deliver each such Request for Change Order to ICTC within thirty (30) Days after delivery of the Change Notice. If Design-Builder requests a time extension, then ICTC, in its sole discretion, may require Design-Builder to provide two (2) alternative Request for Change Orders within thirty (30) Days after delivery of the Change Notice, one of which shall provide for

a time extension and any additional costs permitted hereunder, and the other of which shall show all Acceleration Costs associated with meeting the original Completion Deadlines, and any additional costs permitted hereunder. If Design-Builder fails to deliver a complete Request for Change Order or incomplete Request for Change Order meeting all the requirements of Section 13.3.2.3 within the appropriate time period, Design-Builder shall be required to provide a new Change Notice before it may submit a Request for Change Order.

13.3.2.8 Incomplete Change Orders

Each Request for Change Order provided under Section 13.3.2.2 shall meet all requirements set forth in Section 13.4; provided that if any such requirements cannot be met due to the nature of the occurrence, Design-Builder shall provide an incomplete Request for Change Order which shall:

- a) Comply with all requirements capable of being met.
- b) Include a list of requirements which are not fulfilled together with an explanation reasonably satisfactory to ICTC stating why such requirements cannot be met.
- c) Provide such information regarding projected impact on the Critical Path as is requested by ICTC.
- d) In all events include sufficient detail to ascertain the basis for the proposed Change Order and for any price increase associated therewith, to the extent such amount is then ascertainable.

Design-Builder shall furnish, when requested by ICTC, such further information and details as may be required to determine the facts or contentions involved. Design-Builder agrees that it shall give ICTC access to any and all of Design-Builder's books, records and other materials relating to the Work, and shall cause its Subcontractors to do the same, so that ICTC can investigate the basis for such Request for Change Order. Design-Builder shall provide ICTC with a monthly update to all outstanding incomplete Requests for Change Order, describing the status of all previously unfulfilled requirements and stating any changes in projections previously delivered to ICTC, time expenditures to date and time anticipated for completion of the activities for which the time extension is claimed. ICTC may reject Design-Builder's claim at any point in the process. Once a complete Request for Change Order is provided, ICTC's failure to respond thereto within fourteen (14) Days of delivery of the request shall be deemed a rejection of such request. Although ICTC intends to review incomplete Request for Change Orders for the purposes described in Section 13.3.2.4, ICTC shall have no obligation to review the back-up associated with any Request for Change Order until a complete Request for Change Order is provided.

13.3.2.9 Importance of Timely Delivery

Design-Builder acknowledges and agrees that, due to the limited availability of funds for the Project, timely delivery of notification of such events and situations and Request for Change Orders and updates thereto are of vital importance to ICTC. ICTC is relying on Design-Builder to evaluate, promptly upon the occurrence of any event or situation, whether the event or situation will affect schedule or costs and, if so, whether Design-Builder believes a time extension and/or price increase is required hereunder. If an event or situation occurs which may affect the Contract Price or a Completion Deadline, ICTC will evaluate the situation and determine whether it wishes to make any changes to the definition of the Project so as to bring it within ICTC's funding and time restraints.

The following matters (among others) shall be considered in determining whether ICTC has been prejudiced by Design-Builder's failure to provide timely notice:

- a) The effect of the delay on alternatives available to ICTC (that is, a comparison of alternatives which are available at the time notice was actually given and alternatives which would have been available had notice been given when required under the Contract),
- b) The impact of the delay on ICTC's ability to obtain and review objective information contemporaneously with the event.

13.3.2.10 Subcontractor Claims

All claims (including the claims of Subcontractors) shall be submitted through Design-Builder. Claims submitted directly by Subcontractors to ICTC will be disregarded by ICTC.

13.3.3 Performance of Disputed Work

If ICTC refuses to issue a Change Order based on Design-Builder's request, Design-Builder shall nevertheless perform all work as specified in an appropriate Directive Letter, with the right to submit the issue of entitlement to a Change Order to dispute resolution in accordance with Section 19. Design-Builder shall maintain and deliver to ICTC, upon request, contemporaneous records, meeting the requirements of Section 13.7.2, for all work performed which Design-Builder believes constitutes extra work (including non-construction work), until all Disputes regarding entitlement or cost of such work are resolved.

13.4 Contents of Change Orders

13.4.1 Reserved

13.4.2 Scope of Work, Cost Estimate, Delay Analysis, and Information Regarding Change

Design-Builder shall prepare a scope of work, cost estimate, TIA, and other information as required by this Section 13.4.2 for each Request for Change Order.

13.4.2.1 Scope of Work

The scope of work shall describe in detail satisfactory to ICTC all activities associated with the Request for Change Order, including a description of additions, deletions, and modifications to the existing Contract requirements.

13.4.2.2 Cost Estimate

The cost estimate shall set out the estimated costs in such a way that a fair evaluation can be made. It shall include a breakdown for labor, materials, equipment, overhead (which includes all indirect costs) and profit, unless ICTC agrees otherwise. The estimate shall include costs allowable under Section 13.5.2, if any. If the work is to be performed by Subcontractors and if the work is sufficiently defined to obtain Subcontractor quotes, Design-Builder shall obtain quotes (with breakdowns showing cost of labor, materials, equipment, overhead and profit) on the Subcontractor's stationery and shall include such quotes as back-up for Design-Builder's estimate. No mark-up shall be allowed in excess of the amounts allowed under Sections 13.5.2 and 13.7. Design-Builder shall identify all conditions with respect to prices or other aspects of the cost estimate, such as pricing contingent on firm orders being made by a certain date or the occurrence or non-occurrence of an event.

13.4.2.3 Time Impact Analysis

If Design-Builder claims that such event, situation, or change affects the Critical Path, it shall provide a TIA indicating all activities represented or affected by the change, with activity numbers, durations, predecessor and successor activities, resources and cost, and with a narrative report, in form satisfactory to ICTC, which compares the proposed new schedule to the Baseline Schedule as appropriate at the time of the event. ICTC has the right to request a TIA. The revision to the Working Schedule associated with the time extension shall not modify the “early and late start cost curves” of the Working Schedule, except with respect to activities which have been impacted by the event which justifies the extension. Design-Builder may reschedule activities not otherwise affected by the event, in order to take advantage of additional Float available as the result of the time extension. Any such rescheduling shall be reflected in the Working Schedule.

13.4.2.4 Other Supporting Documentation

Design-Builder shall provide such other supporting documentation as may be required by ICTC.

13.4.3 Reserved

13.4.4 Design-Builder Representation

Each Change Order (other than Change Orders issued unilaterally by ICTC) shall contain a sworn certification in form acceptable to ICTC by Design-Builder that the amount of time and/or compensation requested includes all known and anticipated impacts or amounts, direct, indirect and consequential, which may be incurred as a result of the event or matter giving rise to such proposed change and that Design-Builder has no reason to believe and does not believe that the factual basis for the Change Order is falsely represented.

13.5 Certain Limitations

13.5.1 Limitation on Contract Price Increases

Any increase in the Contract Price allowed hereunder shall exclude:

- a) Costs caused by the breach of Contract or fault or negligence, or act or failure to act of any Design-Builder-Related Entity.
- b) Costs which could reasonably have been avoided by Design-Builder, including by resequencing, reallocating, or redeploying its forces to other portions of the Work or to other activities unrelated to the Work (including any additional costs reasonably incurred in connection with such reallocation or redeployment).
- c) Costs for any rejected Work which failed to meet the requirements of the Contract Documents and any necessary remedial Work.

13.5.2 Limitation on Delay and Disruption Damages

13.5.2.1 Acceleration Costs; Delay and Disruption Damages

Acceleration Costs shall be compensable hereunder only with respect to Change Orders issued by ICTC as an alternative to allowing an extension of a Completion Deadline as contemplated by Sections 13.2.1.3 and 13.3.2.2. Other delay and disruption damages shall be compensable hereunder only in the case of a delay which qualifies as an ICTC-Caused Delay to the extent that it entitles Design-Builder to an extension of a Completion Deadline. Without limiting the generality of the foregoing, costs of rearranging Design-Builder's work plan to accommodate ICTC-Directed Changes not associated with an extension of a Completion Deadline shall not be compensable hereunder.

13.5.2.2 Other Limitations

Delay and disruption damages shall be limited to direct costs directly attributable to the delays described in Section 13.5.2.1 and mark-ups thereon in accordance with Section 13.7 and any additional field office and jobsite overhead costs incurred by Design-Builder directly attributable to such delays. In addition, before Design-Builder may obtain any increase in the Contract Price to compensate for extended overhead, Acceleration Costs or other damages relating to delay, Design-Builder shall have demonstrated to ICTC's satisfaction that:

- a) Its schedule which defines the affected Critical Path in fact set forth a reasonable method for completion of the Work.
- b) The change in the Work or other event or situation which is the subject of the requested Change Order has caused or will result in an identifiable and measurable disruption of the Work which impacted the Critical Path activity.
- c) The delay or damage was not due to any breach of Contract or fault or negligence, or act or failure to act of any Design-Builder-Related Entity, and could not reasonably have been avoided by Design-Builder, including by resequencing, reallocating or redeploying its forces to other portions of the Work or other activities unrelated to the Work (subject to reimbursement for additional costs reasonably incurred in connection with such reallocation or redeployment).
- d) The delay for which compensation is sought is not concurrent with any other delay, whether or not such other delay is on the Critical Path, excluding ICTC-Caused Delays.
- e) Design-Builder has suffered or will suffer actual costs due to such delay, each of which costs shall be documented in a manner satisfactory to ICTC.

13.5.3 Limitation on Time Extensions

Any extension of a Completion Deadline allowed hereunder shall exclude any delay to the extent that it:

- a) Did not impact the Critical Path;
- b) Was due to the fault or negligence, or act or failure to act of any Design-Builder-Related Entity.
- c) Could reasonably have been avoided by Design-Builder, including by resequencing, reallocating, or redeploying its forces to other portions of the Work (provided that if the request for extension

involves an ICTC-Caused Delay, ICTC shall have agreed, if requested to do so, to reimburse Design-Builder for its costs incurred, if any, in resequencing, reallocating or redeploying its forces).

Design-Builder shall be required to demonstrate to ICTC's satisfaction that the change in the Work or other event or situation which is the subject of the Request for Change Order seeking a change in a Completion Deadline has caused or will result in an identifiable and measurable disruption of the Work which has impacted the Critical Path activity.

13.6 Negotiated Price Change Orders

ICTC and Design-Builder (on its own behalf and on behalf of its Subcontractors) shall endeavor to negotiate, in good faith, a reasonable cost for each Change Order, provided that Change Orders issued under Section 13.2.2 are not subject to negotiation. In general, the price of a Change Order shall be negotiated in accordance with this Section 13.6 or shall be based on time and materials records pursuant to Section 13.7.

13.6.1 Reserved

13.6.2 Unit Price Change Orders

Instead of negotiating the price for a Change Order in accordance with Section 13.6.3, 13.6.4 or 13.6.5, ICTC and Design-Builder may agree to negotiate unit prices for changed Work. Measurement of unit-priced quantities shall be as specified in the Change Order. The unit prices shall be deemed to include all costs for the Work, including labor, material, overhead, markups, and profit, and shall not be subject to change regardless of any change in the estimated quantities. Unit-priced Change Orders shall initially include an estimated increase in the Contract Price based on estimated quantities. The final price of a Change Order may be lump sum or may be based upon a final determination of the quantities.

13.6.3 Added Work

When the Change Order adds Work to Design-Builder's scope, the increase in the Contract Price shall be negotiated based on estimated costs of labor, material, and equipment, or shall be based on actual costs in accordance with Caltrans Standard Specifications Section 9-1.04 and Section 13.7. Mark-ups for profit and overhead shall be as provided in Caltrans Standard Specifications Section 9-1.04 and Section 13.7, and risk associated with the Work described in the Change Order shall be addressed through an additional amount agreed to by ICTC and Design Builder not to exceed eight (8) percent or reasonable amount otherwise agreed to by ICTC of the Total Change Order amount (excluding the amount allocated to risk).

13.6.4 Deleted Work

When the Change Order deletes Work from Design-Builder's scope (including deletion of any Work contained in the Contract that is found to be unnecessary), the amount of the reduction in the Contract Price shall be based upon a current estimate, including a bill of material, a breakdown of labor and equipment costs and overhead and profit associated with the deleted Work. ICTC reserves the right to request a credit for risk up to four (4) or reasonable amount otherwise agreed to by ICTC of the total Change Order amount (excluding amount allocated to risk). When a deduction is involved, documented cancellation and restocking charges may be included in costs and subtracted from the price deduction.

13.6.5 Work Both Added and Deleted

When the Change Order includes both added and deleted Work, Design-Builder shall prepare separate cost breakdowns for added Work and deleted Work in accordance with Sections 13.6.3 and 13.6.4 and:

- a) The cost (or credit) amount of the Change Order shall be the difference between the added Work and deleted Work cost breakdowns.
- b) If the change results in a net change of zero, there shall be no change in the Contract Price.

13.7 Time and Materials Change Orders

ICTC may at its discretion issue a Time and Materials Change Order whenever ICTC determines that a Time and Materials Change Order is advisable. The Time and Materials Change Order shall instruct Design-Builder to perform the Work, indicating expressly the intention to treat the items as changes in the Work, and setting forth the kind, character, and limits of the Work as far as they can be ascertained, the terms under which changes to the Contract Price will be determined and the estimated total change in the Contract Price anticipated thereunder. Upon final determination of the allowable costs, ICTC shall issue a modified Change Order setting forth the final adjustment to the Contract Price. The following costs and mark-ups (and no others) shall be used for calculating the change in the Contract Price. No direct compensation shall be allowed for other miscellaneous costs for which no specific allowance is provided in this Section 13.7.

13.7.1 Determination of Costs

Compensation for Time and Materials Change Orders shall be in accordance with Caltrans *Standard Specification*, Section 9-1.04, "Force Account," and this Section 13.7.

13.7.1.1 Non-Construction Labor Costs

The cost of labor for non-construction-related Work (including designers), whether provided by Design-Builder or a Subcontractor, shall equal the sum of the following:

- a) Actual unburdened wages (i.e., the base wage paid to the employee exclusive of any fringe benefits).
- b) Unless already included in the wage rates paid, the actual ICTC Approved labor-related costs incurred by reason of subsistence and travel allowances.
- c) A labor surcharge of one hundred forty (140) percent of actual unburdened wages, which shall constitute full compensation for all State and federal payroll, unemployment and other taxes, insurance and bond premiums, fringe benefits (including health insurance, retirement plans, vacation, sick leave and bonuses) and all other payments made to, or on behalf of, the worker, as well as overhead and profit.

13.7.1.2 Reserved

13.7.1.3 Evidence of Materials Cost

If Design-Builder or any Subcontractor (as applicable) does not furnish satisfactory evidence of the cost of such materials from the actual supplier thereof within sixty (60) Days after the date of delivery of the

material, ICTC reserves the right to establish the cost of such materials at the lowest current wholesale prices at which such materials were available, in the quantities needed and delivered to the Site.

13.7.1.4 Permit Fees

Design-Builder will be reimbursed for the cost of any additional permit fees payable as the result of the change in the Work. Back-up documentation supporting each cost item for this category shall be provided by Design-Builder and Approved by ICTC before any payment authorization being granted.

13.7.1.5 Credit Items

Where Design-Builder's or any Subcontractor's portion of a change involves credit items, or the proposed change is a net deductive change, Design-Builder shall include all Design-Builder's and Subcontractor's overhead and profits in computing the value of the credit.

13.7.2 Time and Materials Records

13.7.2.1 Collection and Maintenance of Data

Design-Builder shall maintain its records in such a manner as to provide a clear distinction between (a) the direct cost of Work for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and (b) the costs of other operations. Design-Builder shall contemporaneously collect, record in writing, segregate, and preserve (a) all data necessary to determine the costs described in this Section 13.7 with respect to all Work which is the subject of a Change Order or a requested Change Order, specifically including costs associated with design Work and Utility Relocations, but specifically excluding all negotiated Change Orders, and (b) all data necessary to show the actual impact (if any) of the change on the Critical Path with respect to all Work which is the subject of a Change Order or a proposed Change Order, if the impact on the Project Schedule is in dispute. Such data shall be provided to ICTC, and its authorized representatives as directed by ICTC, on forms Approved by ICTC. The cost of furnishing such reports is included in Design-Builder's predetermined overhead and profit mark-ups.

13.7.2.2 Daily Reports

Design-Builder shall furnish daily reports, on forms Approved by ICTC, of Time and Materials Change Order Work. The cost of furnishing such reports shall be included in Design-Builder's overhead and fee percentages. The reports shall include:

- a) Name, classification, date, daily hours, total hours, rate, and extension for each worker (including both construction and non-construction personnel) and foreman.
- b) Designation, dates, daily hours, total hours, rental rate, and extension for each unit of machinery and equipment.
- c) Quantities of materials, prices and extensions.
- d) Transportation costs of materials, machinery, and equipment.
- e) Invoices for materials used and for transportation charges.

- f) Location and summary of Work completed.

The reports shall also state the total costs to date for the Time and Materials Change Order Work.

13.7.2.3 Reports As Basis for Payment

All Time and Materials Change Order reports shall be signed by the Project Manager. ICTC will compare its records with Design-Builder's reports, make the necessary adjustments and compile the costs of Time and Materials Change Order Work. When such reports are agreed upon and signed by both parties, they will become the basis of payment, but shall not preclude subsequent adjustment based on a later audit. Design-Builder's (and each Subcontractor's) cost records pertaining to Work paid for on a time and materials basis shall be open, during all regular business hours, to inspection or audit by representatives of ICTC during the life of the Contract and for a period of not less than seven (7) years after Final Acceptance, and Design-Builder (and each Subcontractor) shall retain such records for that period. If an audit is to be started more than sixty (60) Days after Final Acceptance, Design-Builder will be given a twenty (20) Day notice of the time when such audit is to begin.

13.7.3 Compliance with the Federal Acquisition Regulation

Reimbursable expenses under Time and Materials Change Orders shall be limited to and comply with the FAR. Expenses excluded by the FAR shall not be reimbursed. If FHWA asserts that any claimed reimbursable expenses are not reimbursable under FAR, ICTC will allow Design-Builder the opportunity to respond to FHWA and defend the allowability of the expenses.

13.8 Differing Site Conditions

13.8.1 Responsibilities of ICTC

Upon Design-Builder's fulfillment of all applicable requirements of Sections 5.3 and 13, and subject to the limitations contained therein, ICTC shall be responsible for, and agrees to issue Change Orders (a) to compensate Design-Builder for additional costs directly attributable to changes in the scope of the Work arising from Differing Site Conditions in accordance with the Approved action plan under Section 5.3.2, and (b) to extend the Completion Deadlines as the result of any delay in the Critical Path caused by any such conditions.

13.8.2 Burden of Proof

Design-Builder shall bear the burden of proving that a Differing Site Condition exists and that it could not reasonably have worked around the Differing Site Condition so as to avoid additional cost. Each request for a Change Order relating to a Differing Site Condition shall be accompanied by a statement signed by a qualified professional setting forth all relevant assumptions made by Design-Builder with respect to the condition of the Site, justifying the basis for such assumptions, explaining exactly how the existing conditions differ from those assumptions, and stating the efforts undertaken by Design-Builder to find alternative design or construction solutions to eliminate or minimize the problem and the associated costs.

13.9 Certain Events

Upon Design-Builder's fulfillment of all applicable requirements of Section 13, and subject to the limitations contained therein, ICTC shall be responsible for, and agrees to issue Change Orders (a) to

compensate Design-Builder for additional costs directly attributable to the events set forth in Section 13.3.1.2(d), and/or (b) to extend the applicable Completion Deadlines as the result of any delay in the Critical Path caused by a Force Majeure event.

13.10 Hazardous Materials Management

13.10.1 Price Increase

Subject to Section 13.10.3, Design-Builder shall be entitled to payment for Remediation Work (excluding those conditions for which Design-Builder has agreed to be responsible as described in Section 18.1.1(g) and Book 2, Section 7, “Environmental Compliance”) through a Change Order priced in accordance with Section 13.6 or 13.7.

13.10.2 Time Extension

Design-Builder shall be entitled to an extension of the Completion Deadlines to the extent that any delay in the Critical Path is directly attributable to Remediation Work compensable under Section 13.10.1.

13.10.3 Limitations on Change Orders

All Change Orders authorized by this Section 13.10 shall be subject to the restrictions, limitations and procedures set forth in Section 13. Allowable costs shall be limited to the Incremental Costs associated with the fact that Hazardous Materials subject to Remediation Work compensable under Section 13.10.1 are present (deducting any avoided costs such as re-use and/or disposal of non-Hazardous Materials) after completion of the testing process to determine whether Hazardous Materials are present. Design-Builder shall take all reasonable steps to minimize any such costs. In addition, compensation for Remediation Work compensable under Section 13.10.1 shall not be allowed unless Design-Builder demonstrates to ICTC’s satisfaction that (a) the Remediation Work could not have been avoided by reasonable design modifications or construction techniques, and (b) Design-Builder’s plan for the Remediation Work represents the approach which is most beneficial to the Project and the public. Design-Builder shall provide ICTC with such information, analyses, and certificates as may be requested by ICTC in order to enable a determination regarding eligibility for payment.

13.11 Matters Not Eligible for Change Orders

Design-Builder acknowledges and agrees that no increase in the Contract Price or extension of a Completion Deadline is available except in circumstances expressly provided for in the Contract, that such price increase and time extension shall be available only as provided in this Section 13, and that Design-Builder shall bear full responsibility for the consequences of all other events and circumstances. Matters which are Design-Builder’s exclusive responsibility include the following:

- a) Errors in the Design Documents and Construction Documents (including Errors directly attributable to Errors in the Basic Configuration, the Approved Project Report and its Attachments, or RID, but excluding Latent Material Errors in any of the foregoing).
- b) Subject to Sections 13.3.1.2(d)(iv) and (v), any design changes required by ICTC as part of the process of Approving the Design Documents for consistency with the requirements of the Contract Documents, the Governmental Approvals and/or Governmental Rules.

- c) Defective or incorrect schedules of Work or changes in the planned sequence of performance of the Work (except to the extent arising from causes which otherwise give rise to a right to a Change Order).
- d) Action or inaction of Design-Builder's employees, Suppliers, Subcontractors, or any Design-Builder-Related Entity (unless arising from causes which otherwise give rise to a right to a Change Order).
- e) Groundwater levels or subsurface moisture content.
- f) Untimely delivery of equipment or material, or unavailability, defectiveness, or increases in costs of material, equipment or products specified by the Contract Documents (except to the extent arising from causes which otherwise give rise to a right to a Change Order).
- g) Delays not on the Critical Path.
- h) Costs covered by insurance proceeds received by or on behalf of Design-Builder.
- i) Correction of Nonconforming Work and oversight and related activities in connection therewith by ICTC (including rejected design submittals).
- j) Failure by Design-Builder to comply with Contract requirements.
- k) All other events beyond the control of ICTC for which ICTC has not agreed to assume liability hereunder.
- l) Any situations (other than Force Majeure events) which, while not within one of the categories delineated above, were or should have been anticipated because such situations are referred to elsewhere in the Contract or arise out of the nature of the Work.

Design-Builder hereby assumes responsibility for all such matters and acknowledges and agrees that assumption by Design-Builder of responsibility for such risks, and the consequences, costs, and delays resulting therefrom, is reasonable under the circumstances of the Contract and that contingencies included in the Proposal Price in Design-Builder's sole judgment, constitute sufficient consideration for its acceptance and assumption of said risks and responsibilities.

13.12 Waiver

DESIGN-BUILDER HEREBY EXPRESSLY WAIVES ALL RIGHTS TO ASSERT ANY AND ALL CLAIMS BASED ON ANY CHANGE IN THE WORK, DELAY OR ACCELERATION (INCLUDING ANY CHANGE, DELAY, SUSPENSION OR ACCELERATION WHICH, BUT FOR THE EXPRESS TERMS OF THE CONTRACT DOCUMENTS, COULD BE INFERRED OR IMPLIED AT LAW) EXCEPT TO THE EXTENT THAT THE CONTRACT DOCUMENTS EXPRESSLY SPECIFY THAT DESIGN-BUILDER IS ENTITLED TO RECEIVE OR SEEK A CHANGE ORDER OR OTHER COMPENSATION OR DAMAGES.

13.13 Disputes

If ICTC and Design-Builder agree that a request to increase the Contract Price and/or extend any Completion Deadline by Design-Builder has merit, but are unable to agree as to the amount of such price

increase and/or time extension, ICTC agrees to mark up the Change Order request or Change Order form, as applicable, provided by Design-Builder to reduce the amount of the price increase and/or time extension as deemed appropriate by ICTC. In such event, ICTC will execute and deliver the marked-up Change Order to Design-Builder within a reasonable period after receipt of a request by Design-Builder to do so, and thereafter will make payment and/or grant a time extension based on such marked-up Change Order. The failure of ICTC and Design-Builder to agree to any Change Order under this Section 13 (including agreement as to the amount of compensation allowed under a Time and Materials Change Order and the disputed amount of the increase in the Contract Price and/or extension of a Completion Deadline in connection with a Change Order as described above) shall be a Dispute to be resolved pursuant to Section 19. Except as otherwise specified in the Change Order, execution of a Change Order by both parties shall be deemed accord and satisfaction of all claims by Design-Builder of any nature arising from or relating to the Work covered by the Change Order. Design-Builder's Claim and any award by the dispute resolver shall be limited to the Incremental Costs incurred by Design-Builder with respect to the disputed matter (crediting ICTC for any corresponding reduction in Design-Builder's other costs) and shall in no event exceed the amounts allowed by Section 13.7 with respect thereto.

13.14 No Release or Waiver

13.14.1 Extension of Time for Performance

No extension of time granted hereunder shall release Design-Builder's Surety or any Guarantor from its obligations. ICTC shall not be deemed to have waived any rights under the Contract (including its right to abrogate the Contract for abandonment or for failure to complete within the time specified, or to impose and deduct damages as may be provided herein) as the result of any grant of an extension of time beyond the date fixed for the completion of any part of the Work, any acceptance of performance of any part of the Work after a Completion Deadline, or the making of any payments to Design-Builder after such date.

13.14.2 No Change Order Based on Course of Conduct or Order by Unauthorized Person

No course of conduct or dealings between the parties nor express or implied acceptance of alterations or additions to the Work, and no claim that ICTC has been unjustly enriched shall be the basis for any claim, request for additional compensation, or extension of a Completion Deadline. Further, Design-Builder shall undertake, at its risk, work included in any request, order, or other authorization issued by a Person in excess of that Person's authority as provided herein or included in any oral request. Design-Builder shall be deemed to have performed such work as a volunteer and at its sole cost. In addition, ICTC may require Design-Builder to remove or otherwise undo any such work, at Design-Builder's sole cost.

14. SUSPENSION OF WORK

14.1 Suspension for Convenience

ICTC may, at any time and for any reason, by written notice, order Design-Builder to suspend all or any part of the Work required under the Contract Documents for the period of time that ICTC deems appropriate for the convenience of ICTC. Design-Builder shall promptly comply with any such written suspension order. Design-Builder shall promptly recommence the Work upon receipt of written notice from ICTC directing Design-Builder to resume Work. Suspensions related to seasonal or climatic conditions, or Force Majeure events shall not be considered ICTC-Caused Delays.

14.2 Suspension for Cause

ICTC has the authority by written order to suspend the Work without liability to ICTC wholly or in part for Design-Builder's failure to do any of the following:

- a) Correct conditions unsafe for the Project personnel or general public.
- b) Comply with any Governmental Approval, Governmental Rule or otherwise carry out the requirements of the Contract.
- c) Carry out orders of ICTC duly given.
- d) Comply with environmental requirements or requirements for developing and implementing the Quality Manual.

Design-Builder shall promptly comply with any such written suspension order. Design-Builder shall promptly recommence the Work upon receipt of written notice from ICTC directing Design-Builder to resume Work.

14.3 Design-Builder Responsibilities During Suspension

During periods that Work is suspended, Design-Builder shall continue to be responsible for the Work and shall prevent damage or injury to the Project and other facilities in the Project vicinity, provide for drainage, obtain and maintain compliance with all Governmental Approvals, maintain all Design-Builder-provided insurance and bonds and erect necessary temporary structures, signs or other facilities required to maintain the Project and other facilities in the Project vicinity. During any suspension period, unless otherwise directed by ICTC, Design-Builder shall continue to be responsible for maintenance of traffic in accordance with the requirements of the Contract, for plant and landscape maintenance in accordance with Book 2, Section 14, "Landscape" and for stormwater maintenance in accordance with Book 2, Section 8, "Stormwater". If the suspension is for ICTC's convenience, the additional work performed by Design-Builder during the suspension period shall be considered ICTC-Directed Changes.

15. TERMINATION FOR CONVENIENCE

15.1 Notice of Termination

ICTC may terminate the Contract and the performance of the Work by Design-Builder in whole or, from time to time, in part, if ICTC determines, in its sole discretion, that a termination is in the best public, State, or national interest to do so. ICTC shall notify Design-Builder of its decision to terminate by delivering to Design-Builder a written Notice of Termination specifying the extent of termination and its effective date. Termination (or partial termination) of the Contract shall not relieve any Surety or Guarantor of its obligation for any claims arising out of the Work performed.

15.2 Design-Builder's Responsibilities Upon Termination

After receipt of a Notice of Termination, and except as otherwise directed by ICTC, Design-Builder shall immediately proceed as follows, regardless of any delay in determining or adjusting any amounts due under this Section 15.

- a) Stop Work as specified in the notice.
- b) Communicate such notice to all affected Subcontractors and that their Subcontracts are not to be further performed unless otherwise authorized in writing by ICTC.
- c) Place no further Subcontracts or orders for materials, services or facilities, except as necessary to complete the continued portion of the Work, if any, or for mitigation of damages.
- d) Terminate all Subcontracts to the extent that they relate to the Work terminated.
- e) Assign to ICTC in the manner, at the times, and as and to the extent directed by ICTC, all of the right, title, and interest of Design-Builder under the Subcontracts so terminated, in which case ICTC will have the right, in its sole discretion, to accept performance, settle, or pay any or all claims arising out of the termination of such Subcontracts.
- f) Subject to the prior Approval of ICTC, settle all outstanding liabilities and claims arising out of such termination of Subcontracts.
- g) Provide ICTC with an inventory list of all materials previously produced, purchased or ordered from Suppliers for use in the Work and not yet used in the Work, including its storage location, and any documentation or other property required to be delivered hereunder which is either in the process of development or previously completed but not yet delivered to ICTC, and such other information as ICTC may request; and transfer title and deliver to ICTC, in the manner, at the times, and as and to the extent, if any, directed by ICTC (i) fabricated or unfabricated parts, the Work in process, completed Work, supplies and other material produced or acquired for the Work terminated; and (ii) the Design Documents, Construction Documents and all other completed or partially completed drawings (including Plans, elevations, sections, details, and diagrams), specifications, records, samples, information, and other property that would have been required to be furnished to ICTC if the Work had been completed.
- h) Complete performance in accordance with the Contract Documents of all Work not terminated.
- i) Take all action that may be necessary, or that ICTC may direct, for the safety, security, protection and preservation of (i) the public, including public and private vehicular movement, (ii) the Work,

and (iii) the equipment, machinery, materials, and property related to the Contract Documents that is in the possession of Design-Builder and in which ICTC has or may acquire an interest.

- j) As authorized by ICTC in writing, use its best efforts to sell, in a manner, at the times, to the extent, and at the price or prices directed or authorized by ICTC, any property of the types referred to in Section 15.2(g); provided, however, that Design-Builder (i) is not required to extend credit to any purchaser, and (ii) may acquire the property under the conditions prescribed and at prices Approved by ICTC (provided that such prices are not less than those for which Design-Builder is contractually obligated). The proceeds of any transfer or disposition will be applied to reduce any payments to be made by ICTC under the Contract Documents or paid in any other manner directed by ICTC.
- k) If requested by ICTC, withdraw from the portions of the Site designated by ICTC and remove such materials, equipment, tools, and instruments used by, and any debris or waste materials generated by, Design-Builder and any Subcontractor in the performance of the Work as ICTC may direct.
- l) Take other actions directed by ICTC.

15.3 Responsibility After Notice of Termination

Design-Builder shall continue to be responsible for damage to materials after issuance of the Notice of Termination, except as follows:

- a) Design-Builder's responsibility for damage to materials for which partial payment has been made as provided herein shall terminate when ICTC certifies that those materials have been stored in the manner and at the locations directed by ICTC.
- b) Design-Builder's responsibility for damage to materials purchased by ICTC subsequent to the issuance of the notice that the Contract is to be terminated shall terminate when title and delivery of those materials has been taken by ICTC.

Immediately after ICTC determines that Design-Builder has completed the Work directed to be completed before termination and such other work as may have been ordered to secure the Project for termination, Design-Builder will not be required to provide for continuing safety, security, and maintenance at the Site.

15.4 Negotiated Termination Settlement

15.4.1 Settlement Proposal

After receipt of a Notice of Termination, Design-Builder shall submit a final termination settlement proposal to ICTC in the form and with the certification prescribed by ICTC. Design-Builder shall submit the proposal promptly, but no later than sixty (60) Days from the effective date of termination, unless Design-Builder has requested a time extension in writing within such sixty (60) Day period and ICTC has agreed in writing to allow such an extension. ICTC will then review Design-Builder's termination settlement proposal and will act upon it, return it with comments, or reject it. If Design-Builder fails to submit the proposal within the time allowed, ICTC may determine, on the basis of information available to it, the amount, if any, due Design-Builder because of the termination and shall pay Design-Builder the amount so determined.

15.4.2 Negotiated Settlement Amount

Design-Builder and ICTC may agree, as provided in Section 15.4.1, upon the whole or any part of the amount or amounts to be paid to Design-Builder by reason of the total or partial termination of Work pursuant to this Section 15. Such negotiated settlement may include a reasonable allowance for profit solely on Work which has been completed as of the termination date and subsequently Approved by ICTC. Such agreed amount(s), exclusive of settlement costs, shall not exceed the total Contract Price as reduced by the amount of payments otherwise made and as further reduced by the Contract Price of Work not terminated. Upon determination of the settlement amount the Contract will be amended accordingly, and Design-Builder will be paid the agreed amount. Nothing in Section 15.5, prescribing the amount to be paid to

Design-Builder in the event that Design-Builder and ICTC fail to agree upon the whole amount to be paid to Design-Builder by reason of the termination of Work pursuant to this Section 15, shall be deemed to limit, restrict or otherwise determine or affect the amount(s) which may be agreed upon to be paid to Design-Builder pursuant to this Section 15.4. ICTC's execution and delivery of any settlement agreement shall not affect any of its rights under the Contract Documents with respect to completed Work, relieve Design-Builder from its obligations with respect thereto, including Warranties, or affect Design-Builder's rights under the Payment and Performance Bonds, and payment as to such completed or non-terminated Work.

15.5 Determination of Settlement Amount If Negotiations Fail

If Design-Builder and ICTC fail to agree, as provided in Section 15.4.2, upon the whole amount to be paid to Design-Builder by reason of the termination of Work pursuant to this Section 15, the amount payable (exclusive of interest charges) shall be determined by ICTC in accordance with the following, but without duplication of any amounts agreed upon in accordance with Section 15.4 and without waiver by either party of its right to proceed under Section 19, Disputes.

15.5.1 Payment Amount

ICTC will pay Design-Builder the sum of the following amounts for Work performed before the effective date of the Notice of Termination, as such amounts are determined by ICTC:

- a) Design-Builder's actual reasonable out-of-pocket cost (without profit and including equipment costs only to the extent permitted by Section 13) for all Work performed, including mobilization, demobilization, and work done to secure the Project for termination, including reasonable overhead and accounting for any refunds payable with respect to insurance premiums, deposits, or similar items, as established to ICTC's satisfaction. In determining the reasonable cost, deductions will be made for the cost of materials to be retained by Design-Builder, amounts realized by the sale of materials and for other appropriate credits. Deductions will also be made for the cost of damaged materials. When, in the reasonable opinion of ICTC, the cost of an item of Work is excessively high due to costs incurred to remedy or replace defective or rejected Work, the reasonable cost to be allowed will be the estimated reasonable cost of performing that Work in compliance with the requirements of the Contract Documents and the excessive actual cost will be disallowed.
- b) As profit on clause (a) above, a sum determined by ICTC to be fair and reasonable; provided, however, that such sum shall not be less than that to which Design-Builder would have been entitled under the Contract Documents.

- c) The cost of settling and paying claims arising out of the termination of Work under Subcontracts as provided in Section 5.2(f), exclusive of the amounts paid or payable on account of supplies or materials delivered or services furnished by the Subcontractor before the effective date of the Notice of Termination under the Contract, which amounts shall be included in the cost on account of which payment is made under clause (a) above.
- d) The reasonable out-of-pocket cost (including reasonable overhead) of the preservation and protection of property incurred pursuant to Section 15.2(i) and any other reasonable out-of-pocket cost (including overhead) incidental to termination of Work under the Contract, including the reasonable cost to Design-Builder of handling material returned to the vendor, delivered to ICTC or otherwise disposed of as directed by ICTC, and including a reasonable allowance for Design-Builder's administrative costs in determining the amount due to Design-Builder as the result of the termination of Work under the Contract.

15.5.2 Maximum Compensation

Design-Builder acknowledges and agrees that it shall not be entitled to any compensation in excess of the value of the Work performed (determined as provided in Section 15.5.1) plus its settlement costs, and that items such as lost or anticipated profits, unabsorbed overhead and opportunity costs shall not be recoverable by it upon termination of the Contract. However, the total amount to be paid to Design-Builder, exclusive of costs described in Sections 15.5.1(c), (d) and (e), may not exceed the total Contract Price less the amount of payments previously made and less the Contract Price of any Work not terminated. Furthermore, if any refund is payable with respect to insurance or bond premiums, deposits or similar items which were previously passed through to ICTC by Design-Builder, such refund shall be paid directly to ICTC or otherwise credited to ICTC.

15.5.3 Excluded Items

Except for normal spoilage, and except to the extent that ICTC will have otherwise expressly assumed the risk of loss, there will be excluded from the amounts payable to Design-Builder under Section 15.5.1, the fair value, as determined by ICTC, of equipment, machinery, materials, and property which is destroyed, lost, stolen, or damaged so as to become undeliverable to ICTC, or to a buyer pursuant to Section 15.2(j). The amount set forth in the Proposal by Design-Builder for the Work terminated shall be a factor to be analyzed in determining the value of the Work terminated.

15.5.4 Payment of Termination Amount

Upon determination of the amount of the termination payment, the Contract shall be amended to reflect the agreed termination payment, and Design-Builder shall be paid the agreed amount.

15.6 Partial Termination

If a termination hereunder is partial, the Contract Price for the remainder of the Work shall be adjusted as appropriate to account for the change in the overall scope of the Project.

15.7 Reduction in Amount of Claim

The amount otherwise due Design-Builder under this Section 15 shall be reduced by:

- a) All unliquidated advance or other payments made to or on behalf of Design-Builder applicable to the terminated portion of the Contract.
- b) The amount of any claim which ICTC may have against any Design-Builder-Related Entity in connection with the Contract.
- c) The agreed price for, or the proceeds of the sale of, any property, materials, supplies, or other things acquired by Design-Builder or sold, pursuant to the provisions of this Section 15, and not otherwise recovered by or credited to ICTC.
- d) Amounts that ICTC deems advisable, in its reasonable discretion, to retain to cover any existing claims, Liens, and stop notices relating to the Project, including claims by Utility Owners, except to the extent that Design-Builder has provided release bonds or other acceptable security against such claims.
- e) The cost of repairing any Nonconforming Work.
- f) Any amounts due or payable by Design-Builder to ICTC.

15.8 Partial Payments

ICTC may, from time to time, under such terms and conditions as it may prescribe and in its sole discretion, make partial payments on account against costs incurred by Design-Builder in connection with the terminated portion of the Contract, whenever in the opinion of ICTC the aggregate of such payments shall be within the amount to which Design-Builder will be entitled under this Section 15. If the total of such payments is in excess of the amount finally agreed or determined to be due under this Section 15, such excess shall be payable by Design-Builder to ICTC upon demand together with interest thereon as set forth in Section 11.8.

15.9 Inclusion in Subcontracts

Design-Builder shall insert in all Subcontracts a requirement that the Subcontractor shall stop Work on the date and to the extent specified in a Notice of Termination from ICTC in accordance with this Section 15 and shall require Subcontractors to insert the same provision in each Subcontract at all tiers.

15.10 Limitation on Payments to Subcontractor

For the purposes of Sections 15.4.2 and 15.5, upon termination under Section 15.2(d) of Work under any Subcontract, Design-Builder shall not be entitled to reimbursement for that portion of the termination settlement with any such Subcontractor which constitutes anticipatory or unearned profit on Work not performed, or which constitutes consequential damages on account of the termination or partial termination.

15.11 No Unearned Profits or Consequential Damages

Under no circumstances shall Design-Builder be entitled to anticipatory or unearned profits or consequential or other damages as a result of a termination or partial termination under this Section 15. The payment to Design-Builder determined in accordance with this Section 15 constitutes Design-Builder's sole and exclusive remedy for a termination under this Section 15.

15.12 No Waiver

Anything contained in the Contract to the contrary notwithstanding, a termination under this Section 15 shall not waive any right or claim to damages which ICTC may have, and ICTC may pursue any cause of action which it may have at law or in equity or under the Contract.

15.13 Dispute Resolution

The failure of the parties to agree on amounts due under this Section 15 shall be a Dispute to be resolved in accordance with Section 19.

15.14 Allowability of Costs

All costs claimed by Design-Builder under this Section 15 shall, at a minimum, be allowable, allocable, and reasonable in accordance with the cost principles and procedures of 48 CFR Part 31.

15.15 Suspension of Work

In the event of any suspension of Work by ICTC, after issuance of NTP1, for more than one hundred eighty

(180) consecutive Days, Design-Builder shall have the right to consider the Contract to have been terminated for convenience under this Section 15. Design-Builder shall notify ICTC of such election by delivering to ICTC a written notice of termination due to such suspension specifying its effective date. Upon delivery by Design-Builder to ICTC of a notice of termination due to suspension, the provisions of this Section 15 shall apply.

15.16 Termination Due to Non-Appropriation of Funds

15.16.1 Availability of Funds

The obligation of ICTC to make any payments to Design-Builder hereunder is contingent upon funds being appropriated, budgeted, allocated and otherwise made available by ICTC in amounts to meet its funding obligations for the Contract. Design-Builder is not obligated to perform Work, and correspondingly is not entitled to any compensation for Work performed, in any fiscal year beyond the amount, if any, appropriated and made available by ICTC in amounts to meet its funding obligations for the Contract.

15.16.2 Anticipated Appropriations

ICTC anticipates that sufficient funds will be authorized to allow ICTC to make all payments owing hereunder.

15.16.3 Remedy for Failure To appropriate

If funds are not budgeted, allocated, or otherwise made available by ICTC or the State or federal Legislature or local agency fails to make an appropriation, resulting in stoppage of Work, Design-Builder agrees to resume performance of the Work without any modification to the terms and conditions hereof, provided that an appropriation therefor is approved or funds are made available within sixty (60) Days after Design-Builder stops Work under Section 15.16.1. Any such Work stoppage shall be considered a suspension for

convenience under Section 14.1. If funds are not appropriated or made available before expiration of such sixty (60) Day period, either party may terminate the Contract.

16. DEFAULT

16.1 Default By Design-Builder

16.1.1 Events of Default

Design-Builder shall be in breach under the Contract upon the occurrence of any one or more of the following events or conditions:

- a) Design-Builder fails to promptly begin the Work under the Contract Documents following issuance of a Notice to Proceed authorizing such Work.
- b) Design-Builder does not comply with public safety and public convenience requirements of this Contract or fails to correct any safety hazards or security risks promptly.
- c) Design-Builder fails to perform the Work with sufficient resources to ensure the prompt completion thereof (i.e., Design-Builder fails to execute remedial action in accordance with the Quality Manual and Book 2, Section 5, “Quality Program”).
- d) Design-Builder fails to perform the Work in accordance with the Contract Documents, refuses to remove and replace rejected materials or Nonconforming or unacceptable Work, or fails to remove and replace workers as directed by ICTC under Section 7.4.3.
- e) Design-Builder discontinues or suspends the prosecution of the Work (exclusive of Work stoppage due to (i) termination by ICTC, (ii) a Force Majeure event or suspension by ICTC, or (iii) nonpayment by ICTC not related to a breach by Design-Builder).
- f) Design-Builder fails to resume performance of Work which has been suspended or stopped, within a reasonable time after receipt of notice from ICTC to do so or (if applicable) after cessation of the event preventing performance.
- g) Design-Builder breaches any other agreement, representation, or Warranty contained in the Contract Documents, or Design-Builder fails to perform any other obligation under the Contract Documents, including EEO and DBE requirements.
- h) Design-Builder fails to provide and maintain the required insurance.
- i) Design-Builder fails to provide and maintain the required Payment and Performance Bonds, or Design-Builder assigns or transfers the Contract Documents or any right or interest therein, except as expressly permitted under Section 23.4.2.
- j) Design-Builder fails, absent a valid dispute, to make payment when due for labor, equipment or materials in accordance with its agreements with Subcontractors and applicable law, fails to comply with any Governmental Rule or Governmental Approval; or fails reasonably to comply with the instructions of ICTC consistent with the Contract Documents.
- k) Design-Builder fails to discharge or obtain a stay within ten (10) Days of any final judgment(s) or order for the payment of money against it in excess of one hundred thousand dollars (\$100,000) in the aggregate arising out of the prosecution of the Work (provided that, for purposes hereof, posting of a bond in the amount of one hundred twenty five (125) percent of such judgment or order shall be deemed an effective stay).

- l) Design-Builder, any Guarantor, or any Major Participant shall have become insolvent, generally does not pay its debts as they become due, admits in writing its inability to pay its debts, or makes an assignment for the benefit of creditors.
- m) Insolvency, receivership, reorganization, or bankruptcy proceedings shall have been started by or against Design-Builder, any Guarantor, or any Major Participant and not dismissed within sixty (60) Days.
- n) Any representation or warranty made by Design-Builder or any Guarantor in the Contract Documents or in any certificate, schedule, instrument, or other document delivered pursuant to the Contract Documents shall have been false or materially misleading when made.
- o) Design-Builder or any Guarantor is held liable or is convicted for fraud.
- p) Any Guarantor revokes or attempts to revoke its obligations, or otherwise takes the position that such instrument is no longer in full force and effect.

16.1.2 Right to Cure

ICTC agrees to allow Design-Builder and Surety fifteen (15) Days' notice and opportunity to cure any breach before declaring an Event of Default, provided that the notice and cure period shall only be three (3) days for a breach under Sections 16.1.1(g) (h), (k), (m), and (n) and no such notice and opportunity to cure is required for any breach which by its nature cannot be cured. If a breach for which a fifteen (15) Day cure period is provided is curable but by its nature cannot be cured within fifteen (15) Days, as determined by ICTC, ICTC agrees not to declare an Event of Default provided that Design-Builder begins such cure within such fifteen (15) Day period and thereafter diligently prosecutes such cure to completion; provided, however, that in no event shall such cure period exceed sixty (60) Days in total. For breach of any insurance requirements, the provisions of Section 9 apply. Notwithstanding the foregoing, if ICTC believes a condition affecting the Project poses an immediate and imminent danger to public health or safety or security, ICTC may, without notice and without awaiting lapse of any cure period, rectify the condition at Design-Builder's cost, and so long as ICTC undertakes such action in good faith, even if under a mistaken belief in the occurrence of such default, such action shall not expose ICTC to liability to Design-Builder and shall not entitle Design-Builder to any other remedy, it being acknowledged that ICTC has a paramount public interest in providing and maintaining safe public use of and access to the Project. ICTC's good faith determination of the existence of such danger shall be deemed conclusive in the absence of clear and convincing evidence to the contrary.

16.2 Remedies

16.2.1 Rights of ICTC

If an Event of Default occurs, then, in addition to all other rights and remedies provided by law or equity or available under the Contract or otherwise, including the rights to recover Liquidated Damages and to seek recourse against the surety bonds required hereby, and/or other performance security, ICTC shall have the following rights and remedies, without further notice, and without prejudice to any of its other rights or remedies and without waiving or releasing Design-Builder from any obligations, and Design-Builder shall have the following obligations (as applicable):

- a) ICTC may order Design-Builder to suspend or discontinue the Work or any portion of the Work.
- b) ICTC may terminate the Contract or a portion thereof, in which case, the provisions of Sections 15.2 and 15.3 shall apply.

- c) If and as directed by ICTC, Design-Builder shall withdraw from the Site; and shall remove such materials, equipment, tools, and instruments used by, and any debris or waste materials generated by, any Design-Builder-Related Entity in the performance of the Work.
- d) Design-Builder shall deliver to ICTC possession of any or all facilities of Design-Builder located on the Site, including any or all Design Documents, Construction Documents, and all other completed or partially completed drawings (including Plans, elevations, sections, details, and diagrams), specifications, records, information, schedules, samples, shop drawings, and other documents, that ICTC deems necessary for completion of the Work.
- e) Design-Builder shall confirm the assignment to ICTC of the Subcontracts requested by ICTC, and Design-Builder shall terminate, at its cost, all other Subcontracts.
- f) ICTC may deduct from any amounts payable by ICTC to Design-Builder such amounts payable by Design-Builder to ICTC, including Liquidated Damages or other damages payable to ICTC under the Contract Documents.
- g) ICTC shall have the right, but not the obligation, to pay such amount and/or perform such act as may then be required.
- h) ICTC, without incurring any liability to Design-Builder, shall have the rights (i) to take the performance of all or a portion of the Work from Design-Builder (either with or without the use of Design-Builder's materials and equipment for which ICTC has made payment) and enter into an agreement with another Person for the completion of such Work; or (ii) to use such other methods, as in the opinion of ICTC, will be required for the completion of the Project.
- i) If ICTC exercises any right to perform any obligations of Design-Builder, in the exercise of such right ICTC may, but is not obligated to, among other things:
 - i. Perform or attempt to perform, or cause to be performed, such Work.
 - ii. Spend such sums as ICTC deems necessary and reasonable to employ and pay such architects, engineers, consultants, and contractors and obtain materials and equipment as may be required for the purpose of completing such Work.
 - iii. Execute all applications, certificates and other documents as may be required for completing the Work.
 - iv. Modify or terminate any contractual arrangements.
 - v. Take any and all other actions which it may in its sole discretion consider necessary to complete the Work.
 - vi. Prosecute and defend any action or proceeding incident to the Work.

16.2.2 Liability of Design-Builder

16.2.2.1 Occurrence of an Event of Default

If an Event of Default has occurred, Design-Builder and Surety shall be jointly and severally liable to ICTC (in addition to any other damages under the Contract Documents other than those costs intended to be covered by Liquidated Damages payable hereunder) for all costs reasonably incurred by ICTC or any party acting on ICTC's behalf in completing the Work or having the Work completed by another Person (including any re-procurement costs, throw away costs for unused portions of the completed Work, and

increased financing costs). Upon the occurrence of an Event of Default, ICTC shall be entitled to withhold all or any portion of further payments to Design-Builder until such time as ICTC is able to determine how much (if any) remains owing to Design-Builder. Promptly upon such determination, ICTC shall notify Design-Builder in writing of the amount, if any, that Design-Builder shall pay ICTC or that ICTC shall pay Design-Builder with respect thereto. All costs and charges incurred by ICTC, including attorneys', accountants', and expert witness fees and costs, together with the cost of completing the Work under the Contract Documents, shall be deducted from any moneys due or which may become due to Design-Builder. If such expense exceeds the sum which would have been payable under the Contract, then Design-Builder and its Surety(ies) and any Guarantor shall be liable and shall pay to ICTC the amount of such excess.

16.2.2.2 Assurance of Future Performance

It is recognized that if a default under Section 16.1.1(k), (l), or (m) occurs, such event could impair or frustrate Design-Builder's performance of the Work. Accordingly, it is agreed that upon the occurrence of any such event, ICTC shall be entitled to request of Design-Builder, or its successor in interest, adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within ten (10) Days of delivery of the request shall entitle ICTC to terminate the Contract and to the accompanying rights set forth above. Pending receipt of adequate assurance of performance and actual performance in accordance therewith, ICTC shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the cost of which will be credited against and deducted from ICTC's payment obligations hereunder. The foregoing shall be in addition to all other rights and remedies provided by law or equity and such rights and remedies as are otherwise available under the Contract, and Payment and Performance Bonds.

16.2.2.3 Alternative to Terminating the Contract and Completing the Work

In lieu of the provisions of this Section 16.2 for terminating the Contract and completing the Work, ICTC may pay Design-Builder for the parts already done according to the provisions of the Contract Documents and may treat the parts remaining undone as if they had never been included or contemplated by the Contract. No claim under this provision will allow Design-Builder prospective profits on, or any other compensation relating to, Work uncompleted by Design-Builder.

16.2.2.4 Reserved

16.2.2.5 Damages Resulting From Design-Builder's Breach or Failure to Perform

If ICTC suffers damages as a result of Design-Builder's breach or failure to perform an obligation under the Contract Documents, then ICTC shall be entitled to recovery of such damages from Design-Builder regardless of whether the breach or failure that gives rise to the damages ripens into an Event of Default.

16.2.2.6 Cumulative Remedies

The exercise or beginning of the exercise by ICTC of any one or more rights or remedies under this Section 16.2 shall not preclude the simultaneous or later exercise by ICTC of any or all other rights or remedies, each of which shall be cumulative.

16.2.2.7 Continued Liability of Design-Builder and Surety

Design-Builder, any Guarantor and Surety shall not be relieved of liability for continuing Liquidated Damages on account of a default by Design-Builder hereunder or by ICTC's declaration of an Event of Default, or by actions taken by ICTC under this Section 16.2.

16.3 Right to Stop Work If Undisputed Payment Is Not Made

Design-Builder shall have the right to stop Work if ICTC fails to make an undisputed payment due hereunder within thirty (30) Days after receipt of notice of nonpayment. Design-Builder shall not issue a notice of nonpayment prior to the initial thirty (30) Days of an undisputed payment due to Design-Builder. If the failure to make the undisputed payment is not cured within thirty (30) Days after receipt of notice of nonpayment, then after providing an additional five (5) Days' notice of the nonpayment, Design-Builder shall have the right to terminate the Contract and recover such damages as are permitted by law.

16.4 Notice and Opportunity to Cure Other Types of ICTC Breaches

In the event of any breach of the Contract by ICTC other than a failure to make payments to Design-Builder, Design-Builder shall provide to ICTC a written notice describing the breach and the opportunity to cure such breach. ICTC shall be entitled to thirty (30) Days' notice and opportunity to cure any such breach; provided that if such breach is capable of cure but by its nature cannot be cured within thirty (30) Days, ICTC shall have such additional period of time as may be reasonably necessary to cure the breach so long as ICTC begins such cure within such thirty (30) Day period and thereafter diligently prosecutes such cure to completion. Design-Builder shall have no right to exercise any remedies to which it may be entitled at law or in equity until the foregoing notice is delivered and the foregoing cure period lapses without cure of the breach.

17. DAMAGES

17.1 Liquidated Damages

17.1.1 Failure to Meet Completion Deadlines

Design-Builder understands and agrees that if Design-Builder fails to complete the Work in accordance with the Contract Documents, ICTC will suffer substantial losses and damages. Design-Builder agrees that it shall be liable for all such losses and damages. Design-Builder acknowledges and agrees that because of the unique nature of the Project, the fact that it is an essential part of the U.S. Border Crossing system and the California State highway system and the fact that inconvenience to the traveling public will be one of the significant impacts of any completion delay, it is impracticable and extremely difficult to ascertain and determine the actual damages which would accrue to ICTC and the public in the event of Design-Builder's failure to achieve Substantial Completion, and/or Final Acceptance by the applicable Completion Deadlines. Therefore, Design-Builder and ICTC have agreed to stipulate the amount payable by Design-Builder in the event of its failure to meet a Completion Deadline. Design-Builder acknowledges and agrees that such Liquidated Damages are intended to compensate ICTC solely for Design-Builder's failure to meet the Completion Deadlines, and shall not excuse Design-Builder from liability from any other breach of Contract requirements, including any failure of the Work to conform to applicable requirements. Collection of Liquidated Damages shall be the ICTC's sole and exclusive remedy for delay in meeting a Completion Deadline.

If Design-Builder fails to achieve Substantial Completion or Final Acceptance by the applicable Completion Deadline, as adjusted in accordance with the Contract Documents, Design-Builder agrees to pay ICTC Liquidated Damages in the following amounts:

- a) Ten thousand dollars (\$10,000) per Day for Design-Builder's failure to achieve Substantial Completion by the Substantial Completion Deadline, until the date Design-Builder achieves Substantial Completion.
- b) Ten thousand dollars (\$10,000) per Day for Design-Builder's failure to achieve Final Acceptance by the Final Acceptance Deadline, until the date Design-Builder achieves Final Acceptance.

17.1.2 Reasonableness of Liquidated Damage Amounts

Design-Builder understands and agrees that any Liquidated Damages payable in accordance with this Section 17.1 are in the nature of liquidated damages and not a penalty and that such sums are reasonable under the circumstances existing as of the date of execution and delivery of the Contract. Design-Builder further acknowledges and agrees that Liquidated Damages may be owing even though no Event of Default has occurred.

17.2 Offset; Waiver

17.2.1 Offset

ICTC shall have the right to deduct any amount owed by Design-Builder to ICTC hereunder from any amounts owed by ICTC to Design-Builder.

17.2.2 Waiver

ICTC may reduce or waive all or any portion of the Liquidated Damages, in its sole discretion, if the Project is in condition for safe, secure, and convenient use by the traveling public and CBP operations.

Permitting or requiring Design-Builder to continue and finish the Work or any part thereof after a Completion Deadline shall not act as a waiver of ICTC's right to receive Liquidated Damages hereunder or any rights or remedies otherwise available to ICTC. Neither the act of taking over the Work nor a termination of the Contract or default shall forfeit ICTC's right to recover Liquidated Damages from Design-Builder or Design-Builder's Sureties.

17.3 Payment of Liquidated Damages

Liquidated Damages, to the extent not paid as provided in Section 17.2, shall be payable by Design-Builder to ICTC within ten (10) Days after Design-Builder's receipt of an invoice therefor from ICTC.

18. INDEMNIFICATION

18.1 Indemnifications by Design-Builder

18.1.1 General Indemnities

With the exception that this section shall in no event be construed to require indemnification by the Design-Builder to a greater extent than permitted by law, the Design-Builder shall defend, indemnify, and hold harmless ICTC and its officers, directors, agents, and employees, and each of them (Indemnitees) from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liabilities, in law or in equity, of every kind and nature whatsoever (Claims), to the extent arising out of or in connection with the Design-Builder's performance of this Contract for:

- a) Bodily injury, including sickness or disease, emotional injury or death to Persons, including the public, any employees, or agents of the Design-Builder, State, ICTC, or any other contractor.
- b) Damage to property of anyone, including loss of use thereof caused or alleged to be caused in whole or in part by any negligent or otherwise legally actionable act or omission of the Design-Builder or its agents, or anyone directly or indirectly employed or retained by the Design-Builder or anyone for whose acts or omissions the Design-Builder may be liable.

Except as otherwise provided by law, the indemnification provisions above shall apply regardless of the existence or degree of fault of Indemnitees. The Design-Builder, however, shall not be obligated to indemnify Indemnitees for Claims arising from conduct delineated in California Civil Code Section 2782. Further, the Design-Builder's indemnity obligation shall not extend to Claims to the extent they arise from any defective or substandard condition of the roadway which existed at or before the time the Design-Builder began Work, unless this condition has been changed by the Work or the scope of the Work requires the Design-Builder to maintain existing roadway facilities and the Claim arises from the Design-Builder's failure to maintain. The Design-Builder's indemnity obligation shall extend to Claims arising after the Work is completed and accepted only if these Claims are directly related to alleged acts or omissions of the Design-Builder which occurred during the course of the Work. No inspection, oversight, Approval, or acceptance by ICTC, its employees or agents shall be deemed a waiver by ICTC of full compliance with the requirements of this Section 18.

The Design-Builder's obligation to defend and indemnify shall not be excused because of the Design-Builder's inability to evaluate liability or because the Design-Builder evaluates liability and determines that the Design-Builder is not liable to the claimant. The Design-Builder shall respond within thirty (30) days to the tender of any claim for defense and indemnity by ICTC unless this time has been extended by the ICTC. If the Design-Builder fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, so much of the money due the Design-Builder under and by virtue of this Contract as shall be reasonably necessary by ICTC, may be retained and withheld by ICTC until disposition has been made by the Claim or suit for damages, or until the Design-Builder accepts or rejects the tender of defense, whichever occurs first.

Subject to California Civil Code Section 2782, Design-Builder shall release, indemnify, defend, and hold harmless ICTC and its agents and their respective successors and assigns and their respective shareholders, officers, directors, agents, and employees (collectively referred to as the "Indemnitees") from and against any and all claims, causes of action, suits, judgments, investigations, legal or administrative proceedings, penalties, fines, damages, losses, liabilities, costs, and expenses, including any injury to or death of Persons

or damage to or loss of property (including damage to utility facilities), and including attorneys', accountants', and expert witness fees and costs, to the extent arising out of, relating to or resulting from:

- a) The breach or alleged breach of the Contract by any Design-Builder-Related Entity.
- b) The failure or alleged failure by any Design-Builder-Related Entity to comply with any applicable Environmental Laws or other Governmental Rules (including Governmental Rules regarding handling, generation, treatment, storage, transportation, and disposal of Hazardous Materials) or Governmental Approvals in performing the Work.
- c) Any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights, or inventions in performance of the Work, or arising out of any use in connection with the Project of methods, processes, designs, information, or other items furnished or communicated to Indemnites pursuant to the Contract; provided that this indemnity shall not apply to any infringement resulting from ICTC's failure to comply with specific written instructions regarding use provided to ICTC by Design-Builder.
- d) The alleged negligent act or omission or willful misconduct of any Design-Builder-Related Entity.
- e) Any and all claims by any governmental or taxing authority claiming taxes based on gross receipts, purchases, or sales, or the use of any property or income of Design-Builder or any of its Subcontractors or any of their respective agents, officers, or employees with respect to any payment for the Work made to or earned by any Design-Builder-Related Entity.
- f) Any and all stop notices and/or Liens filed in connection with the Work, including all expenses and attorneys', accountants', and expert witness fees and costs incurred in discharging any stop notice or Lien, provided that ICTC is not in default in payments owing to Design-Builder with respect to such Work.
- g) Any spill or release or threatened spill or release of a Hazardous Material (i) attributable to the negligence, willful misconduct, or breach of Contract by any Design-Builder-Related Entity, or (ii) which was brought onto the Site by any Design-Builder-Related Entity.
- h) The claim or assertion by any contractor of inconvenience, disruption, delay, or loss caused by interference by any Design-Builder-Related Entity with or hindering the progress or completion of work being performed by other contractors as described in the Caltrans *Standard Specifications*, Section 5-1.20, "Coordination with Other Entities," or failure of any Design-Builder-Related Entity to cooperate reasonably with other contractors in accordance therewith.

18.1.2 Design Defects

Subject to California Civil Code Section 2782 and 2782.8, Design-Builder shall release, indemnify and hold harmless Indemnites from and against any and all claims, causes of action, suits, judgments, investigations, legal or administrative proceedings, penalties, fines, damages, losses, liabilities, costs and expenses, including any injury to or death of Persons or damage to or loss of property (including damage to utility facilities), and including attorneys', accountants', and expert witness fees and costs, to the extent arising out of, relating to or resulting from Errors in the Design Documents, and except for Latent Material Errors, regardless of whether such Errors were also included in the Basic Configuration or RID. Design-Builder agrees that, because the Basic Configuration and RID are subject to review and modification by Design-

Builder, it is appropriate for Design-Builder to assume liability for Errors in the completed Project even though they may be related to Errors (but not Latent Material Errors) in the Basic Configuration or RID. Nothing in this Section 18.1.2 shall be interpreted to create a duty of Design-Builder to immediately defend Indemnitees against claims for design errors or omissions; provided, however, that once Design-Builder's negligence is finally adjudicated, Design-Builder's duty to indemnify shall include the attorney's fees and other costs incurred by Indemnitees in the defense of the claims.

18.1.3 Limitation of Liability

The maximum aggregate liability of the Design-Builder under this Contract, including for default, breach of contract, negligence, any Liquidated Damages, indemnity obligations or otherwise in connection with the Project shall be limited to an amount equal to forty (40) percent of the Contract Price. The limitation of liability is not intended to limit or otherwise detract from the obligation of the Design-Builder to perform the Work for the Contract Price (including cost overruns), and shall not apply to liabilities that arise out of any of the following:

- a) Claims by third parties.
- b) Damage to or destruction of real property or tangible personal property.
- c) Bodily injury or death.
- d) Abandonment, fraud, fraudulent misrepresentations, or willful misconduct of the Design-Builder.
- e) Any sum actually recovered by the Design-Builder through the insurance required by Section 9 of the Contract, or which could have been so recovered if the Design-Builder had maintained the insurance as required in accordance with this Contract.

18.1.4 Mutual Waiver of Consequential Damages

Neither ICTC nor Design-Builder shall be liable to the other for punitive, indirect, incidental or consequential damages, whether arising out of breach of this Contract, tort (including negligence) or any other theory of liability, and each party hereby releases the other party from any such liability, provided however that this provision shall not apply to:

- a) Losses to the extent (i) the loss is covered by the proceeds of insurance required to be carried under the Contract or for which Design-Builder was required to provide insurance if coverage is not in force, or (ii) the loss is covered by the proceeds of insurance actually carried by or insuring Design-Builder under policies required to be carried pursuant to the Contract Documents.
- b) Losses arising out of fraud, criminal conduct or intentional misconduct of Design-Builder.
- c) Design-Builder's obligation to pay Liquidated Damages in accordance with this Contract.

18.1.5 Reliance on Design-Builder's Performance

Design-Builder hereby acknowledges and agrees that it is Design-Builder's obligation to cause the Project to be designed and to construct the Project in accordance with the Contract Documents and that Indemnitees are fully entitled to rely on Design-Builder's performance of such obligation. Design-Builder further agrees that any review, oversight, inspection, acceptance, and/or approval by ICTC and/or others hereunder shall not relieve Design-Builder of any of its obligations under the Contract Documents or in any way diminish its liability for performance of such obligations or its obligations pursuant to this Contract.

18.2 Responsibility of ICTC for Certain Hazardous Materials

18.2.1 Pre-Existing Site Contamination

It is recognized that ICTC may assert that certain third Persons or parties may rightfully bear the ultimate legal responsibility for any and all Hazardous Materials which may currently be present on the Site. It is further recognized that certain State and federal statutes provide that individuals and firms may be held liable for damages and claims related to Hazardous Materials under such doctrines as joint and several liability and/or strict liability. It is not the intention of the parties that Design-Builder be exposed to any such liability to the extent arising out of (a) pre-existing Site contamination, whether known or unknown, except as otherwise provided in Section 18.1.1(g), (b) the performance not attributable to the negligence, willful misconduct, or breach of Contract by any Design-Builder-Related Entity in the handling of such Hazardous Materials, and/or (c) the activities of any Persons not described in clause (b) above, including ICTC.

Accordingly, to the extent that Design-Builder is required to perform Remediation Work hereunder, ICTC shall compensate Design-Builder for such performance (through payment of the Contract Price, as it may be increased by Change Order pursuant to Section 13), but specifically excluding those conditions for which Design-Builder has agreed to be responsible as described in Section 18.1.1(g).

18.2.2 Generator Number for Hazardous Waste Remediation

Except for Hazardous Materials for which Design-Builder is responsible as described in Section 18.1.1(g) and without contradiction of any assertion by ICTC of third-party liability:

- a) Design-Builder shall not be required to execute any hazardous waste manifests as a “generator”.
- b) Hazardous Materials encountered in the performance of the Work shall be disposed of, if at all, utilizing an EPA Identification Number or other appropriate legal device obtained by, and carried in the name of, ICTC or another Person designated by ICTC.

18.3 No Effect on Other Rights

The foregoing obligations shall not be construed to negate, abridge, or reduce other rights or obligations which would otherwise exist in favor of a party indemnified hereunder.

18.4 CERCLA Agreement

Without limiting their generality, the indemnities set forth in Section 18.1.1(g) are intended to operate as agreements pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9607(e), to insure, protect, hold harmless, and indemnify the Indemnified Parties.

18.5 Intent of Indemnity for Breach of Contract

The requirement to provide an indemnity for breach of Contract set forth in Section 18.1.1(a) is intended to provide protection to ICTC with respect to third party claims associated with such breach. It is not intended to provide ICTC with an alternative cause of action for damages incurred directly by ICTC with respect to such breach.

19. PARTNERING, DISPUTE RESOLUTION, FORMAL LEGAL ACTION(S)

19.1 Partnering

19.1.1 General

ICTC strives to work cooperatively with all design-builders; partnering is our way of doing business. ICTC encourages partnering among the Project team, made up of significant contributors from ICTC and the Design-Builder, and their invited stakeholders. Professionally facilitated partnering is required.

In implementing partnering, the Design-Builder and ICTC manage the Contract by:

- a) Using early and regular communication with involved individuals and/or entities.
- b) Establishing and maintaining a relationship of shared trust, equity, and commitment.
- c) Identifying, quantifying, and supporting attainment of mutual goals.
- d) Developing strategies for using risk management concepts.
- e) Implementing timely communication and decision making.
- f) Resolving potential problems at the lowest possible level to avoid negative impacts.
- g) Holding periodic partnering meetings and workshops as appropriate to maintain partnering relationships and benefits throughout the life of the Project.
- h) Establishing periodic joint evaluations of the partnering process and attainment of mutual goals. Partnering does not void any Contract part.

The Caltrans *Field Guide to Partnering on Caltrans Construction Projects* is available to the Project team as reference. This guide provides structure, context, and clarity to the partnering process requirements. This guide is available at the Caltrans Partnering Program Web site:

<https://dot.ca.gov/programs/construction/partnering>

In implementing partnering, the Project team shall:

- a) Create a partnering charter that includes:
 - i. Mutual goals, including core Project goals and may also include Project-specific goals and mutually supported individual goals.
 - ii. Partnering maintenance and close-out plan.
 - iii. Dispute resolution plan that includes a dispute resolution ladder and may also include use of facilitated dispute resolution sessions.
 - iv. Team commitment statement and signatures.

- b) Participate in monthly partnering evaluation surveys to measure progress on mutual goals and may also measure short-term key issues as they arise.
- c) Evaluate the partnering facilitator on Forms CEM-5501 and CEM-5502. ICTC provides the evaluation forms to the Project team and collects the results. ICTC will make evaluation results available upon request. Facilitator evaluations shall be completed:
 - i. At the end of the initial partnering workshop on Form CEM-5501.
 - ii. At the end of the Project close-out partnering workshop on Form CEM-5502.
- e) Conduct a Project close-out partnering workshop.
- f) Document lessons learned before Final Acceptance.

19.1.2 Partnering Facilitator, Workshops, and Monthly Evaluation Surveys

ICTC sends the Design-Builder a written invitation to enter into a partnering relationship after execution of the Contract. The Design-Builder shall respond within fifteen (15) days to accept the invitation and request the initial and additional partnering workshops. After ICTC receives the request, the Design-Builder and ICTC cooperatively:

- a) Select a partnering facilitator that offers the service of a monthly partnering evaluation survey with a five (5)-point rating and agrees to follow the Caltrans *Partnering Facilitator Standards and Expectations* available at the Caltrans Partnering Program Web site.
- b) Schedule initial partnering workshop.
- c) Determine initial workshop site and duration.
- d) Agree to other workshop administrative details.

Additional partnering workshops and sessions are encouraged throughout the life of the Project as determined necessary by the Design-Builder and ICTC, at quarterly intervals or as agreed to by both the Design-Builder and ICTC.

19.1.3 Training in Partnering Skills Development

The training in partnering skills development will be required upon mutual agreement of ICTC and Design-Builder.

The Design-Builder and ICTC cooperatively schedule the training session and select a professional trainer, training site, and one (1) to four (4) topics from the following list to be covered in the training:

- a) Active Listening
- b) Building Teams
- c) Change Management
- d) Communication
- e) Conflict Resolution
- f) Cultural Diversity

- g) Dealing with Difficult People
- h) Decision Making
- i) Effective Escalation Ladders
- j) Emotional Intelligence
- k) Empathy
- l) Ethics
- m) Facilitation Skills
- n) Leadership
- o) Partnering Process and Concepts
- p) Project Management
- q) Project Organization
- r) Problem Solving
- s) Running Effective Meetings
- t) Time Management
- u) Win-Win Negotiation

Before the initial partnering workshop, the trainer conducts a one-day training session in partnering skills development for the Design-Builder's and ICTC's representatives. This training session shall be a separate session from the initial partnering workshop and shall be conducted locally. The training session shall be consistent with the partnering principles under the Caltrans "*Field Guide to Partnering on Caltrans Construction Projects*".

Design-Builder shall send at least two (2) representatives to the training session. One (1) of these shall be the designated representative as specified in Section 23.5.1.

19.1.4 Payment

ICTC pays Design-Builder for:

- a) Half of partnering workshops and sessions based on facilitator and workshop site cost.
- b) Half of monthly partnering evaluation survey service cost.
- c) Partnering skills development trainer and training site cost.

ICTC determines the costs based on invoice prices minus any available or offered discounts. ICTC does not pay markups on these costs.

ICTC does not pay for wages, travel expenses, or other costs associated with the partnering workshops and sessions, monthly partnering evaluation surveys, and training in partnering skills development.

19.2 Dispute Resolution Procedures

19.2.1 General Provisions

The Design-Builder shall comply with the requirements of Section 19.2 in order to pursue any legal action against ICTC arising from any Claim or Dispute related to this Contract or the Work associated therewith and arising up to and before Final Acceptance. All Claims or Disputes related to this Contract or the Work

associated therewith are subject to the requirements of Section 19.2 unless exempt and/or excluded from these requirements by other provisions in the Contract including those issues, matters and/or decisions which are within the sole discretion of ICTC.

The dispute resolution procedures set forth in Section 19.2 are not a substitute for complying with the other Claim or Dispute related requirements set forth in this Contract including requirements related to the Design-Builder's provision of notice to ICTC related to any Claim, Dispute, or potential Claim or potential Dispute, such as the provisions of Section 13 (e.g., Section 13.3, "Design-Builder Initiated Change Orders"). Failure to comply with the procedures set forth in Section 19.2 or with the other Claim and/or Dispute related requirements set forth in this Contract is a bar to any legal action against ICTC, for failure to exhaust administrative remedies.

ICTC and the Design-Builder shall use reasonable efforts to resolve Disputes under this Section 19.2 in a timely manner.

Design-Builder shall use the informal dispute resolution process in accordance with Section 19.2.2 for all Disputes.

Once the informal dispute resolution process has been exhausted, Disputes related to Claims arising up to and before Final Acceptance shall be referred to the Dispute Resolution Board (DRB) in accordance with Section 19.2.3.

If ICTC and the Design-Builder are unable to resolve Disputes regarding Claims (other than for tort liability claims arising out of personal injury, wrongful death, property damage, or related third-party claims) arising up to and before Final Acceptance in accordance with Section 19.2, the claiming party may initiate a single legal action to resolve such Claims and/or Disputes after Final Acceptance by filing a civil complaint in Sacramento County Superior Court.

The civil complaint shall be filed no later than ninety (90) days after Final Acceptance, unless a civil complaint involves a Dispute that was timely and properly referred to the DRB prior to Final Acceptance and remains pending at the time of Final Acceptance, in which case the civil complaint must be filed no later than ninety (90) days after the conclusion of the DRB proceedings respecting such Dispute. Neither ICTC nor the Design-Builder shall have the right to litigate its Claims and/or Disputes before Final Acceptance or in multiple legal actions. Neither ICTC nor the Design-Builder shall have the right to assert, and both ICTC and the Design-Builder hereby waives the right to assert, the statute of limitations as a defense to any such Claims/Disputes provided such Claims/Disputes are stated in a civil complaint timely filed in Sacramento County Superior Court, as set forth above in this paragraph, after Final Acceptance and the conclusion of all DRB proceedings respecting such Claims and/or Disputes.

19.2.2 Informal Dispute Resolution Process

19.2.2.1 Escalation Ladder

Before referring a Dispute to the DRB, ICTC and the Design-Builder shall attempt to resolve the Dispute by elevating it through the three escalation ladder level reviews by and between ICTC's Project/Contract Manager and the Design-Builder's Project Manager, ICTC's Construction Manager/Engineer and the Design-Builder's equivalent manager, and finally ICTC's Executive Director and the Design-Builder's equivalent manager.

19.2.2.2 Level One Review

ICTC's Contract Manager or the Design-Builder's Project Manager shall initiate the process of informal dispute resolution by providing the other party with written notice of a Dispute. The written notice shall provide a clear statement of the Dispute and shall refer to the specific Contract provisions that pertain to the Dispute. The notice shall also include a detailed description of the facts and circumstances relating to the Dispute (including the relevant dates, locations, and items of Work). Within five (5) days of the receipt of the written notice, ICTC's Contract Manager and the Design-Builder's Project Manager shall meet and review the Dispute. ICTC's Contract Manager and the Design-Builder's Project Manager shall attempt to resolve the Dispute within ten (10) days of the initial meeting. If the Dispute is resolved, ICTC and the Design-Builder shall create and sign a short description of the facts and the resolution that was agreed upon by ICTC and the Design-Builder.

19.2.2.3 Level Two Review

If the Dispute is not resolved by the tenth day, the Dispute shall be escalated to ICTC's District Construction Engineer and the Design-Builder's equivalent manager who shall meet and review the Dispute within five (5) days. ICTC's District Construction Engineer and the Design-Builder's equivalent manager shall attempt to resolve the Dispute within ten (10) days of their initial meeting. If the Dispute is resolved, ICTC and the Design-Builder shall create and sign a short description of the facts and the resolution that was agreed upon by ICTC and the Design-Builder.

19.2.2.4 Level Three Review

If the Dispute is not resolved by the tenth day, ICTC's Executive Director and the Design-Builder's equivalent manager shall meet and review the Dispute within five (5) days. ICTC's Executive Director and the Design-Builder's equivalent manager shall attempt to resolve the Dispute within ten (10) days of the initial meeting. If the Dispute is resolved, ICTC and the Design-Builder shall create and sign a short description of the facts and the resolution that was agreed upon by ICTC and the Design-Builder.

19.2.2.5 Unresolved Disputes

If the Dispute is not resolved by the tenth day by ICTC's Executive Director and the Design-Builder's equivalent manager, ICTC and the Design-Builder may proceed with the provisions of Section 19.2.3.

19.2.3 Dispute Resolution Board

Before any Dispute Resolution Board (DRB) proceeding, ICTC and the Design-Builder shall engage in informal dispute resolution, as provided in Section 19.2.2, to resolve the Dispute.

At this point and upon mutual agreement of ICTC and the Design-Builder, the DRB may be established. If so established, the DRB is a three-member board established jointly by ICTC and Design-Builder to assist in the resolution of Disputes described in Section 19.2.1. A Dispute shall be referred to the DRB by either ICTC or Design-Builder within ten (10) days after the expiration of the time set forth in Section 19.2.2.4. The party initiating the process shall notify the other party of its intent to convene the DRB.

DRB members shall be knowledgeable in the type of construction and contract documents anticipated by the Contract and shall have completed training through the Dispute Resolution Board Foundation.

No DRB member shall have prior direct involvement in the Contract. No DRB member shall have a financial interest in this Contract; ICTC; the Design-Builder, Design-Builder-Related Entities, or Affiliates; or legal and business service providers to either ICTC and/or the Design-Builder, at any time within twenty four (24) months before Contract execution or during the term of the Contract.

DRB members shall fully disclose, and continue to make future disclosures relating to, any and all direct or indirect professional or personal relationships with any and all key members and personnel of ICTC and/or the Design-Builder, including any designated representative as specified in Section 23.5.1.

While both ICTC and Design-Builder should consider the DRB's recommendation, it is not binding on ICTC nor the Design-Builder.

Design-Builder shall not use or permit use of the DRB for disputes between the Design-Builder and its Subcontractors or Suppliers that have no grounds for a lawsuit against ICTC.

ICTC and the Design-Builder agree that each DRB member shall act in the capacity of an independent agent and not as an employee of either ICTC or the Design-Builder.

Neither ICTC nor the Design-Builder shall bear a greater responsibility for damages or personal injury than is normally provided by Federal or State of California Law.

Notwithstanding the provisions of this Contract that require the Design-Builder to indemnify and hold harmless ICTC, ICTC and the Design-Builder shall jointly indemnify and hold harmless the DRB members from and against all claims, damages, losses, and expenses, including attorneys' fees, arising out of and resulting from the finding(s), conclusion(s), and/or recommendation(s) of the DRB.

19.2.4 Establishment of the DRB

19.2.4.1 ICTC and Design-Builder Selections

The DRB shall consist of one member selected by ICTC and approved by Design-Builder, one member selected by Design-Builder and Approved by ICTC, and a third member selected by the first two (2) DRB members and approved by both ICTC and Design-Builder. The approval of the third (3rd) DRB nominee is subject to compliance with Section 19.2.3

ICTC and Design-Builder shall provide the other written notification requesting approval of the name of its DRB nominee along with the DRB nominee's disclosure statement. Disclosure statements shall include a résumé of the DRB nominee's experience and a declaration statement describing past, present, anticipated, and planned relationships with all parties involved in this Contract. Objections to DRB nominees shall be based on a specific breach or violation of DRB nominee responsibilities or DRB nominee qualifications. ICTC or Design-Builder may object to the other's DRB nominee in the event there is a failure on the part of the DRB nominee in making the required disclosure provided in Section 19.2.3. ICTC or the Design-Builder may also, on a one-time basis, object to the other's nominee without specifying a reason and this nominee shall not be selected for the DRB. Objection to such nomination shall be made within five (5) days of the written notification of the DRB nominee. If ICTC and/or the Design-Builder objects to the other's DRB nominee, the nominating party shall nominate another DRB nominee within five (5) days of such objection.

19.2.4.2 Selection of Third Member

The two DRB members selected and subsequently approved by ICTC and Design-Builder, respectively, shall proceed with the selection of the third (3rd) DRB member immediately after receiving written notification from both ICTC and the Design-Builder confirming approval of the first two DRB nominees. The two (2) DRB members shall provide their recommendation simultaneously to ICTC and the Design-Builder within fifteen (15) days of their approval. The third (3rd) DRB nominee shall provide a disclosure statement to the first two (2) DRB members, ICTC, and Design-Builder. The professional experience of the third DRB member shall complement that of the first two DRB members. The third DRB member shall be subject to the mutual approval of ICTC and Design-Builder.

If the two (2) DRB members do not agree on the third (3rd) DRB nominee, or if ICTC and Design-Builder cannot mutually approve the third DRB nominee, the two (2) DRB members shall submit a list of nominees, comprised of three names from each DRB member, to ICTC and Design-Builder for final selection and approval.

If ICTC and Design-Builder cannot agree on the third (3rd) DRB member nomination selected from the list provided pursuant to the immediately preceding paragraph, ICTC and Design-Builder shall each select three (3) names from the current list of arbitrators certified by the Public Works Contract Arbitration Committee established by Public Contract Code Section 10245 et seq. The two (2) DRB members shall then select one (1) of the six (6) names by a blind draw. The selected DRB member shall submit a disclosure in compliance with Section 19.2.3. The selected DRB member shall be appointed as a third (3rd) DRB member unless Design-Builder or ICTC object to the nomination based on a failure to disclose as provided in Section 19.2.3, or failure to otherwise comply with Section 19.2.3, no later than five (5) days following written notice of such appointment. If there is an objection against the selection of the third (3rd) DRB member ICTC and the Design-Builder shall repeat the blind draw until a third (3rd) DRB member is selected and approved by both ICTC and the Design-Builder

19.2.4.3 DRB Chairperson

If there is no objection from either ICTC or the Design-Builder based on Section 19.2.3, the third (3rd) DRB member shall become the DRB Chairperson.

19.2.5 Termination, Replacement of DRB Member

19.2.5.1 Termination

A DRB member may be terminated immediately, by either ICTC or the Design-Builder, for failing to comply at all times with all required employment or financial disclosure conditions of DRB membership in conformance with the terms of the DRB Agreement (see Exhibit J), and for violation of Section 19.2.3.

Service of a DRB member may be terminated at any time upon not less than fifteen (15) days prior written notice to the DRB members, ICTC, and the Design-Builder, as follows:

- a) ICTC may unilaterally terminate service of ICTC-appointed member.
- b) Design-Builder may unilaterally terminate service of the Design-Builder-appointed member.

- c) Upon the written recommendation of ICTC and Design-Builder appointed members and the mutual written approval of ICTC and the Design-Builder, the appointed DRB members may replace the third member.

Each party shall document the need for the replacement and substantiate the replacement request in writing to the other party and DRB members before the removal of a DRB member.

19.2.5.2 Resignation

A DRB member may resign upon not less than fifteen (15) days written notice of resignation to ICTC and Design-Builder.

19.2.5.3 Replacement of DRB Member

When a member of the DRB is replaced, the replacement member shall be appointed in the same manner as the replaced member was appointed. The appointment of a replacement DRB member will begin promptly upon determination of the need for replacement and shall be completed within fifteen (15) days.

19.2.6 Role of the DRB

The DRB shall fairly and impartially consider Disputes placed before it and provide recommendations to ICTC and the Design-Builder for resolution of these Disputes. The DRB shall provide recommendations based on the facts related to the Dispute, and the Contract Documents.

Except for those Persons who provide technical services and are directly involved in the Project or who have direct knowledge of the Dispute, only ICTC's Contract Manager, District Construction Engineer, and Executive Director, and the Design-Builder's equivalent managers, may present information at the DRB meeting.

The DRB shall govern the conduct of its business and reporting procedures in accordance with the terms and conditions of this Contract and the DRB Agreement. The DRB may establish further operating procedures that conform to the requirements of this Contract and the DRB Agreement.

ICTC will provide conference facilities for DRB meetings at no cost to Design-Builder. The DRB Chairperson shall schedule DRB meetings and any other DRB activities.

DRB members shall have no claim against ICTC or Design-Builder from any alleged harm arising out of ICTC's and/or the Design-Builder's discussions and evaluations of the DRB's opinions and recommendations.

DRB members shall refrain, at all times, from expressing opinions on the merits of evidence and statements on matters under Dispute, except in the private sessions of the DRB members. Opinions of DRB members expressed in private sessions shall be kept strictly confidential. Individual DRB members shall not meet with or discuss Disputes or other issues under the Contract Documents with the ICC and/or the Design-Builder. Any discussions regarding the Project and/or Disputes, which involve the DRB members and ICTC and/or the Design-Builder shall be in the presence of all three DRB members and both ICTC and the Design-Builder. Individual DRB members shall not undertake independent investigations of any kind pertaining to Disputes, except with the knowledge and approval of both ICTC and the Design-Builder and as expressly directed by the DRB Chairperson. No DRB member shall have any ex parte communication with ICTC, the Design-Builder, or their managers or agents regarding any material issues in Dispute. Any such ex parte

communications with either ICTC, the Design-Builder, or their managers or agents shall result in the immediate removal of the DRB member.

19.2.7 DRB Meeting Procedures and Recommendations

19.2.7.1 Referral of Disputes to DRB

If ICTC and the Design-Builder are unable to reach resolution of their Dispute as provided in Section 19.2.2, and consistent with the other provisions of the Contract, the Dispute is governed by Section 19.2, either ICTC or the Design-Builder may submit its Dispute to the DRB. The referring party shall submit a written request for the DRB to consider the Dispute. The party initiating the request for the DRB shall simultaneously make the written request to the DRB Chairperson and the other party.

The written Dispute referral shall describe the Disputed matter in individual discrete segments, so that it will be clear to ICTC, the Design-Builder, and the DRB what discrete elements of the Dispute have been resolved, and which remain unresolved, and shall include an estimate of the impacts on cost of the affected Work and impacts, if any, on controlling items of work, Critical Path and Completion Deadlines.

19.2.7.2 Written Documentation

ICTC and the Design-Builder shall each be afforded an opportunity to be present and to be heard by the DRB, and to offer evidence. Either party furnishing written evidence (primary or additional) or documentation to the DRB shall furnish copies of such information to the other party a minimum of fifteen (15) days before the date the DRB is scheduled to convene the meeting for the Dispute. Either party shall produce such additional evidence as the DRB may deem necessary to reach an understanding and a recommendation regarding the Dispute. The party furnishing additional evidence shall furnish copies of such additional evidence to the other party at the same time the evidence is provided to the DRB. The DRB shall not consider evidence that is not furnished in conformance with the terms specified herein.

19.2.7.3 DRB Meeting

Upon receipt by the DRB of a written referral of a Dispute, the DRB shall convene to review and consider the Dispute. The DRB meeting shall be held no later than sixty (60) days after receipt of the written request unless otherwise agreed to by ICTC and the Design-Builder.

19.2.7.4 Clarification of Written Documentation

The DRB may request clarifying information from either ICTC or the Design-Builder within ten (10) days after the DRB meeting. Requested information shall be submitted to the DRB within ten (10) days of the DRB request, unless extended with the written approval of the DRB and the other party.

19.2.7.5 DRB Report

The DRB shall furnish a written report to ICTC and the Design-Builder with its finding(s), conclusion(s) and recommendation(s). The DRB shall complete its report (DRB Report) (including any minority opinion) and submit it to ICTC and the Design-Builder within thirty (30) days after the DRB meeting, except that time extensions may be granted at the request of the DRB with the written concurrence of ICTC and the Design-Builder. The DRB Report shall summarize the facts considered, and the Contract language reviewed by the DRB as pertinent to the Dispute, and the DRB's interpretation and reasoning in arriving at its finding(s), conclusion(s), and recommendation(s). If appropriate, the DRB Report also may recommend

guidelines for determining compensation. The DRB Report shall stand on its own, without attachments or appendices.

19.2.7.6 Response to DRB Report

Within thirty (30) days after receiving the DRB Report, ICTC and the Design-Builder shall respond to the DRB in writing stating whether the Dispute is resolved or remains unresolved. Failure to provide the written response within the time specified, including, a written acceptance of the DRB's recommendation, or a written request that the DRB reconsider its recommendation, shall conclusively indicate that the party and/or parties failing to respond reject(s) the DRB recommendation. Immediately after responses have been received from ICTC and/or the Design-Builder, the DRB shall provide copies of the responses to ICTC and the Design-Builder simultaneously.

19.2.7.7 Clarifications of DRB Report

Either ICTC or the Design-Builder may request clarification of elements of the DRB Report from the DRB before responding to the DRB Report. The DRB shall consider any clarification request only if submitted within ten (10) days after receipt of the DRB Report, and if submitted simultaneously in writing to both the DRB and the other party. Each party may submit only one (1) request for clarification for any individual DRB Report. The DRB shall respond, in writing, to requests for clarification within ten (10) days of receipt of such requests.

19.2.7.8 Reconsideration

Either ICTC or the Design-Builder may seek a reconsideration of the DRB's recommendation. The DRB shall only grant reconsideration if the party seeking the reconsideration submits new evidence and if the request is submitted within the thirty (30) Day time limit specified in Section 19.2.7.6 for response to the DRB Report. Each party may submit only one (1) request for reconsideration regarding an individual DRB Report. Any such request must be simultaneously transmitted to the DRB and the other party.

19.2.7.9 Resolution of Dispute

If ICTC and the Design-Builder are able to resolve their Dispute with the aid of the DRB Report, they shall promptly accept and implement the terms and conditions of the resolution. If ICTC and the Design-Builder cannot agree on compensation within sixty (60) days of the acceptance by both ICTC and the Design-Builder of the resolution, either ICTC or the Design-Builder may request that the DRB provide written guidance regarding compensation.

19.2.8 Payment of DRB Members and DRB Costs

19.2.8.1 DRB Member Compensation

Each DRB member shall be compensated at an agreed rate of two thousand dollars (\$2,000) per day for each in-person, approved DRB meeting (and shall not include meetings attended via telephone or other remote communication method). A member serving on more than one (1) ICTC DRB or as an ICTC dispute resolution advisor (regardless of the number of meetings per day) shall not be paid more than the agreed rate per day. The agreed rate shall be considered full compensation for on-site time, travel expenses, transportation, lodging, time for travel, and incidentals for each day or portion thereof that the DRB member attends (in person) an authorized DRB meeting.

No additional compensation will be made for time spent by DRB members in regard to review and research activities outside the official DRB meetings unless that time (such as time spent evaluating evidence and preparing recommendations and a DRB Report on Disputes presented to the DRB) has been specifically agreed upon in writing by ICTC and Design-Builder in advance, in which case, time away from the Project, which has been specifically agreed upon by ICTC and Design-Builder in advance, will be compensated at an agreed rate of two hundred dollars (\$200) per hour. The agreed amount of two hundred dollars (\$200) per hour shall include all incidentals, including expenses for telephone, fax, and computer services. From time to time ICTC and the Design-Builder may reconsider and mutually revise the agreed rate, in which case they shall document the revised agreed rate in writing.

DRB members may submit invoices to ICTC and Design-Builder for payment for work performed and services rendered for their participation in authorized meetings not more often than once per month. The invoices shall be in a format approved by ICTC and the Design-Builder and accompanied by a general description of activities performed during that billing period. Payment for hourly fees, at the agreed rate, shall not be paid to a DRB member until the amount and extent of those fees are mutually approved by ICTC and Design-Builder.

19.2.8.2 Technical Services

If the DRB needs outside technical services, these technical services shall be preapproved by both ICTC and Design-Builder. The cost of the preapproved technical services shall be borne equally by ICTC and Design-Builder.

19.2.8.3 Cost Sharing

ICTC and Design-Builder shall equally bear the costs and expenses of the DRB. There shall be no markups applied to expenses connected with the DRB.

Regardless of the DRB recommendation, neither party shall be entitled to reimbursement of DRB costs from the other party.

19.2.9 Confidentiality

ICTC and the Design-Builder agree that all documents and records provided by ICTC and/or the Design-Builder to the DRB that are marked "Confidential - for use by the DRB only" related to the Dispute shall be kept in confidence and used only for the purpose of resolution of the Dispute, and for assisting in development of DRB findings and recommendations; and that such documents and records shall not be utilized or revealed to others, except to officials of ICTC and the Design-Builder who are authorized to act on the subject Disputes, for any purposes, during the life of the DRB Agreement. The foregoing shall not apply, however, to documents and records that before submission to the DRB were already subject to the Public Records Act. Upon termination of the DRB Agreement, such confidential documents and records, and all copies thereof (whether in hardcopy or electronic form), shall be returned to the respective parties who furnished them to the DRB.

However, ICTC and the Design-Builder understand that such documents may be subsequently discoverable and admissible in legal proceedings to the extent provided by law.

Notwithstanding the foregoing, the FHWA shall have the right to review the work of the DRB in progress (except for private meetings or deliberations of the DRB that do not become part of the Project records).

19.2.10 Continuance of Work During Dispute

During the course of any and all dispute resolution procedures/processes, Design-Builder shall proceed with the performance of the Work, including Disputed Work, unless otherwise specified or directed by ICTC in accordance with the Contract Documents. Throughout the Disputed Work, Design-Builder shall maintain records that provide a clear distinction between the incurred direct costs of Disputed Work and that of undisputed Work. The Design-Builder shall allow ICTC access to Design-Builder's Project records on an open book basis as ICTC desires to evaluate the Dispute.

19.3 Formal Legal Action(s)

19.3.1 Right to Litigate Dispute

ICTC and Design-Builder agree that the Design-Builder's submission of a Dispute to the informal dispute resolution process and/or the DRB procedures/processes (as applicable) under Section 19.2 is a condition precedent to the Design-Builder's right to file a formal legal action with respect to the Dispute.

ICTC and Design-Builder further agree that Design-Builder's failure to comply with the other Claim and/or Dispute related requirements set forth in this Contract is a bar to any legal action against ICTC, for failure to exhaust administrative remedies. This specifically includes the other Claim and/or Dispute related requirements set forth in this Contract, such as requirements related to the Design-Builder's provision of notice to ICTC pertaining to any Claim, Dispute, or potential Claim or potential Dispute, for example, the requirements of Section 13 (see, e.g., Section 13.3, "Design-Builder Initiated Change Orders").

ICTC and Design-Builder shall not call DRB members who served on the DRB for this Contract as witness in litigation proceedings which may arise from this Contract, and all documents created by the DRB shall be inadmissible as evidence in such proceedings; except the DRB's final written reports on each issue brought before it, to the extent otherwise provided by law.

19.3.2 Jurisdiction and Venue

ICTC and the Design-Builder agree to exclusive jurisdiction and venue in the San Diego County Superior Court in any action by or against ICTC or its successors and assigns arising out of the Contract, the Contract Documents, the Project, or the Work.

20. ACCEPTANCE OF PROJECT

20.1 Reserved

20.2 Substantial Completion

20.2.1 Notice by Design-Builder

Design-Builder shall provide written notice to ICTC when all of the following have occurred with respect to the Project:

- a) Design-Builder has completed all Work (except for Punch List items, maintenance, final cleanup, and other items only included in the requirements for Final Acceptance).
- b) Design-Builder has ensured that the Work has been performed in accordance with the requirements of the Contract Documents.
- c) Design-Builder has received all applicable Governmental Approvals required for Project use.
- d) Design-Builder has furnished to ICTC certifications from its Design Manager, in form and substance satisfactory to ICTC, certifying conformity of the Design Documents with the requirements of the Contract Documents.
- e) Design-Builder has furnished to ICTC certifications from the Project Manager, in form and substance satisfactory to ICTC, certifying conformity of the construction with the Design Documents.
- f) Design-Builder has furnished to ICTC certifications from its Construction Quality Validation Manager, in form and substance satisfactory to ICTC, certifying that there are no outstanding nonconformances other than those identified on the Punch List.
- g) Design-Builder has ensured that the Project may be used without damage to the Project or any other property on or off the Site, and without injury to any Person.
- h) Design-Builder has obtained all applicable third-party approvals relating to the Work (including Utility Owners as required under any applicable Utility Agreements and Book 2, Section 12, "Utilities"), and all third parties have completed all work that involves obligations by Design-Builder (including Utility Owners under any Utility Agreements and Book 2, Section 12, "Utilities").
- i) The Project is fully opened to traffic and Design-Builder has ensured that no further work is required which would involve any lane or shoulder closure.
- j) Quality Manager certifies the Work is completed in accordance with the Contract Documents.

20.2.2 Correction of Defects

Upon receipt of Design-Builder's notice under Section 20.2.1, ICTC will conduct such inspections, surveys, and/or testing as ICTC deems desirable. If such inspections, surveys, and/or tests disclose that any Work

does not meet the requirements of the Contract Documents, ICTC will promptly advise Design-Builder as to Nonconforming Work (including incomplete Work) necessary to be corrected as a condition to Substantial Completion, Nonconforming Work (including incomplete Work) which may be corrected as Punch List items and/or whether Design-Builder shall reassess the accuracy and completeness of its notice. Upon correction of the Nonconforming Work (including incomplete Work) identified as a prerequisite to Substantial Completion, Design-Builder shall provide written notification to ICTC and ICTC will conduct additional inspections, surveys, and/or tests as ICTC deems desirable. This procedure shall be repeated until ICTC finds that all prerequisites to Substantial Completion have been met.

20.2.3 Notice of Substantial Completion

ICTC will issue a Notice of Substantial Completion at such time as:

- a) ICTC determines that all conditions set forth in Section 20.2.1 have been satisfied.
- b) ICTC determines that all Nonconforming Work (including incomplete Work) identified as prerequisites to Substantial Completion has been corrected.
- c) Design-Builder prepared and ICTC Approved a Punch List.

20.3 Final Acceptance

20.3.1 Conditions to Final Acceptance

20.3.1.1 Performance of Work after Substantial Completion

Promptly after Substantial Completion has occurred, Design-Builder shall perform all Work, if any, which was deferred for purposes of Substantial Completion, and shall satisfy all of its other obligations under the Contract Documents, including ensuring that the Project has been completed and all components have been properly adjusted and tested.

20.3.1.2 Conditions to Affidavit of Final Completion

Design-Builder shall provide to ICTC an executed sworn Affidavit of Final Completion in accordance with Section 20.3.1.3 when all of the following have occurred:

- a) All requirements for Substantial Completion have been fully satisfied.
- b) ICTC has received all Released for Construction Documents, Design Documents, As-Built Documents, right-of-way record maps, surveys, material certifications, test data, and other deliverables required under the Contract Documents.
- c) ICTC has received and Approved the Final Acceptance Submittal in accordance with Book 2, Section 6.5.3, "Final Acceptance Submittal."
- d) All special tools, equipment, furnishings and supplies purchased by and/or used by Design-Builder as provided in the Contract Documents have been delivered to ICTC and all replacement spare parts have been purchased and delivered to ICTC free and clear of Liens.

- e) All of Design-Builder's and Subcontractors' personnel, supplies, equipment, waste materials, rubbish, and temporary facilities have been removed from the Site, Design-Builder has restored and repaired all damage or injury arising from such removal to the satisfaction of ICTC and the Site is in good working order and condition.
- f) Design-Builder has furnished to ICTC certifications from its Design Manager, in form and substance satisfactory to ICTC, certifying conformity of the Design Documents with the requirements of the Contract Documents.
- g) Design-Builder has furnished to ICTC certifications from the Project Manager, in form and substance satisfactory to ICTC, certifying conformity of the construction with the Design Documents.
- h) Design-Builder has furnished to ICTC certifications from its Construction Quality Validation Manager, in form and substance satisfactory to ICTC, certifying that there are no outstanding nonconformances.
- i) Design-Builder has delivered to ICTC a notice of completion for the Project in recordable form and meeting all statutory requirements.
- j) The Punch List items have been completed to the satisfaction of ICTC.
- k) All of Design-Builder's other obligations under the Contract Documents (other than obligations which by their nature are required to be performed after Final Acceptance as determined by ICTC) have been satisfied in full or waived in writing by ICTC.
- l) Design-Builder has identified a single point of contact to address the Warranty requirements of Section 21 throughout the duration of the Project Warranty term.

20.3.1.3 Requirements of Affidavit of Final Completion

The Affidavit of Final Completion referred to in Section 20.3.1.2 shall include the following statement:

“To the best of Design-Builder's knowledge and belief, the Work under the Contract has been completed in strict accordance with the Contract Documents, no lawful debts for labor or materials are outstanding and no federal excise tax has been included in the Contract Price; all requests for funds for undisputed Work under the Contract, including changes in the Work, and under all billings of whatsoever nature are accurate, complete, and final and no additional compensation over and above the final payment will be requested or is due under the Contract or under any adjustment issued thereunder for said undisputed Work; there are no outstanding claims, Liens, or stop notices relating to the Project, including claims by Utility Owners; there is no existing default by Design-Builder under any Utility Agreement, and no event has occurred which, with the passing of time or giving of notice or both, would lead to a claim relating to the Work or Event of Default under any Utility Agreement; and upon receipt of final payment, Design-Builder and Subcontractors acknowledge that ICTC and any and all employees of ICTC and their authorized representatives will thereby be released, discharged and acquitted from any and all claims or liability for additional sums on account of undisputed Work performed under the Contract.”

If Design-Builder is unable to provide the affidavit in the above form, the affidavit shall certify that all such outstanding matters are set forth in an attached list which shall describe the outstanding matters in such detail as may be requested by ICTC. The affidavit shall include a representation of Design-Builder that it is diligently and in good faith contesting all such matters by appropriate legal proceedings and shall provide

a status report regarding the same including an estimate of the maximum payable with respect to each such matter.

20.3.2 Inspection and Issuance of Notice of Final Acceptance

Upon ICTC's receipt of the Affidavit of Final Completion, ICTC will make final inspection with As-Built Documents in hand and ICTC will either issue a Notice of Final Acceptance or notify Design-Builder regarding any Work remaining to be performed. If ICTC fails to issue a Notice of Final Acceptance, Design-Builder shall promptly remedy the defective and/or uncompleted portions of the Work. Thereafter, Design-Builder shall provide to ICTC a revised Affidavit of Final Completion with a new date based on when the defective and/or uncompleted portions of the Work were corrected. The foregoing procedure shall apply successively thereafter until ICTC has issued a Notice of Final Acceptance.

20.3.3 Overpayments; No Relief from Continuing Obligations

Final Acceptance shall not prevent ICTC from correcting any measurement, estimate, or certificate made before or after completion of the Work, or from recovering from Design-Builder, the Surety(ies), and/or any Guarantor, the amount of any overpayment sustained due to failure of Design-Builder to fulfill the obligations under the Contract. A waiver on the part of ICTC of any breach by Design-Builder shall not be held to be a waiver of any other or subsequent breach. Final Acceptance shall not relieve Design-Builder from any of its continuing obligations hereunder or constitute any assumption of liability by ICTC.

20.4 Opening of Sections of Project to Traffic

20.4.1 Plan for Opening to Traffic

The Project Schedule shall set forth Design-Builder's plan for completing sections of the Project and opening them to traffic. ICTC may request that Design-Builder expedite certain sections of the Project, and Design-Builder shall accommodate such requests to the extent that it can do so without significant disruption to its schedule or a significant increase in its costs. Notwithstanding the foregoing, if ICTC orders Design-Builder to open portions of the Project which cannot be accommodated without significant disruption to Design-Builder's schedule or a significant increase in Design-Builder's costs, such direction shall be considered an ICTC-Directed Change.

20.4.2 Direction to Open Following Design-Builder Failure to Perform

If Design-Builder is delinquent in completing shoulders, drainage structures, or other features of the Work, ICTC may, but is not obligated to, order all or a portion of the Project opened to traffic notwithstanding such incomplete elements. Design-Builder shall then conduct the remainder of the construction operations, minimizing obstruction to traffic. Except as provided in Section 20.4.1, Design-Builder shall not receive any added compensation due to the added costs attributable to the opening of the Project to traffic. Should ICTC open the Project to traffic, Design-Builder is not relieved of any responsibility for ensuring public safety, public convenience, or Site security; nor is Design-Builder relieved from any insurance or indemnification obligations pursuant to this Contract. ICTC's decision to open the road following Design-Builder's failure to perform shall not be construed as a waiver of any of ICTC's rights under this Contract.

20.4.3 No Waiver

Opening of portions of the Project before Final Acceptance does not constitute acceptance of the Work or a waiver of any provisions of the Contract Documents.

20.5 Assignment of Causes of Action

Design-Builder hereby offers and agrees to assign to ICTC all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC Section 15), arising from purchases of goods, services or materials pursuant to the Contract or any Subcontract. This assignment shall be made and become effective at the time ICTC tenders final payment to Design-Builder, without further acknowledgment by the parties.

21. WARRANTIES

21.1 Warranties by Design-Builder

21.1.1 Project Warranties

Design-Builder warrants that:

- a) All design Work furnished pursuant to the Contract Documents shall conform to all professional engineering principles generally accepted as standards of the industry in the State.
- b) The Project shall be free of defects (except to the extent that such defects are inherent in prescriptive specifications included in the Contract Documents, unless (i) Design-Builder has actual or constructive knowledge of such defects, and (ii) Design-Builder fails to request a change thereto by ICTC).
- c) Materials and equipment furnished under the Contract Documents shall be of good quality and, when installed, shall be new.
- d) The Work shall meet all of the requirements of the Contract Documents.
- e) The specifications and/or drawings selected or prepared for use during construction are appropriate for their intended use.
- f) The Project shall be fit for use for the intended function pursuant to and in accordance with the specifications of the Contract Documents.

21.1.2 Project Warranty Term

The Warranty term shall begin upon Substantial Completion or, if earlier, upon final acceptance of specific elements of the Project by a third-party owner. Subject to extension under Section 21.2 and notwithstanding any shorter Warranty term for specific Project elements that may be set forth elsewhere in the Contract Documents, the Warranties regarding structures and pavements of the Project shall remain in effect until three (3) years after Substantial Completion. The Warranties regarding all other elements of the Project shall remain in effect until two (2) years after Final Acceptance.

If ICTC determines that any of the Work has not met the standards set forth in this Section 21.1 at any time within the Warranty period, then Design-Builder shall correct such Work as specified below, even if the performance of such corrective Work extends beyond the stated Warranty period.

21.1.3 Reserved

21.1.4 Corrective Work

ICTC and Design-Builder shall conduct a walkthrough of the Site together at least one (1) time per year before the expiration of the Warranty period. On each walkthrough, ICTC will produce a punch list of items requiring Warranty Work. In addition, ICTC reserves the right at any time during the Warranty period to identify Work that fails to meet the Warranty.

Design-Builder may also monitor the Site using non-destructive testing for any Warranty Work required during the Warranty period. Design-Builder shall provide advance notification to ICTC of all monitoring dates and times.

ICTC will notify Design-Builder of any failure of any of the Work that is Design-Builder's, or any Subcontractor's, responsibility to correct under the terms of the Warranty. Design-Builder shall correct any areas which exceed the Warranty threshold limits established for the Project. ICTC may require corrective actions at any time within the Warranty period or defer corrective action until the end of the initial Warranty period.

For all corrective actions required, Design-Builder shall provide a written proposal for performing Warranty Work within ten (10) Working Days from receiving notification from ICTC that corrective Work is required. Design-Builder shall also provide a written proposal for performing the corrective Work if Design-Builder elects to perform this Work based on Design-Builder's assessment of the Site.

The proposal shall include, as a minimum:

- a) The proposed construction remedy.
- b) The proposed schedule for prosecution and completion of the Work.
- c) The proposed Transportation Management Memorandum.

ICTC shall respond as to the adequacy and suitability of the proposal within ten (10) Working Days of the date of Design-Builder's submittal. ICTC may agree to accept Nonconforming Work in accordance with Section 5.7.2.

During the Warranty period, Design-Builder will not be held responsible for distresses caused by identifiable factors unrelated to materials and workmanship. Upon written request from Design-Builder and on a case-by-case basis, ICTC will consider other factors that appear to be beyond the control of Design-Builder and may relieve Design-Builder from its Warranty obligations with respect thereto.

Design-Builder shall begin corrective action Work within thirty (30) Calendar Days after notice by ICTC of acceptance of the written plan for Warranty correction. If the Work cannot be started then because of seasonal limitations, Design-Builder shall so notify ICTC and submit (for ICTC Approval) a schedule for completion of the corrective action Work. If Design-Builder does not use its best efforts to proceed to effectuate that corrective action Work within the agreed time, or if Design-Builder and ICTC fail to reach such an agreement, ICTC, after notice to Design-Builder, shall have the right to perform or have performed by third parties the necessary remedy, and the costs thereof shall be borne by Design-Builder. Design-Builder shall be responsible for the inspection and testing of the Warranty Work.

If ICTC determines that emergency repairs are necessary for public safety or Site security, ICTC may perform the corrective Work. Any such emergency repairs will be authorized by ICTC's Contract Manager, or his/her representative. Before making the emergency repairs, ICTC will contact Design-Builder and document the basis for the emergency action, and will preserve evidence, such as photographs or videotapes, of the defective condition. Emergency repairs will be coordinated with Design-Builder when possible. All costs associated with the emergency repairs that are covered by the Warranty Work shall be borne by Design-Builder.

21.1.5 Costs of Correction of Work

All costs of correcting such rejected Work, including additional testing and inspections, shall be deemed included in the Contract Price. Design-Builder shall reimburse ICTC and pay ICTC's expenses made necessary thereby within ten (10) Days after Design-Builder's receipt of invoice therefor. Design-Builder shall be responsible for obtaining any required Governmental Approvals or other consents from any other Person in connection with the Warranty Work.

21.2 Warranty of Corrected Work

The Warranties shall apply to all Work redone, repaired, corrected, or replaced pursuant to the terms of the Contract. The Warranties as to each redone, repaired, corrected, or replaced element of the Work shall extend beyond the original Warranty period if necessary, to provide at least a one-year Warranty period following acceptance thereof by ICTC or acceptance thereof by the appropriate Person who will own such element.

21.3 Subcontractor Warranties

21.3.1 Assignment

Without in any way derogating Design-Builder's own representations and warranties (including the Warranties) and other obligations with respect to all of the Work, Design-Builder shall obtain from all Subcontractors and cause to be extended to ICTC, appropriate representations, warranties, guarantees, and obligations with respect to the design, materials, workmanship, equipment, tools, and supplies furnished by such Subcontractors, including all such representations, warranties, guarantees, and obligations required to be furnished by Subcontractors under Book 2. All representations, warranties, guarantees, and obligations of Subcontractors (a) shall be written so as to survive all ICTC and Design-Builder inspections, tests and approvals, and (b) shall run directly to and be enforceable by Design-Builder and/or ICTC and their respective successors and assigns. Design-Builder hereby assigns to ICTC all of Design-Builder's rights and interest in all extended warranties for periods exceeding the applicable Warranty period which are received by Design-Builder from any of its Subcontractors.

21.3.2 Enforcement

Upon receipt from ICTC of notice of a failure of any of the Work to satisfy any Subcontractor warranty, representation, guarantee, or obligation, Design-Builder shall enforce or perform any such representation, warranty, guarantee, or obligation, in addition to Design-Builder's other obligations hereunder. ICTC's rights under this Section 21.3.2 shall begin at the time such representation, warranty, guarantee, or obligation is furnished, and shall continue until the expiration of Design-Builder's relevant Warranty (including extensions thereof under Section 21.2). Until such expiration, Design-Builder shall be responsible for the cost of any equipment, material, labor (including re-engineering), or shipping, and Design-Builder shall be required to replace or repair defective equipment, material, or workmanship furnished by any Subcontractor.

21.4 No Limitation of Liability

The foregoing Warranties are in addition to all rights and remedies available under the Contract Documents or applicable law, and shall not limit Design-Builder's liability or responsibility imposed by the Contract

Documents or applicable law with respect to the Work, including liability for design defects, latent construction defects, strict liability, negligence or fraud; provided, however, that, upon expiration of the Warranties, Design-Builder shall have no further liability to ICTC hereunder for patent construction defects.

21.5 Warranty Beneficiaries

In addition to benefiting ICTC and its successors and assigns, the Warranties and Subcontractor warranties provided under this Section 21 shall inure to the benefit of, and shall be directly enforceable by, any local agencies and Utility Owners with respect to those portions of the Work owned or controlled by each such Person.

21.6 Remedies for Breach of Warranty

In addition to ICTC's other rights and remedies hereunder, at law or in equity, Design-Builder shall be liable for actual damages resulting from any breach of an express or implied Warranty or any defect in the Work.

21.7 Disputes

Any disagreement between ICTC and Design-Builder relating to this Section 21 shall be subject to the dispute resolution provisions contained in Section 19, provided that Design-Builder shall proceed as directed by ICTC pending resolution of the dispute.

22. DOCUMENTS AND RECORDS

22.1 Escrowed Proposal Documents

Design-Builder shall submit the Escrowed Proposal Documents (EPD) to ICTC in a container suitable for secure sealing no later than ten (10) Days following award and execution of the Contract by ICTC.

The container shall be clearly marked "Price Proposal Documentation for the Calexico East Port of Entry Bridge Widening Design-Build Project" and shall have entered on the face of the container, Design-Builder's name, the date of submittal, and the ICTC Contract No, Project ID, and Federal Aid Project Number. Failure to submit the EPD may result in cancellation of the award, in which case ICTC will retain the Proposal Bond.

Upon receipt of the EPD, authorized representatives of ICTC and Design-Builder will review the EPD for accuracy and completeness. Should a discrepancy exist, Design-Builder shall furnish ICTC with any other needed Price Proposal documentation within three (3) Working Days. ICTC, upon determining that the EPD appear to be complete, will immediately place the EPD and affidavit in the container in the presence of Design-Builder's representative, and seal it.

ICTC will retain the EPD for placement in a safety deposit box, vault, or other secure accommodation. The cost of accommodation will be borne by ICTC. Payment for compilation of the data, container, cost of verification of the EPD, or any other costs that may be incurred by Design-Builder in fulfilling these requirements shall be considered incidental to the Contract and paid by the Design-Builder. The EPD container will be returned to Design-Builder following Final Acceptance.

22.1.1 Review of EPD

The EPD shall be available during business hours for joint review by Design-Builder, ICTC, and any applicable Subcontractor or Supplier in connection with the resolution of Disputes, an audit under Section 22.3.5 (if the EPD are the subject of an audit) and as described in Section 22.1.6. Subject to Section 22.1.7, ICTC shall be entitled to review all or any part of the EPD in order to satisfy itself regarding the applicability of the individual documents to the matter at issue and shall be entitled to make and retain copies of such documents as it deems appropriate in connection with any such matters. The foregoing shall in no way be deemed a limitation on ICTC's discovery rights with respect to such documents.

22.1.2 Property of Design-Builder

The EPD are, and shall always remain, the property of Design-Builder, and shall be considered to be in Design-Builder's possession, subject to ICTC's right to review the EPD as provided herein. ICTC acknowledges that Design-Builder considers that the EPD constitute trade secrets or proprietary information. This acknowledgment is based upon ICTC's understanding that the information contained in the EPD are not known outside Design-Builder's business, is known only to a limited extent and by a limited number of employees of Design-Builder, is safeguarded while in Design-Builder's possession, and may be valuable to Design-Builder's business strategies, assumptions and intended means, methods, and techniques. ICTC further acknowledges that Design-Builder expended money in developing the information included in the EPD and further acknowledges that it would be difficult for a competitor to replicate the information contained therein. ICTC acknowledges that the EPD and the information contained therein are being provided to ICTC only because it is an express prerequisite to award of the Contract.

22.1.3 Representation and Warranty

Design-Builder represents and warrants that the EPD provided concurrently with the Proposal constitute all of the information used in the preparation of its Proposal and agrees that no other Proposal preparation information will be considered in resolving Disputes or Claims. Design-Builder also agrees that the EPD are not part of the Contract and that nothing in the EPD shall change or modify the Contract.

22.1.4 Contents of EPD

The EPD provided with the Proposal shall, at a minimum, clearly detail how the components of the Proposal Price were determined and shall be adequate to enable a complete understanding and interpretation of how Design-Builder arrived at the Proposal Price. The EPD provided in connection with quotations and Change Orders shall, at a minimum, clearly detail how the total price and individual components of that price were determined and shall be adequate to enable a complete understanding and interpretation of how Design-Builder arrives at its quotation and/or Change Order price. All Work shall be separated into subitems as required to present a complete, detailed, and organized estimate of all costs. Crews, equipment, quantities, and rates of production shall be detailed. Estimates of costs shall be further divided into Design-Builder's usual cost categories such as direct labor, repair labor, equipment ownership and operation, expendable materials, permanent materials, and subcontract costs as appropriate. Plant and equipment and indirect costs shall also be detailed in Design-Builder's usual format. Design-Builder's allocation of plant and equipment, indirect costs, contingencies, mark-up, and other items to each direct cost item shall be clearly identified. The EPD shall itemize the estimated costs of the Payment and Performance Bonds and the insurance premiums for each coverage required to be provided by Design-Builder under Section 9. The EPD shall include all assumptions, quantity takeoffs, rates of production, Design-Builder internal equipment rental rates and progress calculations, request for quotes and quotes from Subcontractors (including Suppliers), memoranda, narratives, and all other information used by Design-Builder to arrive at the Proposal Price or Change Order price, as applicable. For each item of Work the EPD shall itemize any related amounts not included in the stated price for such item such as any amount allocated for contingency.

22.1.5 Format of EPD

Design-Builder shall submit the EPD in the format actually used by Design-Builder in preparing its Proposal. It is not intended that Design-Builder perform any significant extra work in the preparation of these documents. However, Design-Builder represents and warrants that the EPD related to the Proposal have been personally examined before delivery to ICTC by an authorized officer of Design-Builder and that they meet the requirements of Section 22.1.4 and are adequate to enable a complete understanding and interpretation of how Design-Builder arrived at its Proposal Price. Design-Builder further represents, warrants, and covenants that the EPD related to each Change Order will be personally examined before delivery to escrow by an authorized officer of Design-Builder and ICTC and that they meet the requirements of Section 22.1.4 and will be adequate to enable a complete understanding and interpretation of how Design-Builder arrived at its Change Order price.

22.1.6 Review by ICTC

ICTC may, upon reasonable notice to Design-Builder and in Design-Builder's presence, conduct a review of the EPD to determine whether it is complete. If ICTC determines that the EPD are incomplete, ICTC may request Design-Builder to supply data to make the EPD complete. Design-Builder shall provide all such data within three (3) Working Days of the request, and at that time it will be date stamped, labeled to identify it as supplementary EPD information, and added to the sealed EPD. Design-Builder shall have no right to add

documents to the EPD except upon ICTC's request. At ICTC's option, which may be exercised at any time, the EPD associated with any Change Order or Contract amendment shall be reviewed, organized, and indexed as described in Instructions to Proposers.

22.1.7 Confidentiality Agreement

Confidentiality agreements will be executed by all ICTC employees or agents who review or have access to the EPD.

22.2 Subcontractor Pricing Documents

Design-Builder shall require each Subcontractor of a Subcontract over one-half of one (1/2 of 1) percent of the Contract Price to submit to Design-Builder a copy of all documentary information used in determining its Subcontract price, within ten (10) Days after executing the Subcontract or change orders or amendments thereto, to be held in the same manner as the EPD and which shall be accessible by Design-Builder, ICTC, and other dispute resolvers, on terms substantially similar to those contained herein. Each such Subcontract shall include a representation and warranty from the Subcontractor stating that its EPD constitutes all the documentary information used in establishing its Subcontract price. Each Subcontract that is not subject to the foregoing requirement shall include a provision that requires the Subcontractor to preserve all documentary information used in establishing its Subcontract price and to provide such documentation to Design-Builder and/or ICTC in connection with any claim made by such Subcontractor.

22.3 Project Records

22.3.1 Maintenance of Records

Design-Builder shall maintain at the Project Manager's office in the State a complete set of all books, records and documents prepared or employed by Design-Builder with respect to the Project.

22.3.2 Audit and Inspection Rights

Design-Builder grants to ICTC, FHWA, the U.S. Comptroller General and Utility Owners, and their respective authorized representatives, such audit and inspection rights and allows such Persons such access to and the right to copy such books and records (including all tax returns and supporting documentation filed with any Governmental Persons) as such Persons may request from time to time in connection with the issuance of Change Orders, the resolution of disputes, and such other matters as such Persons reasonably deems necessary for purposes of complying or verifying compliance with the Contract and Governmental Rules.

22.3.3 Audit of Time and Materials Work

Where the payment method for any Work is on a time and materials basis, such examination and audit rights shall include all books, records, documents, and other evidence and accounting principles and practices sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of such Work. If an audit indicates Design- Builder has been over credited under a previous progress report or progress payment, that over credit will be credited against current progress reports or payments.

22.3.4 Change Order Pricing Data

For cost and pricing data submitted in connection with pricing Change Orders, unless such pricing is based on adequate price competition, established catalog, or market prices of commercial items sold in substantial quantities to the public, or prices set by law or regulation, such Persons and their representatives have the right to examine all books, records, documents, and other data of Design-Builder related to the negotiation of or performance of Work under such Change Orders for the purpose of evaluating the accuracy, completeness, and currency of the cost or pricing data submitted. The right of examination shall extend to all documents deemed necessary by such Persons to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

22.3.5 Claims Audits

All Claims filed against ICTC shall be subject to audit at any time following the filing of the Claim. The audit may be performed by employees of ICTC or by an auditor under contract with ICTC. No notice is required before commencing any audit before sixty (60) Days after Final Acceptance. Thereafter, ICTC shall provide twenty (20) Days' notice to Design-Builder, any Subcontractors, or their respective agents before commencing an audit. Design-Builder, Subcontractors, or their agents shall provide adequate facilities, acceptable to ICTC, for the audit during normal business hours. Design-Builder, Subcontractors and their agents shall cooperate with the auditors. Failure of Design-Builder, Subcontractors or their agents to maintain and retain sufficient records to allow the auditors to verify all or a portion of the Claim or to permit the auditors access to the books and records of Design-Builder, Subcontractors, or their agents shall constitute a waiver of the claim and shall bar any recovery thereunder. At a minimum, the auditors shall have available to them the following documents:

- a) Daily time sheets and supervisor's daily reports.
- b) Union agreements.
- c) Insurance, welfare, and benefits records.
- d) Payroll registers.
- e) Earnings records.
- f) Payroll tax forms.
- g) Material invoices and requisitions.
- h) Material cost distribution worksheet.
- i) Equipment records (list of company equipment, rates, etc.).
- j) Subcontractors' (including Suppliers) and agents' invoices.
- k) Subcontractors' and agents' payment certificates.
- l) Canceled checks (payroll and Suppliers).
- m) Job cost report.
- n) Job payroll ledger.
- o) General ledger.
- p) Cash disbursements journal.
- q) E-mail, letters and correspondence.
- r) Network servers, data storage devices, backup media.
- s) All documents that relate to each and every Claim together with all documents that support the amount of damages as to each Claim.

- t) Work sheets used to prepare the Claim establishing the cost components for items of the Claim, including labor, benefits and insurance, materials, equipment, Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals.

Full compliance by Design-Builder with the provisions of this Section 22.3.5 is a contractual condition precedent to Design-Builder's right to seek relief under Section 19. Design-Builder represents and warrants the completeness and accuracy of all information it or its agents provides in connection with this Section 22.3.

22.4 Retention of Records

Design-Builder shall maintain all records and documents relating to the Contract (including copies of all original documents delivered to ICTC) at the Project Manager's office in the State until seven (7) years after the earlier to occur of (a) the date Final Acceptance is achieved, or (b) the termination date. If Approved by ICTC, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents. Design-Builder shall notify ICTC where such records and documents are kept.

Notwithstanding the foregoing, all records which relate to Claims being processed or actions brought under the dispute resolution provisions hereof shall be retained and made available until such actions and Claims have been finally resolved. Records to be retained include all books and other evidence bearing on Design-Builder's costs and expenses under the Contract Documents. Design-Builder shall make these records and documents available for audit and inspection to ICTC, at Design-Builder's office, at all reasonable times, without charge, and shall allow such Persons to make copies of such documents (at no expense to Design-Builder).

22.5 California Public Records Act

22.5.1 Applicability of Act

Design-Builder acknowledges and agrees that all records, documents, drawings, Plans, specifications, and other materials in ICTC's possession or those to which ICTC is entitled to access, including materials submitted by Design-Builder, are subject to the provisions of the California Public Records Act. Design-Builder shall be solely responsible for all determinations made by it under such act and for clearly and prominently marking each and every page or sheet of its materials with "trade secret" or "non-public" as it determines to be appropriate. Design-Builder is advised to contact legal counsel concerning such act and its application to Design-Builder.

22.5.2 Confidential Materials

If any of the materials submitted by Design-Builder to ICTC are clearly and prominently labeled "trade secret" or "non-public" by Design-Builder, ICTC will endeavor to advise Design-Builder of any request for the disclosure of such materials before making any such disclosure. Under no circumstances, however, will ICTC be responsible or liable to Design-Builder or any other Person for the disclosure of any such labeled materials, whether the disclosure is required by law, by court order, or occurs through inadvertence, mistake, or negligence on the part of ICTC, except for any disclosure of trade secrets or proprietary information in violation of the confidentiality agreement described in Section 22.1.7.

22.5.3 Design-Builder to Defend Against Disclosure Request

In the event of litigation concerning the disclosure of any material submitted by Design-Builder to ICTC, ICTC's sole involvement will be as a stakeholder retaining the material until otherwise ordered by a court, and Design-Builder shall be fully responsible for otherwise prosecuting or defending any action concerning the materials at its sole cost and risk.

23. MISCELLANEOUS PROVISIONS

23.1 Amendments

The Contract may be amended only by a written instrument duly executed by the parties or their respective successors or assigns.

23.2 Waiver

23.2.1 No Waiver of Subsequent Rights

Either party's waiver of any breach or failure to enforce any of the terms, covenants, conditions, or other provisions of the Contract Documents at any time (including any agreement by ICTC to accept Nonconforming Work under Section 5.7.2) shall not in any way limit or waive that party's right thereafter to enforce or compel strict compliance with every term, covenant, condition, or other provision, any course of dealing or custom of the trade notwithstanding. Furthermore, if the parties make and implement any interpretation of the Contract Documents without documenting such interpretation by an instrument in writing signed by both parties, such interpretation and implementation thereof shall not be binding in the event of any future Disputes. The consent by one party to any act by the other party requiring such consent shall not be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

23.2.2 Custom Does not Constitute Waiver

No act, delay, or omission done, suffered or permitted by one party or its agents shall be deemed to waive, exhaust, or impair any right, remedy or power of such party under any Contract Document, or to relieve the other party from the full performance of its obligations under the Contract Documents. No custom or practice between the parties in the administration of the terms of the Contract Documents shall be construed to waive or lessen the right of a party to insist upon performance by the other party in strict compliance with the terms of the Contract Documents.

23.2.3 Waivers Shall Be in Writing

No waiver of any term, covenant, or condition of the Contract Documents shall be valid unless in writing and signed by the party providing the waiver.

23.3 Independent Contractor

Design-Builder is an independent contractor, and nothing contained in the Contract Documents shall be construed as constituting any relationship with ICTC other than that of Project owner and independent contractor. In no event shall the relationship between ICTC and Design-Builder be construed as creating any relationship whatsoever between ICTC and any of Design-Builder's employees. Neither Design-Builder nor any of its employees is or shall be deemed to be an employee of ICTC. Except as otherwise specified in the Contract Documents, Design-Builder has sole authority and responsibility to employ, discharge, and otherwise control its employees and has complete and sole responsibility as a principal for its agents, for all Subcontractors, and for all other Persons that Design-Builder or any Subcontractor hires or engages to perform or assist in performing the Work.

23.4 Successors and Assigns

The Contract Documents shall be binding upon and inure to the benefit of ICTC and Design-Builder and their permitted successors, assigns, and legal representatives.

23.4.1 Assignment by ICTC

ICTC may assign all or part of its right, title, and interest in and to the Contract, including rights with respect to the Payment and Performance Bonds, and any other performance security provided, to any Person with the prior written approval of Design-Builder.

23.4.2 Assignment by Design-Builder

Design-Builder may collaterally assign its rights to receive payment under the Contract Documents and may subcontract Work in compliance with the requirements of the Contract Documents. Design-Builder shall not otherwise sublet, transfer, assign, or dispose of any portion of the Contract, or delegate any of its duties hereunder, except with ICTC's prior Approval. Design-Builder's assignment or delegation of any of its Work under the Contract Documents shall be ineffective to relieve Design-Builder of its responsibility for the Work assigned or delegated, unless ICTC, in its sole discretion, has Approved such relief from responsibility. Any assignment of money shall be subject to all proper set-offs and withholdings in favor of ICTC and to all deductions provided for in the Contract. No partner, joint venturer, member, or shareholder of Design-Builder may assign, convey, transfer, pledge, mortgage, or otherwise encumber its ownership interest in Design-Builder without the prior Approval of ICTC, in ICTC's sole discretion.

23.5 Designation of and Cooperation with Representatives

23.5.1 Designation of Representatives

ICTC and Design-Builder shall each designate an individual or individuals who shall be authorized to make decisions and bind the parties on matters relating to the Contract Documents. Such designations may be changed by a subsequent writing delivered to the other party in accordance with Section 23.10. The parties may also designate technical representatives who shall be authorized to investigate and report on matters relating to the construction of the Project and negotiate on behalf of each of the parties but who do not have authority to bind ICTC or Design-Builder.

23.5.2 Cooperation

Design-Builder shall cooperate with ICTC and all representatives of ICTC designated as described above.

23.6 Officials not to Benefit

Without prior written consent of State or ICTC, as applicable, Design-Builder shall not employ any professional or technical personnel to provide services under the Contract who are or have been at any time during the time period of the Contract in the employ of State or ICTC, except retired State or ICTC employees, without written consent from State or ICTC, as applicable.

Design-Builder warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Design-Builder, to solicit or secure the Contract, and that Design-Builder has

not paid or agreed to pay any company or person, other than a bona fide employee working for Design-Builder, any fee, commissions, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award of making of the Contract.

The rights and remedies of ICTC specified in this Section 23.6 are not exclusive and are in addition to any other rights and remedies allowed by law.

23.7 Survival

Design-Builder's representations and warranties, the dispute resolution provisions contained in Section 19, and all other provisions which by their inherent character should survive termination of the Contract, shall survive the termination of the Contract.

23.8 Limitation on Third-Party Beneficiaries

It is not intended by any of the provisions of the Contract Documents to create any third-party beneficiary hereunder, or to authorize anyone not a party hereto to maintain a suit for personal injury or property damage pursuant to the terms or provisions hereof, except to the extent that specific provisions (such as the warranty and indemnity provisions) identify third parties (such as Utility Owners) and state that they are entitled to benefits hereunder. Except as otherwise provided in this Section 23.8, the duties, obligations, and responsibilities of the parties to the Contract Documents with respect to third parties shall remain as imposed by law. The Contract Documents shall not be construed to create a contractual relationship of any kind between ICTC and a Subcontractor or any other Person except Design-Builder.

23.9 No Personal Liability

ICTC's authorized representatives are acting solely as agents and representatives of ICTC when carrying out the provisions of or exercising the power or authority granted to them under the Contract Documents. They shall not be liable either personally or as employees of ICTC for actions in their ordinary course of employment. No agent, consultant, officer, or employee of ICTC shall be personally responsible for any liability arising under the Contract.

23.10 Notices and Communications

23.10.1 Delivery of Notices

Notices under the Contract Documents shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by via telephone communication followed by a hardcopy or with receipt confirmed by telephone, to the addresses below (or to such other address as may from time to time be specified in writing by such Person).

All correspondence with Design-Builder shall be sent to the Project Manager or as otherwise directed by such Project Manager. The address for such communications shall be:

Hazard Construction Company
10529 Vine Street
Lakeside, CA 92040

Attn.: Mr. Bradley Lothers, P.E., M.E.
Telephone: (858) 587-3600 x112
FAX: (858) 453-6034
e-mail: blothers@hazardconstruction.com

In addition, copies of all notices to proceed and suspension, termination, and default notices shall be delivered to the following persons:

Hazard Construction Company
10529 Vine Street
Lakeside, CA 92040

Attn.: Jason A. Mordhorst, President
Telephone: (858) 587-3600 x112
FAX: (858) 453-6034
e-mail: jmordhorst@hazardconstruction.com

All communications to ICTC shall be marked with ICTC's Contract and Project identification number and shall be delivered to ICTC's Project Manager, with copies to such additional Persons as may be designated by ICTC's Project Manager, at the address set forth below:

Imperial County Transportation Commission
1503 North Imperial Avenue; Suite 104
El Centro, California 92243

Attention: Mr. Mark Baza, Executive Director
e-mail: MarkBaza @imperialctc.org
Telephone: (760) 592-4494

In addition, copies of all notices regarding disputes, termination, and default notices shall be delivered to the following persons:

Imperial County Transportation Commission
1503 North Imperial Avenue; Suite 104
El Centro, California 92243

Attention: Mr. Mark Baza, Executive Director
e-mail: MarkBaza@imperialctc.org
Telephone: (760) 592-4494

23.10.2 Receipt of Notices

Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U. S. Postal Service, private carrier or other Person making the delivery. Notwithstanding the foregoing, notices sent by telefacsimile after 4:00 p.m. Pacific Time and all other notices received after 5:00 p.m. Pacific Time shall be deemed received on the first Working Day following delivery (that is, in order for a fax to be deemed received on the same day, at least the first page of the fax shall be received before 4:00 p.m.).

23.10.3 Copies of Correspondence to ICTC

Design-Builder shall copy ICTC on all written correspondence pertaining to the Contract between Design-Builder and any Person other than Design-Builder's Subcontractors, consultants, and attorneys.

23.10.4 Notification of Third Party Claims

ICTC and Design-Builder shall each provide timely written notification to the other party of the receipt of any third-party claim relating to, arising out of, or connected with Work, operations or responsibilities performed by or on behalf of Design-Builder under this Contract.

23.11 Further Assurances

Design-Builder shall promptly execute and deliver to ICTC all such instruments and other documents and assurances as are reasonably requested by ICTC to further evidence the obligations of Design-Builder hereunder, including assurances regarding assignments of Subcontractors contained herein.

23.12 Severability

If any clause, provision, section, or part of the Contract is ruled invalid under Section 19 or otherwise by a court of competent jurisdiction, then the parties shall: (a) promptly meet and negotiate a substitute for such clause, provision, section or part, which shall, to the greatest extent legally permissible, effect the original intent of the parties, including an equitable adjustment to the Contract Price to account for any change in the Work resulting from such invalidated portion; and (b) if necessary or desirable, apply to the court or other decision maker (as applicable) which declared such invalidity for an interpretation of the invalidated portion to guide the negotiations. The invalidity or unenforceability of any such clause, provision, section, or part shall not affect the validity or enforceability of the balance of the Contract, which shall be construed and enforced as if the Contract did not contain such invalid or unenforceable clause, provision, section, or part.

23.13 Headings

The captions of the sections of the Contract Documents are for convenience only and shall not be deemed part of the Contract or considered in construing the Contract.

23.14 Governing Law

The Contract Documents shall be governed by and construed in accordance with the law of the State, without regard to conflict of law principles.

23.15 Limit of Liability

Notwithstanding anything to the contrary contained herein, ICTC's liability for payment extends only to the amount actually appropriated for the purpose of the Project.

23.16 Entire Agreement

The Contract Documents contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations, and negotiations between the parties with respect to its subject matter.

23.17 Counterparts

This instrument may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument.

23.18 Laws to be Observed

Design-Builder shall keep fully informed of all existing and future state and federal laws and county, and municipal ordinances and regulations which in any manner affect those engaged or employed in the Work, the materials used in the Work, or which in any way affect the conduct of the Work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same as applicable. The Design-Builder shall at all times observe and comply with and shall cause all agents and employees to observe and comply with all such existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Contract Documents. If any discrepancy or inconsistency is discovered in the Contract Documents for the Work in relation to any such law, ordinance, regulation, order, or decree, the Design-Builder shall immediately report the same to the ICTC's Contract Manager in writing.

23.19 Specific Legal References

Any reference to specific statutes, regulations or other legal authority in Contract Documents shall not relieve the Design-Builder from the responsibility of complying with all existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Contract Documents.

IN WITNESS WHEREOF, the parties have executed the Contract as of the last date set forth next to signatures of the parties, below.

IMPERIAL COUNTY TRANSPORTATION COMMISSION

By: _____
Name: Mark Baza
Title: Executive Director

Date: _____, 2021

APPROVED AS TO FORM AND EXECUTION:

By: _____

Date: _____, 2021

DESIGN-BUILDER

HAZARD CONSTRUCTION COMPANY

By: _____
Name: Jason A. Mordhorst
Title: President

Date: MARCH 23, 2021

Contractor's License No.: 750542

EXHIBIT A – ABBREVIATIONS AND DEFINITIONS

A1 Abbreviations

A2 Definitions

As used in the Design-Build Contract to which this Exhibit is attached and in the other Contract Documents (unless otherwise specified therein), the following abbreviations and terms shall have the meanings set forth below (unless the context requires otherwise).

A1 Abbreviations

Abbreviation	Definition
AADT	Annual Average Daily Traffic
AASHTO	American Association of State Highway and Transportation Officials
ATC	Alternative Technical Concept
ACI	American Concrete Institute
ADA	Americans with Disabilities Act
ALR	Area of Localized Roughness
AMRL	AASHTO Materials Reference Laboratory
ANSI	American National Standards Institute
ASCE	American Society of Civil Engineers
ASTM	American Society of Testing and Materials
ATC	Alternative Technical Concept
AWG	American Wire Gauge
BMP	Best Management Practice
BUILD	Building Utilizing Investments to Leverage Development
Cal/OSHA	California Division of Occupational Safety and Health Administration
CAQMD	California Air Quality Management District
CBP	Customs and Border Protection
CDF	California Department of Fish and Game
CE	Categorical Exemption (Under CEQA)
CD	Categorical Exclusion (Under NEPA)
CEQA	California Environmental Quality Act
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CFR	Code of Federal Regulations
CMS	Changeable Message Sign
CPM	Critical Path Method
CUI	Controlled Unclassified Information
DBE	Disadvantaged Business Enterprise
DCS	Document Control System

Abbreviation	Definition
DGN	MicroStation drawing file extension
DHS	Department of homeland Security
DOT	U.S. Department of Transportation
DRB	Dispute Resolution Board
EEO	Equal Employment Opportunity
EIA	Electronic Industries Alliance
EPA	(U.S.) Environmental Protection Agency
EPD	Escrowed Proposal Documents-
ERS	Earth Retaining System
FAR	Federal Acquisition Regulation
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FOIA	Freedom of Information Act
GSA	General Services Administration
HMA	Hot Mix Asphalt
HOV	High-Occupancy Vehicle
HSPD-12	Homeland Security Presidential Directive-12
IBWC	International Boundary and Water Commission
ICTC	Imperial County Transportation Commission
IID	Imperial Irrigation District
IES	Illumination Engineering Society
ITE	Institute of Transportation Engineering
ITP	Instructions to Proposers
ITS	Intelligent Transportation Systems
LAPM	Local Assistance Procedures Manual
LPOE	Land Port of Entry
MOT	Maintenance of Traffic
MSE	Mechanically Stabilized Embankment
MUTCD	Manual on Uniform Traffic Control Devices
NCHRP	National Cooperative Highway Research Program
NDA	Non-Disclosure Agreement
NEMA	National Electrical Manufacturers Association

Abbreviation	Definition
NEPA	National Environmental Policy Act
NESHAP	National Emissions Standards for Hazardous Air Pollutants
NPDES	National Pollutant Discharge Elimination System
NSSP	Nonstandard Special Provision
NTO	Notice to Owner
NTP1	Notice to Proceed 1
NTP2	Notice to Proceed 2
OSHA	Occupational Safety & Health Administration
PAED	Project Approval and Environmental Document
PBS	Public Building Services
PCCP	Portland Cement Concrete Pavement
PCI	Prestressed Concrete Institute
PID	Project Initiation Documents
PIO	Project Implementation Order
PLAC	Permit, License, Agreement, Certification, or any combination of these.
PM	Post Mile
POE	Port of Entry
PR	Project Report
QC	Quality Control
QV	Quality Validation
RFC	Released for Construction
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Qualifications
RID	Reference Information Documents
R/W	Right of Way
RWQCB	Regional Water Quality Control Board
SHPO	State Historic Preservation Officer
SOQ	Statement of Qualifications
STAA	Surface Transportation Assistance Act of 1982
SUE	Subsurface Utility Engineering
SWPPP	Stormwater Pollution Prevention Plan

Abbreviation	Definition
TCE	Temporary Construction Easement
TCEP	Trade Corridor Enhancement Program
TIA	Telecommunications Industry Association, Time Impact Analysis
UA	Utility Agreement
UL	Underwriters Laboratories, Inc.
USACE	United States Army Corps of Engineers
USBR	United States Bureau of Reclamation
USC	United States Code
USDOT	United States Department of Transportation
USFWS	U.S. Fish and Wildlife Service

A-2 Definitions

Acceleration Costs	Those fully documented increased costs reasonably incurred by Design-Builder (i.e., costs over and above what Design-Builder would otherwise have incurred) which are directly attributable to increasing the performance level of the Work in an attempt to complete necessary activities of the Work earlier than otherwise anticipated, such as for additional equipment, additional crews, lost productivity, overtime and shift premiums, increased supervision, and any unexpected movement of materials, equipment, or crews necessary for resequencing in connection with acceleration efforts.
Addendum	Supplemental additions, deletions, and modifications to the provisions of the RFP after release of the RFP.
Additional Properties	Needed right of way identified by the Design-Builder to complete the Project Work.
Affidavit of Final Completion	Sworn statement by the Design-Builder that all Work performed under Contract complies with the requirements of the Contract and that no lawful debts for labor or materials are outstanding.
Affiliate	<ul style="list-style-type: none">a) Any Person which directly or indirectly through one or more intermediaries' controls, or is controlled by, or is under common control with, Design-Builder or any Major Participant.b) Any Person for which 10 percent or more of the equity interest in such Person is held directly or indirectly, beneficially, or of record by, (i) Design-Builder, (ii) any Major Participant, or (iii) any Affiliate of Design-Builder under clause (a) of this definition. <p>For purposes of this definition, the term "control" means the possession directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relation, or otherwise.</p>
Alternative Technical Concept	Alternative Technical Concepts (ATCs) were not allowed during the Proposal phase.
Applicable Standards	Standards, including but not limited to those identified in Book 3, that apply to design and construction of Project.
Application for Final Payment	Request by Design-Builder to ICTC for proposed total amount due Design-Builder.
Approve, Approved, or Approval	Formal conditional determination in writing by ICTC that a particular matter or item is satisfactory for the Project.
As-Built Documents	Documents including Plans developed by the Design-Builder that depict the final completed Project.
Auxiliary Lane	The portion of the roadway for weaving, truck climbing, speed change, or for other purposes supplementary to through movement.
Baseline Schedule	The first Approved Preliminary Schedule, which incorporates activities developed in the Preliminary Schedule and fully includes the entire scope of

	Work from NTP1 to Final Acceptance. This schedule shows no completed work to date and no negative float or negative lag to any activity.
Basic Configuration	The elements defining the Project as set forth in Book 2, Section 1, "General," subject to any permitted modifications thereto contained in the Proposal.
Betterment	With respect to a particular Utility, the definition (if any) set forth in the applicable Utility Agreement(s). Where there is no such definition, the upgrading (e.g., increase in capacity) of a Utility being Relocated that is not attributable to the construction of the Project or is made solely for the benefit of and at the election of the Utility Owner (not including a technological improvement which can be implemented at a cost equal to or less than the cost of a "like for like" replacement or Relocation). The use of new materials or compliance with current standards in the performance of the Utility Work is not considered a Betterment.
Book 1	The Contract Document designated as the Design-Build Contract (<u>Book 1</u>).
Book 2	The Contract Document designated as the Project Requirements (Book 2).
Book 3	The Contract Document designated as the Applicable Standards (Book 3).
Business Day	Day on which ICTC is officially open for business.
Calendar Day	Every day shown on the calendar, beginning and ending at midnight.
California Environmental Policy Act	California Environmental Quality Act, as set forth in § 21000 et seq of the California Public Resources Code.
Caltrans	The California Department of Transportation as defined in Streets & Highway Code § 20 and authorized in St & Hwy Code § 90; its authorized representatives.
Certificate of Compliance	A certification provided by a manufacturer, producer, or Supplier of a material that the material, as furnished to Design-Builder, complies with the pertinent specification or Contract requirements. The certification shall be signed by a Person who is authorized to bind the company supplying the material covered by the certification.
Change Notice	A written notification and subsequent notices initiated by Design-Builder which record or authorize the administrative process for a Design-Builder-initiated Change Order.
Change Order	A Contract modification signed by both parties to the Contract, and FHWA, as applicable, issued after the execution of a Contract, which adds to, deletes from, or otherwise revises the requirements, scope of Work, and/or the Contract terms and conditions.
Claim	A separate demand by Design-Builder for (a) a time extension which is disputed by ICTC, or (b) payment of money or damages arising from Work done by or on behalf of Design-Builder in connection with the Contract which is disputed by ICTC. A Claim will cease to be a Claim upon resolution thereof, including resolution by delivery of a Change Order or Contract amendment signed by all parties.

Completion Deadline	Each Substantial Completion Deadline and/or Final Acceptance Deadline, depending on the context.
Conceptual Design	An in-progress set of Design Documents engineered to approximately thirty (30) percent level of completeness and Structure Type Selection Reports that are submitted by the Design-Builder as a design development milestone and formally reviewed by the ICTC.
Construction Documents	All Working Drawings and other documents necessary for construction of the Project in accordance with the Contract Documents.
Construction Easement	Non-permanent easement, other than those provided by ICTC, GSA, or CBP that the Design-Builder determines are desirable to perform the Work.
Construction Quality Validation Manager	The Person designated by Design-Builder to perform the roles and responsibilities of the Construction Quality Validation Manager and who meets the minimum requirements as required in the Contract Documents.
Contaminated Groundwater	Extracted, pumped and/or ponded groundwater including contaminants above legally-permitted discharge levels so as to require treatment prior to re-use or disposal. Contaminated groundwater which may legally be re-used without treatment, including use for dust control, or which merely requires dilution prior to re-use or disposal, shall specifically be excluded from the definition.
Contract	Depending on the context, (a) the Design-Build Contract, or (b) collectively, the Contract Documents.
Contract Documents	Written documents (<u>Book 1</u> , Book 2, Book 3) that define the roles, responsibilities, and Work under the Contract, and are legally binding on the parties (ICTC and Design-Builder).
Contract Price	Full compensation for the Work and all other obligations to be performed by Design-Builder under the Contract Documents.
Critical Path	Longest continuous chain of activities for the project that has the least amount of total float of all chains. In general, a delay on the Critical Path extends the scheduled completion date.
Critical Path Method	Network-based planning technique using activity durations and relationships between activities to calculate a schedule for the entire Project.
Data Date	Day after the date through which a schedule is current. Everything occurring earlier than the data date is as-built and everything on or after the data date is planned.
Day or day	Calendar Day unless otherwise specified.
DBE Certification	Design-Builder's commitment to meet or make good faith efforts to meet Project participation goals as set forth in Form 17.
DBE Performance Plan	Proposer's plan to include firms designated as DBE in the Work and to meet Project participation goals.
ICTC-Caused Delays	Unavoidable delays, to the extent that they affect the Critical Path, arising from the following matters and no others:

- a) A suspension order pursuant to Section 14.1 to the extent provided therein.
- b) ICTC-Directed Changes.
- c) Failure or inability of ICTC, GSA, or CBP to provide Design-Builder with access to the Site right of way on or before the deadline for such access, to the extent provided in Section 6.1.
- d) Reserved
- e) Failure or inability of ICTC to provide responses to proposed schedules, design submittals and other submittals and matters for which response by ICTC is required, within the time periods indicated in the Contract Documents.
- f) Uncovering, removing, and restoring Work, to the extent provided in Section 5.5.3.
- g) Any improper action by ICTC's designated representative with binding authority, as specified in Section 23.5.1, or improper failure to act by ICTC within a reasonable time after delivery of notice by Design-Builder to ICTC requesting such action.
- h) Issuance of a temporary restraining order or other form of injunction by a court that prohibits prosecution of a material portion of the Work, except if (i) such risk has been assumed by Design-Builder under Section 6.3.2, or (ii) arising out of, related to, or caused by the negligent or improper act, failure to act or omission, willful misconduct, recklessness, or breach of contract or Governmental Rule by any Design-Builder-Related Entity.

ICTC-Directed Changes	Any changes in the Work which ICTC has directed Design-Builder to perform as described in <u>Section 13</u> .
ICTC's Contract Manager	The Person designated by ICTC, on ICTC's behalf, to direct the Project and to receive delivery of notices to ICTC per <u>Section 23.10.1</u> .
Design-Build Contract	That certain Design-Build Contract (<u>Book 1</u>), as executed by ICTC and Design-Builder (to which this <u>Exhibit A</u> is attached), and any and all amendments thereto.
Design-Builder	Hazard Construction Company
Design-Builder-Related Entity(ies)	Design-Builder, Major Participants, Subcontractors, their employees, agents and officers and all other Persons for whom Design-Builder may be legally or contractually responsible.
Design Documents	All drawings, specifications, reports, calculations, records, or submittals at any stage of development or revision relating to the Project.
Design Manager	Design-Builder's principal engineer in charge of the Project. The Design Manager shall initially be the individual designated in the Proposal and is considered a Key Personnel for the Project.

Detour	Temporary route for traffic around a closed road part. A passageway through a job site is not a detour.
Differing Site Conditions	<p>a) Subsurface or latent physical conditions that differ from those reasonably assumed by Design-Builder based on incorrect boring logs provided in Book 2, Section 16, "Geotechnical," to the extent that correct boring logs would have resulted in accurate assumptions, or</p> <p>b) Physical conditions of an unusual nature, differing materially from those ordinarily encountered at the Site and generally recognized as inherent in the Work provided for in the Contract, provided in all cases that Design-Builder had no actual or constructive knowledge of such conditions as of the Proposal Due Date.</p> <p>The foregoing definition shall not apply to Utilities, or Force Majeure events, nor shall it include any differences in groundwater depth or subsurface moisture content from that identified in the RFP. Clause (a) of this definition shall specifically exclude situations in which accurately reported boring data does not represent prevailing conditions in the area.</p>
Directive Letter	The letter described in <u>Section 13.1.1.2</u> .
Disadvantaged Business Enterprise	A for profit small business concern as defined in 49 CFR Part 26.
Dispute	The meaning set forth in <u>Section 19</u> .
Effective Date	The date of execution of the Contract by ICTC.
Environmental Approval(s)	The Governmental Approvals listed in Book 2, Section 7.2.3, "Permits, Licenses, Agreements, and Certifications (PLCAs)," that are identified as being ICTC's responsibility to obtain.
Environmental Document	Categorical Exemption/Categorical Exclusion Form dated April 13, 2020. The document is posted on the project webpage on the ICTC website at: http://www.imperialctc.org/
Environmental Laws	Means: <p>a) All Governmental Rules and laws applicable to the Project or the Work regulating or imposing liability or standards of conduct that pertains to the environment Hazardous Materials, contamination of any type whatsoever, or health and safety matters.</p> <p>b) Any requirements and standards that pertain to the protection of the environment, or to the management or release of Hazardous Materials, contamination of any type whatsoever, or health and safety matters with respect to Hazardous Materials, set forth in any Governmental Approval, permits, licenses, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated, pursuant to Governmental Rules and laws applicable to the Project or the Work, as each of the foregoing have been or are amended, modified, or supplemented from time to time (including any present and future</p>

amendments thereto and reauthorizations thereof), including those relating to:

- c) The manufacture, processing, distribution, use, re-use, treatment, storage, disposal, generation, and transportation or handling of Hazardous Materials.
- d) The protection of public health, public welfare or the environment (including protection of nonhuman forms of life, land, surface water, groundwater and air).
- e) Air, soil, surface, and subsurface strata, stream sediments, surface water, and groundwater.
- f) Releases of Hazardous Materials.
- g) Protection of wildlife; endangered, threatened, and sensitive species; wetlands, water courses, and water bodies; parks and recreation lands; cultural, historical, archeological, and paleontological resources; and natural resources.
- h) The operation and closure of underground or aboveground storage tanks.
- i) Health and safety of employees and other Persons with respect to Hazardous Materials.
- j) Notification, documentation and record keeping requirements relating to the foregoing.

Without limiting the above, the term “Environmental Laws” shall also include the following (all as amended):

- a) The National Environmental Policy Act (42 USC § 4321 et seq.).
- b) The Comprehensive Environmental Response, Compensation, and Liability Act (42 USC § 9601 et seq.).
- c) The Resource Conservation and Recovery Act, amending the Solid Waste Disposal Act (42 USC § 6901 et seq.).
- d) The Emergency Planning and Community Right to Know Act of 1986 (42 USC § 11001 et seq.).
- e) The Clean Air Act (42 USC § 7401 et seq.).
- f) The Federal Water Pollution Control Act, as amended by the Clean Water Act (33 USC § 1251 et seq.).
- g) The Toxic Substances Control Act (15 USC § 2601 et seq.).
- h) The Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.).
- i) The Oil Pollution Act (33 USC § 2701, et. seq.).
- j) The Federal Insecticide, Fungicide and Rodenticide Act (7 USC § 136 et seq.).

- k) The Federal Safe Drinking Water Act (42 U.S.C. §§ 300f-300j-27 et seq.).
- l) The Federal Radon and Indoor Air Quality Research Act (42 USC § 7401 et seq.).
- m) The Occupational Safety and Health Act (29 USC § 651 et seq.).
- n) The Endangered Species Act (16 USC § 1531 et seq.).
- o) The Fish and Wildlife Coordination Act (16 USC § 661 et seq.).
- p) The Coastal Zone Management Act (16 USC § 1451 et seq.).
- q) The Rivers and Harbors Act of 1899 (33 USC §400 et seq.).
- r) The Migratory Bird Treaty Act (16 USC § 703 et seq.).
- s) The Marine Mammal Protection Act (16 USC § 1361 et seq.).
- t) Section 4f of the Department of Transportation Act (49 USC § 303).
- u) The National Historic Preservation Act (54 U.S.C.A. § 300101).
- v) 33 CFR § 114 and 125.
- w) The California Environmental Quality Act (§ 21000 et seq. of the California Public Resources Code).
- x) The California Public Resources Code §5024 (Title 14 CCR, Section 4852).
- y) California State Health and Safety Code Section 7050.5.
- z) California Public Resources Code §5097.98.
- aa) The California Clean Air Act of 1988 (§ 39000 et seq. of the California Health and Safety Code).
- bb) The California Occupational Safety and Health Act of 1973 (§6300 et seq. of the California Labor Code).
- cc) The Porter-Cologne Water Quality Act (§ 13000 et seq. of the California Water Code).
- dd) The California Coastal Act (§ 30000 et seq. of the California Public Resource Code).
- ee) The Integrated Waste Management Act (§ 40000 et seq. of the California Public Resources Code).
- ff) The California Safe Drinking Water and Toxic Enforcement Act (§ 25249.5 et seq. of the California Health and Safety Code).
- gg) Chapter 6.5 of Division 20 of the California Health and Safety Code (§ 25100 et seq.).
- hh) The California Fish and Game Code § 1600 et seq.

Error

An error, omission, inconsistency, inaccuracy, deficiency, or other defect.

Escrowed Proposal Documents	All documentary information used in preparation of the Proposal Price.
Event of Default	A default as described in <u>Section 16.1.1</u> , following notice and opportunity to cure to the extent permitted by <u>Section 16.1.2</u> , and issuance by ICTC of notice to Design-Builder and Surety that an Event of Default has occurred.
Executive Director	The Executive Director of the Imperial County Transportation Commission.
Federal Requirements	All Governmental Rules applicable to work financed with federal funds and the provisions required to be included in contracts therefor, including the provisions set forth in <u>Book 1, Exhibits D, E, and F</u> .
Final Acceptance	Acceptance of the Project as described in <u>Section 20.3</u> .
Final Acceptance Deadline	The meaning set forth in <u>Section 4.3.3</u> .
Final Design	A 100% complete set of Design Documents that is submitted by the Design-Builder as a design development milestone and formally reviewed by the ICTC with the intention of reaching ICTC Approval prior to RFC.
Float	Difference between the earliest and latest allowable start or finish times for an activity.
Force Majeure	An event beyond the control of Design-Builder, not due to an act or omission of any Design-Builder-Related Entity, which materially and adversely affects Design-Builder's ability to meet its obligations under the Contract, to the extent that the event (or the effects of which event) could not have been avoided or prevented by due diligence and use of reasonable efforts by Design-Builder. Notwithstanding the foregoing, the term "Force Majeure" shall not include normal weather, Differing Site Conditions, ICTC-Directed Changes, Utility Delays, or any other matter for which the Contract Documents specify how liability or risk is to be allocated between ICTC and Design-Builder, regardless of whether such matter is beyond Design-Builder's control.
Governmental Approval	Any approval, authorization, certification, consent, decision, exemption, filing, lease, license, permit, agreement, concession, grant, franchise, registration, or ruling required by or with any Governmental Person (other than a Governmental Person in its capacity as a Utility Owner) in order to perform the Work.
Governmental Person	Any federal, State, local, or foreign government and any political subdivision or any governmental, quasi-governmental, judicial, public, or statutory instrumentality, administrative agency, authority, body, or entity. The term includes the State and agencies and subdivisions thereof, other than ICTC.
Governmental Rule	All applicable federal, State, and local laws, codes, ordinances, rules, regulations, judgments, decrees, directives, guidelines, policy requirements, orders, and decrees of any Governmental Person having jurisdiction over the Project or Site, the practices involved in the Project or Site, any Work, or any Utility Work being performed by a Utility Owner. The term "Governmental Rule" does not include Governmental Approvals.

Guarantor Each entity (if any) providing a Guaranty.

Guaranty Each guaranty of Design-Builder’s obligations under the Contract Documents (if any), provided on Proposal Form 16.

- Hazardous Materials**
- a) Any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to any Environmental Law.
 - b) Any substance, product, waste, or other material of any nature whatsoever that exceeds maximum allowable concentrations for elemental metals, organic compounds, or inorganic compounds, as defined by any Governmental Rule.
 - c) Any substance, product, waste, or other material of any nature whatsoever which may give rise to liability under clause (b) or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, or strict liability or under any reported decisions of a State or federal court.
 - d) Petroleum hydrocarbons excluding petroleum hydrocarbon products contained within regularly operated motor vehicles.
 - e) Asbestos, asbestos-containing materials in structures and/or other improvements on or in the Site (other than mineral asbestos naturally occurring in the ground), or a substance reasonably believed to be asbestos as defined in Labor Code Section 6501.7.
 - f) Lead or lead-containing materials in structures and/or other improvements on or in the Site.
 - g) A hazardous substance as defined in Health & Safety Code Section 25316 and Section 25317.

The term “Hazardous Materials” includes Hazardous Waste.

Hazardous Waste Waste as defined in 40 CFR 261 et seq.

Holiday Holidays shown in the following table:

Holiday	Date Observed
Every Sunday	Every Sunday
New Year's Day	January 1st
Birthday of Martin Luther King, Jr.	3rd Monday in January
Lincoln's Birthday	February 12th
Washington's Birthday	3rd Monday in February
Cesar Chavez Day	March 31st
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October

Holiday	Date Observed
Veterans Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving Day	Day after Thanksgiving Day
Christmas Day	December 25th

If January 1st, February 12th, March 31st, July 4th, November 11th, or December 25th falls on a Sunday, the Monday following is a holiday. If November 11th falls on a Saturday, the preceding Friday is a holiday

Incidental Utility Work All of the following Work that is necessary or determined by Design-Builder to be convenient for the construction and/or accommodation of the Project:

- a) Protection of Existing Utilities.
- b) Abandonment of Public Utilities.
- c) Removal of Utilities.
- d) Construction survey staking for Utility Work.

Incremental Costs Those costs, if any, which Design-Builder incurs as a result of a particular circumstance which Design-Builder would not have incurred but for the circumstance. In determining such costs, one would determine the total cost which Design-Builder would have incurred had the circumstance not occurred and subtract such amount from the costs actually incurred; the difference is the "increment." (For example, if Design-Builder originally has to Relocate three water lines, and a fourth water line is discovered in the same general area which can be Relocated by the same crew, then if Design-Builder is entitled (pursuant to Section 6.2.1.1) to a Change Order increasing the Contract Price on account of such newly discovered water line, ICTC will be charged with only the costs of keeping the crew working the additional time to Relocate the fourth water line, and will not be charged any portion of the expense of moving the crew to the Site in the first place.)

Indemnified Parties The meaning set forth in Section 18.1.1.

Industry Standard An acknowledged and acceptable measure of quantitative or qualitative value or an established procedure to be followed for a given operation within the given industry. This will generally be in the form of a written code, standard, or specification by a creditable association.

Inspection Observation, examination, testing, or gauging/measurement to determine whether an item or activity conforms to specified requirements .

Inspector Design-Builder's authorized and qualified representative assigned to make detailed Inspection of Contract performance.

Instructions to Proposers The RFP document identified as Instructions to Proposers.

Intermediate Design An in-progress set of Design Documents engineered to approximately 65% level of completeness that is submitted by the Design-Builder as a design development milestone and formally reviewed by ICTC.

Key Personnel	The Persons listed on <u>Exhibit G</u> , subject to revision in accordance with the Contract.
Latent Material Error	Errors that are material and not discovered by Design-Builder and not reasonably capable of being discovered through the exercise of due diligence
Lien	Any pledge, lien, security interest, mortgage, deed of trust or other charge or encumbrance of any kind, or any other type of preferential arrangement (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security instrument, and the filing of or agreement to file any financing statement or other instrument intended to perfect a security interest).
Liquidated Damages	The damages described in <u>Section 17.1</u> .
Major Participant	Any of the following entities: all general partners or joint venture members of Proposer; any Subcontractor that will perform Work valued at fifteen (15) percent or more of the overall Contract amount; the lead engineering/design firm(s); and each engineering/design Subconsultant that will perform twenty (20) percent or more of the design Work. Notwithstanding the foregoing, references to a Major Participant's experience refer to the experience of the entity and not to any individuals working for such entity.
Milestone	Event activity that has zero (0) duration and is typically used to represent the start or end of a certain stage of the Project.
National Environmental Policy Act	National Environmental Policy Act, 42 USC §4321 et seq., as amended and as it may be amended from time to time
New Environmental Approval	Any of the following: a) A new Governmental Approval of the same type as an Environmental Approval; and b) A revision, modification or amendment to one or more of the Environmental Approvals.
Nonconforming Work	Work performed that does not meet requirements of the Contract Documents.
Notice of Final Acceptance	The written notice issued by ICTC to Design-Builder under <u>Section 20.3.2</u> .
Notice of Substantial Completion	The written notice issued by ICTC to Design-Builder under <u>Section 20.2.3</u> .
Notice of Termination	A written notice issued by ICTC to terminate the Contract and the performance of the Work by Design-Builder, either in whole or in part, pursuant to <u>Section 15</u> .
Notice to Owner	A formal notice issued to a Utility Owner to perform work on their Utility to accommodate ICTC Work, or notice of work being performed by others, as required by Streets & Highways Code Sections 673, 680, and 720. Work may include Relocation, removal, abandonment, or protection in place. The Notice to Owner also sets forth a schedule and statement of cost liability for the work.

Notice to Proceed 1	A first written notice issued by ICTC to Design-Builder to proceed with certain limited Work as specified therein on the date specified therein.
Notice to Proceed 2	A written notice issued by ICTC to Design-Builder to proceed with the remainder of the Work on the date specified therein.
Owner Verification	ICTC's act of reviewing, inspecting, observing, sampling, testing, checking, auditing, or otherwise determining and documenting whether items, processes, services, or documents comply with specified requirements.
Payment Bond	The payment bond described in <u>Section 8.1</u> .
Performance Bond	The performance bond described in <u>Section 8.1</u> .
Person	Any individual, corporation, company, voluntary association, partnership, trust, unincorporated organization, or Governmental Person, including ICTC.
Plan	A drawing, such as layout, profile, typical cross-section, and supplemental drawings, that shows the locations, character, dimensions, and details of the Work to be done.
Preliminary Engineering Drawings	The documents entitled "Preliminary Engineering Drawings" included in the Reference Information Documents.
Preliminary Schedule	The schedule submitted as parties work toward Baseline Schedule Approval.
Private Utility	A Utility that is owned by a Private Utility Owner.
Private Utility Owner	Any owner or operator of a Utility which is not a Public Utility Owner.
Project	The Calexico East Port of Entry Bridge Widening Design-Build Project, as more specifically described in Book 2, Section 1, "General," and all other Work product to be provided by Design-Builder as a condition to Final Acceptance in accordance with the Contract Documents.
Project Manager	The Person designated by Design-Builder to supervise the Project and to receive delivery of notices to Design-Builder per <u>Section 23.10.1</u> .
Project Requirements	Book 2 of the Contract Documents as such provisions may be changed, added to, or replaced pursuant to the Contract, together with such documents as may be incorporated into Book 2 by reference therein.
Project Schedule	Approved schedule governing Design-Builder's delivery of the Project, including planning, design, construction, management, development, and completion and serving as basis for determining the amount of monthly progress payments. Project Schedule can refer to the Preliminary Schedule, Baseline Schedule, or Working Schedule, depending on the context.
Proposal	Those documents constituting Design-Builder's response to the RFP, including any supplements to Proposals as may have been requested by ICTC.
Proposal Due Date	The date the Proposal was due as specified in the Instructions to Proposers.
Proposal Price	The "Proposal Price" offered for the Work set forth in Form 9 (Proposal Price).

Proposer	An individual, firm, partnership, corporation, joint venture, or combination thereof that was pre-qualified under ICTC's RFQ and that submits a Proposal in response to the RFP.
Public Records Act	The California Public Records Act (California Government Code §6250 et seq.)
Public Utility	A Utility that is owned by a Public Utility Owner.
Public Utility Owner	An owner or operator of a Utility which is a municipality, county, or other political subdivision of the State.
Punch List	The list of Work items with respect to the Project which remain to be completed after achievement of Substantial Completion, as applicable, generally limited to minor incidental items of Work which have no adverse effect on the safety, Site security, or operability of the Project and which can be performed without shutting down a traffic lane or shoulder.
Quality Control	All Design-Builder/Subcontractor/Supplier/vendor operational techniques and activities (process controls) that are performed or conducted to fulfill the Contract requirements.
Quality Manager	The Person designated by Design-Builder to perform the roles and responsibilities of Quality Manager and who meets the minimum requirements as required in the Contract Documents.
Quality Manual	The quality manual provided by Design-Builder and Approved by ICTC as described in Book 2, Section 5, "Quality Program."
Quality Program	The quality policy, quality objectives, Design and Construction Quality Management Plans, procedures, Work instructions, and records to ensure the quality of the Project.
Quality Validation	All systematic monitoring and evaluation by the Design-Builder of various aspects of the Project to ensure that standards of quality are being met, thereby providing confidence that all Work complies with the Contract and that all materials incorporated in the Work, all equipment, and all elements of the Work will perform satisfactorily for the purpose intended. Quality Validation activities are performed concurrently, but independent of and in addition to the Quality Control activities.
Reference Information Documents	The documents designated as Reference Information Documents in the RFP.
Released for Construction Documents	Design-Builder's Design Documents issued for the purpose of construction which have been reviewed and Approved by ICTC authorizing construction.
Relocation or Relocate	As related to Utilities, each removal, transfer of location, abandonment, and/or protection of Utilities (including provision of temporary services as necessary) of any and all Utilities that is necessary or advisable in order to accommodate or permit construction of the Project.
Remediation Work	Investigating, monitoring, characterizing, testing, sampling, stock-piling, storage, backfilling in place, recycling, treatment, and/or off-Site disposal of Hazardous Materials and materials containing Hazardous Materials, as

	Approved by ICTC and in accordance with the Environmental Management Plan and Book 2, Section 7, "Environmental Compliance."
Request for Change Proposal	A proposal issued by ICTC under <u>Section 13.2.1</u> .
Request for Proposals	The Request for Proposals for the Project issued by ICTC, including all addenda and clarifications thereto.
Request for Qualifications	The Request for Qualifications for the Project issued by ICTC, including all addenda thereto.
Revised Baseline Schedule	The meaning set forth in Book 2, Section 4, "Project Schedule Management."
Right of Way	<p>The real property (which term is inclusive of all estates and interests in real property, as well as licenses and permits authorizing occupancy) that is necessary for ownership and operation of the Project. The term specifically excludes any Construction Easements.</p> <p>The term "Right of Way" is sometimes used to indicate right of way and is sometimes used to indicate rights of way for other facilities.</p>
Service Line	A Utility line, the function of which is to connect an individual service location (e.g., a single-family residence or an industrial warehouse) to another Utility line which other Utility line connects more than one such individual line to a larger system. The term "Service Line" also includes any Utility on public or private property that services structures located on such property.
Site	The parcels of right of way identified on which the Project is to be constructed and installed as well as all other areas in the vicinity used by Design-Builder for construction Work.
State	State of California, including its agencies, departments, or divisions whose conduct or action is related to the Work, or the State of California in the geographic sense, depending on the context.
Statement of Qualifications	Those documents constituting Design-Builder's response to the Request for Qualifications.
Subcontract	Any contract to perform any part of the Work or provide any materials, equipment or supplies for any part of the Work between Design-Builder and a Subcontractor, or between any Subcontractor and its lower tier Subcontractor, at any tier.
Subcontractor or Subconsultant	Any Person with whom Design-Builder has entered into any Subcontract and any other Person with whom any Subcontractor has further subcontracted any part of the Work, at any tier.
Substantial Completion	Completion of the Project as described in <u>Section 20.2</u> .
Substantial Completion Deadline	The meaning set forth in <u>Section 4.3.2</u> .
Supplier	Any Person other than employees of Design-Builder not performing Work at the Site that supplies machinery, equipment, materials, or systems to Design-Builder or any Subcontractor in connection with the performance of the Work; Persons who merely transport, pick up, deliver, or carry materials, personnel,

	parts, equipment, or any other items or Persons to or from the Site shall not be deemed to be performing Work at the Site.
Surety	Each properly licensed surety company Approved by ICTC which has issued the Payment and Performance Bonds.
Temporary Construction Easement	Any temporary Construction Easement required by the Design-Builder to construct the Project Work.
Time and Materials Change Order	A Change Order issued under <u>Section 13.7.</u>
Time Impact Analysis	Analysis using a CPM schedule developed specifically to demonstrate the effect a proposed or past change or delay has on the current scheduled completion date.
Total Float	Amount of time that an activity or chain of activities can be delayed before extending the scheduled completion date.
Traveled Way	Portion of the roadway for the movement of vehicles and bicycles, exclusive of the shoulders, berms, sidewalks, and parking lanes.
Unilateral Change Order	Change Order as defined in <u>Section 13.2.2.</u>
Utility	A privately, publicly, or cooperatively owned line, facility and/or system for supplying power, light, gas, telecommunications, telegraph, telephone, water, pipeline, or sewer service if such lines, facilities, or systems are authorized by law to use public highways for the location of their facilities. The necessary appurtenances to each Utility facility shall be considered part of such Utility. Without limitation, any Service Line connecting directly to a Utility shall be considered an appurtenance to that Utility, regardless of the ownership of such Service Line. The term "Utility" is sometimes also used to refer to a "Utility Owner." The term "Utility" shall specifically exclude existing storm water facilities connected with drainage of the roadway and ICTC-owned facilities. Sometimes the term "facility" is used synonymously with "Utility" as can be determined from the context.
Utility Agreement	An agreement made between ICTC and a Utility Owner for addressing one or more Utility conflicts associated with the Project. ICTC and Utility Owner must enter into a Utility Agreement whenever ICTC is paying or receiving payment for all or a portion of the cost of a Utility, regardless of who performs the work.
Utility Conflict Maps	Plan sheets to be prepared by Design-Builder that will document the existing conditions of a Utility and location of conflict. These Plan sheets will be signed by Design-Builder.
Utility Delay	Any failure by a Utility Owner to meet any time parameters for performance by such Utility Owner which are set forth in the applicable Utility Design Sheet or schedule agreed to pursuant to a Notice to Owner, which failure by the Utility Owner delays the Critical Path so as to impair Design-Builder's ability to meet a Completion Deadline.

Utility Easements	All permanent easements, Consent to Common Use Agreements, Joint Use Agreements, and/or other permanent interests in real property owned by Utility Owners in connection with existing Utilities.
Utility Owner	The owner or operator of any Utility.
Utility Permit	All appropriate approvals, exemptions, filings, licenses, permits, and registrations and any other Governmental Approvals required by or with any Governmental Person or Utility Owner necessary for any Utility Relocation.
Utility Relocation Plans	The design Plans for Relocation of a Utility impacted by the Project to be prepared by Design-Builder or the Utility Owner.
Utility Tracking Report	The report regarding Utilities likely to be impacted by the Project which Design-Builder shall maintain on a current basis and which Design-Builder shall periodically submit to ICTC, as more particularly described in Book 2 Section 12, "Utilities."
Utility Work	<ol style="list-style-type: none">a) The work associated with Relocation of Utilities, including the design, construction, installation, manufacture, supply, testing and Inspection, adjustments (including manholes and valves), and otherwise required by the Contract Documents, including all labor, materials, equipment, supplies, Utilities, and subcontracted services provided or to be provided by Design-Builder and/or the Utility Owners.b) Any Betterments added to the Work pursuant to <u>Section 6.2.4</u>. The term also includes any reimbursement of Utility Owners that is the Design-Builder's responsibility pursuant to <u>Section 6.2</u>. Any Utility Work furnished or performed by Design-Builder is part of the Work; any Utility work furnished or performed by a Utility Owner is not part of the Work.
Warranty	Any warranty made by Design-Builder in <u>Section 21</u> .
Work	All duties and services to be furnished and provided by Design-Builder as required by the Contract Documents, including the administrative, design, engineering, quality management, Relocation, procurement, legal, professional, manufacturing, supply, installation, construction, supervision, management, labor, materials, equipment, documentation, and all other efforts necessary or appropriate to achieve Final Acceptance except for those efforts which the Contract Documents specify will be performed by ICTC or other Persons. In certain cases, the term is also used to mean the products of the Work.
Work Breakdown Structure	A deliverable-oriented grouping of Project components that organizes and defines the total scope of the Project.
Work Order	An ordering agreement (as the same may be amended from time to time) among ICTC, a Utility Owner, and Design-Builder, providing detailed information and terms relating to the Relocation of a particular Utility, and authorizing that Relocation, which is executed pursuant to a UA.
Working Day	Any Calendar Day except Saturday, Holidays, or a day when the Design-Builder cannot perform Work on the controlling activity for at least

fifty (50) percent of the day with at least fifty (50) percent of the normal labor and equipment due to adverse weather-related conditions or suspension of a controlling activity that the Design-Builder and ICTC agree benefits both parties.

Working Drawings

Stress sheets, shop drawings, structural steel fabrication plans, erection plans, falsework plans, framework plans, cofferdam plans, bending diagrams for reinforcing steel, or any other supplementary plans or similar data which illustrate the construction of the Work.

Working Schedule

The current Approved schedule developed from the Approved Baseline Schedule and any subsequent Approved Working Schedules through regular monthly review to incorporate actual past progress.

EXHIBIT B – LABOR CODE REQUIREMENTS

Labor Code Requirements

A. Worker's Compensation

Design-Builder shall comply with the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code.

B. Applicable Caltrans *Standard Specifications*

Refer to Section 7-1.02 of Caltrans *Standard Specifications* for information regarding State prevailing wage rate, work hours, apprenticeship, nondiscrimination and other requirements of the Labor Code applicable to the Contract.

C. Additional Provisions

1. Prevailing Wages.

The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned; provided that if the prevailing wage rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the California Government Code. Copies of the prevailing rates of wages will be furnished to Design-Builder and other interested parties on request. For crafts or classifications not shown on the prevailing wage determinations, Design-Builder may be required to pay the wage rate of the most closely related craft or classification shown in such determinations for design-build Work.

If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the Department of Industrial Relations (DIR) for similar classifications of labor, Design-Builder shall pay and cause its Subcontractors to pay not less than the higher wage rate. The DIR will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage rate determinations do not contain the State wage rate determination otherwise available for use by Design-Builder and Subcontractors, the Design-Builder shall pay and cause its subcontractors to pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

2. Labor Code Section 1777.5

1777.5. (a) (1) This chapter does not prevent the employment upon public works of properly registered apprentices who are active participants in an approved apprenticeship program.

(2) For purposes of this chapter, "apprenticeship program" means a program under the jurisdiction of the California Apprenticeship Council established pursuant to Section 3070.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a

public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

- (c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:
 - (1) The apprenticeship standards and apprentice agreements under which he or she is training.
 - (2) The rules and regulations of the California Apprenticeship Council.
- (d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this Section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).
- (e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body. Within sixty (60) days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the

contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for twelve (12) months.

- (f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.
- (g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five (5) hours of journeyman work.
- (h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or forty (40) hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.
- (i) A contractor covered by this Section that has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the one (1)-to- five (5) ratio required by subdivision (g).
- (j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five (5) hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the one (1)-to-five (5) hourly ratio, as set forth in this Section for that craft or trade.
- (k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the one (1)-to-five (5) ratio set forth in this Section when it finds that any one of the following conditions is met:
 - (1) Unemployment for the previous three (3)-month period in the area exceeds an average of fifteen (15) percent.
 - (2) The number of apprentices in training in the area exceeds a ratio of one (1) to five (5).

- (3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.
- (4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.
- (l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the one (1)-to-five (5) ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.
- (m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.
- (2) (A) At the conclusion of the 2002-03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Division of Apprenticeship Standards for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The funds shall be distributed as follows:
 - (i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.
 - (ii) If there are two (2) or more approved multiemployer apprenticeship programs serving the same craft or trade and geographic area for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices registered in each program.
 - (iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship and preapprenticeship standards and requirements under this code.
- (B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the

expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

- (C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.
- (3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.
 - (n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this Section for all apprenticeable occupations with the prime contractor.
 - (o) This Section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).
 - (p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.

EXHIBIT C – RESERVED

**EXHIBIT D – FEDERAL LAWS FOR FEDERAL-AID
PROJECTS – FHWA-1273**

D1 General

D2 FHWA-1273

D1 General

"Federal Laws for Federal-Aid Contracts," includes specifications required in a Federal-aid construction contract and applies to a Federal-aid contract.

Form FHWA-1273 is included in this Exhibit D, "FHWA-1273." Some Contract terms on the form are different than those used in other Contract parts as shown in the following table:

FHWA-1273 Terms and Department Equivalencies

FHWA-1273 Term	Equivalent Term Used in Other Contract Parts
SHA	ICTC
SHA contracting officer	ICTC
SHA resident engineer	ICTC

D2 FHWA-1273

**FHWA-1273
REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS**

FHWA-1273 -- Revised May 1, 2012

**REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS**

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under

this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. **EEO Officer:** The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. **Dissemination of Policy:** All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. **Recruitment:** When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. **Personnel Actions:** Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. **Training and Promotion:**

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are

applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability, making full efforts to obtain qualified and/or qualified minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar

with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor

will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions

of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (ii) The classification is utilized in the area by the construction industry; and
- (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or

will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-

Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly

rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
- (2) the prime contractor remains responsible for the quality of the work of the leased employees;
- (3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
- (4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is

evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.

2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this

covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contractor). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which

this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the

department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

**ATTACHMENT A - EMPLOYMENT AND MATERIALS
PREFERENCE FOR APPALACHIAN DEVELOPMENT
HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS
ROAD CONTRACTS**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

**EXHIBIT E – DISADVANTAGED BUSINESS ENTERPRISE
(DBE) SPECIAL PROVISIONS FOR DESIGN-
BUILD PROJECTS**

**DISADVANTAGED BUSINESS ENTERPRISE (DBE) SPECIAL
PROVISIONS FOR DESIGN-BUILD PROJECTS**

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E1 POLICY STATEMENT

It is the policy of ICTC to encourage the participation of DBE, women-owned business enterprises, and minority business enterprises in all facets of its business activities, consistent with applicable laws and regulations. Pursuant to the provisions of 49 CFR Part 26, ICTC has adopted rules to provide certified DBEs opportunities to participate in the business activities of ICTC as service providers, vendors, contractors, subcontractors, advisors, and consultants. To ensure there is equal participation of the DBE groups specified in 49 CFR §26.5, ICTC specifies a goal for DBEs.

The DBE goal applies to all of ICTC's contracts and purchases paid with federal funds. Because ICTC has programmed federally-sourced funds for the Project, the DBE goal will apply to the Project and Design-Builder is obligated to comply with applicable federal laws and regulations related to DBEs.

The Design-Builder and its Subcontractors, Subconsultants, Suppliers, and service providers shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that DBEs have the maximum opportunity to compete for and perform on this Contract.

E2 CONTRACT ASSURANCE

The Design-Builder, and its Subcontractors, Subconsultants, Suppliers, and service providers shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Design-Builder shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of federally funded contracts. Failure by the Design-Builder to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy, as ICTC deems appropriate.

E3 DBE GOAL

The DBE goal established for this Contract is as shown on the DBE Certification (Form 17).

The Design-Builder shall establish individual DBE goals for each Subcontract and for each Subconsultant, Supplier, and service provider agreement in amounts to ensure the Contract DBE goal is met. ICTC will monitor the Design-Builder's activities to ensure they are conducted in a manner consistent with the requirements of 49 CFR Part 26.

Only DBE participation will count toward the DBE goal.

Credit for materials or supplies purchased from DBEs counts toward the DBE goal in the following manner:

- a) One hundred (100) percent counts if the materials or supplies are obtained from a DBE manufacturer.
- b) Sixty (60) percent counts if the materials or supplies are obtained from a DBE regular dealer.
- c) Only fees, commissions, and charges for assistance in the procurement and delivery of materials or supplies count if obtained from a DBE that is neither a manufacturer nor regular dealer. 49 CFR §26.55 defines "manufacturer" and "regular dealer."

Credit toward the DBE goal will be received if employing a DBE trucking company that performs a commercially useful function as defined in 49 CFR 26.55(d)(1)-(4), (6), (7).

E4 DBE PERFORMANCE PLAN

Design-Builder shall prepare a Disadvantaged Business Enterprise Performance Plan ("DBE Performance Plan") that complies with all applicable laws and Governmental Approvals, is consistent with the Contract Documents, and includes the following elements:

- a) A policy statement, signed by Design-Builder's authorized representative, which expresses Design-Builder's commitment to utilize DBEs in all aspects of the Work, outlines the various levels of responsibility, and states the objectives of the DBE Performance Plan. Design-Builder shall obtain the written commitment of all Design-Builder-Related Entities to comply with and advance the intent of the policy statement.
- b) Design-Builder's designation of a Person responsible for the DBE Performance Plan (the "Liaison Officer"), and support staff necessary and proper to administer the program and a description of the authority, responsibility, and duties of the Liaison Officer and support staff. The Liaison Officer and staff are responsible for developing, managing, and implementing the DBE Performance Plan on a day-to-day basis, for providing technical assistance to DBEs, and for disseminating information on available business opportunities so that DBEs are provided an equitable opportunity to engage in Work as Subcontractors or Subconsultants. The Liaison Officer shall work in close coordination with ICTC and shall report quarterly on Design-Builder's success in attaining the established DBE goal during the design Work and the Construction period.
- c) A description of proposed actions to facilitate DBE engagement in Work as Subcontractors and Subconsultants, such as:
 - i. On-going quarterly strategic planning sessions with ICTC to establish DBE goals for specific Work item groups by reviewing the Work, available firms, strategies, anticipated obstacles and means to overcome obstacles.
 - ii. Conduct Work-item specific outreach meetings in coordination with ICTC for DBE firms to highlight current and upcoming appropriate subcontracting opportunities.
 - iii. Solicit statements of qualification, proposals, and/or price quotations from qualified DBE firms and arrange a time for the review of qualifications, plans, quantities, specifications, and delivery schedules, and for the preparation and presentation of proposals and/or price quotations.
 - iv. Provide assistance, in coordination with ICTC, to DBEs so that these may overcome barriers such as the inability to obtain bonding, insurance, financing, or technical assistance.
 - v. Develop and conduct information and communication programs or workshops, in coordination with ICTC, on contracting procedures and specific contracting opportunities in a timely manner.
 - vi. Encourage eligible DBEs to apply for applicable certification.
 - vii. Contact local/regional disadvantaged, underutilized, trade-specific contractor associations and appropriate city agencies with programs for disadvantaged individuals for assistance in recruiting and encouraging eligible DBE contractors to apply for applicable certification.

E5 SUBMITTAL OF DOCUMENTATION

With the submission of the initial Proposal and for all Subcontracts subsequently awarded where DBE goals are set, regardless of contract size, the Design-Builder, Subcontractor, Subconsultant, Supplier and service provider shall be required to (a) propose the participation of specific DBEs to meet the DBE goal, or (b) demonstrate good faith efforts to meet the DBE goal. A Design-Builder, Subcontractor, Subconsultant, Supplier, and service provider shall provide justification if it rejects bids, quotes, or proposals from properly certified, qualified DBE firms.

In order to fulfill a DBE goal, the firms utilized as DBE Subcontractors, Subconsultants, Suppliers, or service providers shall be certified as DBEs by the California Unified Certification Program before the submittal of the Proposal, and/or subsequent to the award of the Contract, the advertisement of bids, or the selection of any new Subcontractors, Subconsultants, Suppliers, or service providers during the Project. For a list of DBEs certified by the California Unified Certification Program, go to: <https://dot.ca.gov/programs/civil-rights/dbe-search>

The Design-Builder shall submit the following documents to ICTC. These documents shall be submitted with the initial Proposal:

- a) Design-Builder's good faith efforts documentation.
- b) Design-Build Bidders List.
- c) Supporting documentation to verify good faith efforts, including a copy of the signed agreements with each DBE to be utilized by the Design-Builder, Subcontractor, Subconsultant, Supplier, or service provider.
- d) DBE Goal Certification Form (Form 17).

The Design-Builder shall submit a Design-Build Bidder's List regardless of whether or not it has indicated sufficient DBE participation to meet the DBE goal. The completed Design-Build Bidders List shall include information on:

- a) All DBE and non-DBE firms that submitted a bid/proposal for the Project.
- b) The proposed firms to be used on the Project as Subcontractors/Subconsultants/Suppliers/service providers.
- c) A description of the Work.
- d) Bid dollar amount.
- e) Years the company has been in business.
- f) The firm's average annual gross receipts for the past three (3) years.

The Design-Builder shall also submit additional information which supports its good faith efforts such as those typical good faith efforts listed in this Exhibit E and summaries of the Design-Builder's discussions and/or solicitation efforts of DBE firms (including the firm names, addresses and contact Persons). This information may include copies of solicitation letters, e-mails, or faxes to DBE firms.

The Design Builder's Subcontractors, Subconsultants, Suppliers, and services providers, including DBE and non-DBE firms, that subcontract part of their Work or purchase supplies from other firms are also required to demonstrate that they made good faith efforts to provide opportunities for DBE firms to participate on this Project.

E6 GOOD FAITH EFFORTS DETERMINATION

ICTC will determine whether a Design-Builder made sufficient good faith efforts to meet the DBE goal, in accordance with 49 CFR §26.53 and Appendix A thereto. The Design-Builder shall show that it took all necessary and reasonable steps to achieve the DBE goal or other requirement of 49 CFR Part 26, which, by its scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if it were not fully successful. Mere pro forma efforts are not good faith efforts to meet the DBE goal. Compliance will be determined on a case-by-case, based on a review of documentation of the following types of activities:

- a) Soliciting, through all reasonable and available means (e.g., attendance at pre-proposal/pre-letting meetings, advertising, and/or written notices), the interest of all certified DBEs who have the capability to perform the Work of the Contract. The Design-Builder shall solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The Design-Builder shall determine with certainty if the DBEs are interested by taking appropriate steps to follow up on the initial solicitations.
- b) Selecting portions of the Work to be performed by DBEs in order to increase the likelihood that the DBE goal will be achieved. This includes, where appropriate, breaking out Work items into economically feasible units to facilitate DBE participation even when the Design-Builder might otherwise prefer to perform these Work items with its own forces.
- c) Providing interested DBEs with adequate information about the Plans, specifications, and requirements of the Contract in a timely manner to assist them in responding to a solicitation.
- d) Negotiating in good faith with interested DBEs. The Design-Builder has the responsibility to make a portion of the Work available to DBE Subcontractors, Subconsultants, Suppliers, and service providers, to select those portions of the Work or material needs consistent with the available DBE Subcontractors, Subconsultants, Suppliers, and service providers so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of the DBEs that were considered; a description of information provided regarding the Plans and specifications for the Work selected for contracting; and evidence as to why additional agreements could not be reached for DBEs to perform the Work.
- e) Using good business judgment considering a number of factors in negotiating with Subcontractors, Subconsultants, Suppliers, and service providers including those who are DBEs, and taking a firm's price and capabilities, and DBE goal into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for Design-Builder's failure to meet the DBE goal, as long as such costs are reasonable. Also, the ability or desire of the Design-Builder to perform the Work with its own organization does not relieve the Design-Builder of the responsibility to make good faith efforts. The Design-Builder is not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.
- f) Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The Design-Builder's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejection or non-solicitation of proposals/bids in the Design-Builder's efforts to meet the DBE goal.
- g) Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by ICTC or Design-Builder.
- h) Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services.
- i) Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal offices of minority/women business assistance; and other organizations, as allowed on a case-by-case basis, to provide assistance in the recruitment and placement of DBEs.

E7 COUNTING DBE PARTICIPATION

In accordance with 49 CFR §26.55, ICTC will utilize the following guidelines in determining the percentage of DBE participation that will be counted toward the overall DBE goal:

- a) If a firm is not currently certified as a DBE, in accordance with the standards of Subpart D of the regulations (49 CFR §26.55(f)), at the time of execution of its contract with the Design-Builder, the firm's participation toward any DBE goals will not be counted, except as provided for in 49 CFR §26.87(i).
- b) The dollar value of the Work performed under a Subcontract with a firm after it has ceased to be certified will not be counted toward the overall DBE goal.
- c) The participation of a DBE Subcontractor/Subconsultant/ Supplier/service provider toward the Design-Builder's DBE achievements or the overall DBE goal will not be counted until the amount being counted toward the DBE goal has been paid to the DBE.
- d) When a DBE participates in the Subcontract, the value of the Work actually performed will be counted as follows:
 - i. The entire amount of the Subcontract (or other contract not covered by paragraph 49 CFR §26.55) that is performed by the DBE's own forces, including the cost of supplies and materials obtained by the DBE for the Work of the Subcontract, and including supplies purchased or equipment leased by the DBE (except that supplies, and equipment the DBE Subcontractor purchases or leases from the Design-Builder or its affiliate(s) will not be counted).
 - ii. The entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a DOT-assisted contract, count toward DBE goals, provided that ICTC determines the fee to be reasonable and not excessive as compared with fees customarily allowed for similar services.
 - iii. When a DBE subcontracts part of the Work of its Subcontract to another firm, the value of the Subcontracted Work may be counted toward DBE goals only if the DBE's Subcontractor is itself a DBE. Work that a DBE subcontracts to a non-DBE firm will not count toward the DBE goal.
 - iv. When a DBE performs as a participant in a joint venture, ICTC will count a portion of the total dollar value of the Subcontract equal to the distinct, clearly defined portion of the Work of the Subcontract that the DBE performs with its own forces toward DBE goals.
- e) ICTC will count expenditures of a DBE Subcontractor, Subconsultant, Supplier, or service provider toward DBE goals only if the DBE is performing a commercially useful function on that Subcontract in accordance with 49 CFR §26.55.

E8 CONTINUING GOOD FAITH EFFORTS

During the term of the Contract, the Design-Builder shall make good faith efforts to ensure that DBEs have maximum opportunity to successfully perform on the Contract, and that the Design-Builder meets its DBE goal. These efforts shall include, but not be limited to, the following:

- a) Negotiating in good faith to attempt to finalize a Subcontract/Subconsultant/Supplier/service provider agreement with DBEs committed to before Contract award.

- b) Continuing to provide assistance to DBE Subcontractors/Subconsultant/Suppliers/service providers in obtaining bonding, lines of credit, etc., if required by the Contract.
- c) Notifying a DBE in writing of any potential problem and attempting to resolve the problem before formally requesting ICTC's statement of no objection to substitute the DBE.
- d) As with all Subcontractors/Subconsultants/Suppliers/service providers, timely payment of all monies due and owing to DBE Subcontractors/Subconsultants/Suppliers/service providers.
- e) Timely submittal of good faith efforts information and documentation to ICTC throughout the Contract, as Subcontracts are let and new vendors, Subcontractors, Subconsultants, Suppliers, and service providers are selected.
- f) Informing ICTC in a timely manner of any problems anticipated in attaining the DBE goal committed to in the Proposal.
- g) If the Design-Builder or any of its Subcontractors/Subconsultants/Suppliers/service providers requests a substitution of a DBE firm, the Design-Builder or its Subcontractors/Subconsultants/Suppliers/ service providers shall exert good faith efforts to replace the DBE firm with another DBE firm, subject to ICTC's statement of no objection.

E9 APPLICABILITY TO DBE BIDDERS/PROPOSERS

These good faith efforts requirements also apply to DBE bidders/proposers for contracts. The Work proposed to be performed with its own work force and Work committed to DBE Subcontractors, Subconsultants, Suppliers, and service providers will count toward the DBE goal.

E10 DBE CONTRACTS

Whenever a DBE is selected as a Subcontractor/Subconsultant/Supplier/service provider and it has not been previously reported, the Design-Builder or designated Liaison Officer shall promptly provide ICTC with the following information regarding the Subcontract:

- a) The name of the Subcontractor/Subconsultant/Supplier/service provider.
- b) The total dollar amount of the Subcontract, Subconsultant, or Supplier/service provider agreement.
- c) The specific Work items covered by the Subcontract or the Subconsultant/Supplier/service provider agreement.
- d) Estimated quantities of each Work item.
- e) Individual unit prices (if applicable).

E11 TERMINATION OF DBE CONTRACTS

ICTC requires that the Design-Builder, and its Subcontractors, Subconsultants, Suppliers, and service providers not terminate for convenience a DBE Subcontractor/Subconsultant/Supplier/service provider listed on the List of Proposed DBEs (or an Approved substitute DBE) and then perform the Work of the terminated Subcontract with its own forces or those of an affiliate, without prior written consent of ICTC. The request for removal shall be made in writing to ICTC.

If a DBE Subcontractor/Subconsultant/Supplier/service provider is terminated or fails to complete its Work on a Subcontract for any reason, the Design-Builder shall make good faith efforts to find another DBE Subcontractor/Subconsultant/Supplier/service provider to substitute for the original DBE. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of Work under the Contract as the DBE that was terminated, to the extent needed to meet the DBE goal.

E12 BIDDER'S LIST

A Design-Builder Bidder's List shall be submitted with the Proposal, and the successful Design-Builder shall maintain a Bidder's List throughout the life of the Project. The Bidder's List shall be created and maintained in accordance with 49 CFR §26.11(c), and all firms quoting or bidding on Subcontracts and Subconsultant or Supplier/service provider agreements for this Contract shall be identified. For every firm quoting or bidding on Subcontracts, and Subconsultant or Supplier/service provider agreements for this Contract, the following shall be obtained:

- a) The firm's name.
- b) The firm's address.
- c) The firm's status as a DBE or non-DBE.
- d) The age of the firm.
- e) The annual gross receipts of the firm.

E13 EFFECT OF SUPPLEMENTAL AGREEMENTS

The dollar amount of any supplemental agreement or any other Contract modification that increases the dollar amounts of the Contract or any Subcontract or Subconsultant agreement will be subject to the DBE goal established for this Project, and the Design-Builder and its Subcontractors and Subconsultants shall solicit DBE participation for such increases. Revised total Contract dollar values shall be reflected in the Design-Builder Payment and Subcontract Award Monthly Progress Reports submitted to ICTC.

E14 PROMPT PAYMENT

The Design-Builder agrees to pay each Subcontractor, Subconsultant, Supplier, or service provider under this Contract within ten (10) days of the Design-Builder's receipt of payment from ICTC for undisputed services provided by the Subcontractor, Subconsultant, Supplier, or service provider. The Design-Builder shall pay interest of one and one-half (1-1/2) percent per month or any part of a month to the Subcontractor, Subconsultant, Supplier, or service provider on any undisputed amount not paid on time to the Subcontractor, Subconsultant, Supplier, or service provider. This clause applies to both DBE and non-DBE firms working on this Contract.

E15 CONSEQUENCES OF NONCOMPLIANCE

E15.1 Breach of Contract

Failure to carry out the DBE requirements specified in the Contract Documents constitutes a breach of Contract. ICTC will notify the Design-Builder and the USDOT of such breach, including notification that the breach may result in termination of the Contract by ICTC or imposition of other appropriate sanctions. This notice is given pursuant to 49 CFR Part 26. For purposes of this section, timely submittal means received by ICTC by the close of business on the 10th of the following month.

E15.2 Notice

If the Design-Builder or any Subcontractor, Subconsultant, Supplier, or service provider is deemed to be in non-compliance, the Design-Builder will be informed in writing, by certified mail by ICTC that sanctions will be imposed for failure to meet DBE goals and/or submit documentation of good faith efforts. The notice will state the specific sanction to be imposed.

E16 SANCTIONS

If it is determined that the Design-Builder's failure to meet all or part of the DBE goal is due to the Design-Builder's inadequate good faith efforts throughout the life of the Contract, including failure to submit required good faith efforts information and documentation, the Design-Builder may be subject to Contract termination.

E17 DBE LIQUIDATED DAMAGES

As defined in 49 CFR Part 26, if it is determined that the Design-Builder's failure to meet all or part of the DBE goal is due to the Design-Builder's inadequate good faith efforts, the Design-Builder may be required to pay DBE liquidated damages equal to the amount of the unmet DBE goal.

E18 REPORTING

E18.1 DBE Records

The Design-Builder shall maintain records and shall require its Subcontractors/Subconsultants/Suppliers/service providers that are utilizing DBE firms in such Subcontracts to maintain records to verify DBE participation as set forth in the Proposal and as modified during the course of the Contract. Such records shall show name and business address of each DBE participating in the Subcontract and Subconsultant or Supplier/service provider agreement and the total dollar amount actually paid to each DBE and the date of payment.

E18.2 Reporting Requirements and ICTC Review

The Design-Builder shall submit ongoing progress reports to ICTC on its payments to all its Subcontractors/Suppliers/service providers, regardless of their tier or DBE status, within ten (10) days after receiving payment from ICTC until final payment is made. The Design-Builder shall submit these progress reports on its payments to Subcontractors/Subconsultants/Suppliers/service providers on the Subcontractor Payment Form developed by the Design-Builder and Approved by ICTC. The Design-Builder shall submit a copy of each Subcontractor Payment Reports to ICTC.

A summary of Subcontracts, Subconsultant, and Supplier/service provider agreements awarded shall be submitted to ICTC on a monthly basis, which shall include the firm name, address, phone number, contact Person, amount of the Subcontract, Subconsultant or Supplier/service provider agreement, description of Work and length of the Subcontract, Subconsultant or Supplier/service provider agreement.

ICTC will review the Summary of Subcontract, Subconsultant, and Supplier/Service Provider Agreements Awarded Monthly Progress Report to monitor and determine whether the utilization of DBE firms is consistent with the commitment of the Design-Builder, as stated in its Proposal.

If it is determined that the Design-Builder's DBE utilization during performance of the Contract is not consistent with the commitment thereto, the Design-Builder will be requested, in writing, to submit evidence of its good faith efforts to meet the DBE goal. The Design-Builder shall be given ten (10) Working Days to submit this documentation. Failure to respond shall place the Design-Builder in noncompliance, subject to sanctions as provided in this Contract herein.

E18.3 Summary of Subcontracts Awarded and Paid Report

As indicated in Sections E18.1 and E18.2 the Design-Builder is required to submit a summary of Subcontracts awarded on a monthly basis; by no later ten (10) days after receiving payment from ICTC.

ICTC reserves the right to withhold progress payment until the required reports have been furnished.

E18.4 Quarterly Review/DBE Work and Payment Schedule

A review of the Design-Builder's compliance with the DBE goal will be conducted on a quarterly basis as outlined below.

No later than thirty (30) days following the Notice to Proceed 1 (NTP1), the Design-Builder shall submit a DBE Work and Payment Schedule to ICTC. This schedule shall indicate, for the entire Contract period, a listing on a per month basis of the DBE firms which the Design-Builder expects to utilize, the amount of payments expected to be made to DBEs, and the percentage of each DBE firm's Subcontract that shall be completed on each month. The DBE Work and Payment Schedule shall be updated every sixty (60) days to be consistent with the updates to the Project Schedule.

During the sixty (60) days following Design-Builder's submittal of the DBE Work and Payment Schedule, ICTC will review the Monthly Disadvantaged Business Enterprises (DBE) Payment Form to determine if the Design-Builder is meeting the DBE Work and Payment Schedule requirements. If the Design-Builder has not met the DBE Work and Payment Schedule, requirements ICTC will notify the Design-Builder of the need for correction of DBE participation levels to meet the DBE Work and Payment Schedule by the next quarter.

ICTC will evaluate whether the Design-Builder has corrected DBE participation deficiencies to meet the DBE Work and Payment Schedule requirements sixty (60) days following the above-mentioned notice. If such deficiencies are not corrected and the level of DBE participation remains below that provided in the DBE Work and Payment Schedule, and the Design-Builder is unable to show it made good faith efforts to do so, ICTC may impose liquidated damages in accordance with the Contract herein.

E18.5 DBE Final Report

A DBE Final Report shall be submitted with the Request for Final Payment. The DBE Final Report shall consist of:

- a) A report listing all Subcontractors, Subconsultants, Suppliers, and service providers and DBE activity (Work performed) on the Contract.
- b) A summary of good faith efforts, covering the entire Contract period if the DBE goal has not been met for the Contract.

ICTC shall evaluate the Design-Builder's DBE Final Report and determine if the Design-builder made good faith efforts to meet the DBE goal. ICTC shall issue a final report with its determination on the Design-Builder's good faith efforts no later than sixty (60) days following the Design-Builder's submission of its DBE Final Report.

EXHIBIT F – FEDERAL AND STATE PREVAILING WAGE REQUIREMENTS

FEDERAL AND STATE PREVAILING WAGE REQUIREMENTS

The federal minimum wage rates for this Contract as determined by the United States Secretary of Labor are contained in this Exhibit F.

If the minimum wage rates as determined by the United States Secretary of Labor differs from the general prevailing wage rates determined by the Director of the California Department of Industrial Relations for similar classifications of labor, the Design-Builder and Subcontractors shall not pay less than the higher wage rate. ICTC does not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes helper, or other classifications based on hours of experience, or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the Design-Builder and Subcontractors, the Design-Builder and Subcontractors shall not pay less than the Federal minimum wage rate that most closely approximates the duties of the employees in question.

Notices of Debarment from the Federal Highway Administration are available. For a copy of the notices go to: <http://www.dot.ca.gov/hq/construc/debarred.doc> . Additional information is listed in the Systems Award Management at:

<https://sam.gov/SAM/pages/public/searchRecords/search.jsf>.

EXHIBIT G – KEY PERSONNEL

Imperial County Transportation Commission
Instructions to Proposers

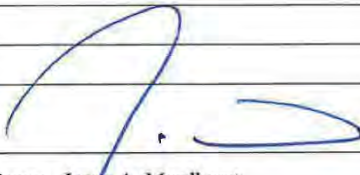
Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 2
KEY PERSONNEL COMMITMENT

Proposer's Name: **Hazard Construction Company**

Proposer hereby commits that, if awarded the Calexico East Port of Entry Bridge Widening Project (Project), the Proposer shall use the Key Personnel listed below for their stated positions and that, to the extent within the Proposer's control, such individuals shall be available on a full-time basis for the periods necessary to fulfill their Project-related responsibilities. Changes to Key Personnel from those proposed in the Statement of Qualifications shall be Approved by ICTC.

Position	Name
Project Manager	Bradley T. Lothers, P.E., M.E.
Quality Manager	David Timms, P.E.
Design Manager	Kirk J. Kharas, P.E.
Construction Manager	Gary Groves
Design Lead Engineer – Roadway	Alan Su, P.E.
Design Lead Engineer – Structures	Mike Bianucci, P.E.
Geotechnical Engineer	Alahesh Thurairajah, P.E. , G.E.

Signed: 
Printed Name: Jason A. Mordhorst
Title: President
Date: January 22, 2021

**EXHIBIT H – ASPHALT QUANTITY CALCULATIONS FOR
ASPHALT INDEX FLUCTUATIONS**

ASPHALT QUANTITY CALCULATIONS FOR ASPHALT INDEX FLUCTUATIONS

Hot Mix Asphalt

ICTC calculates the quantity of asphalt in HMA using the following formula:

$$Q_h = \text{HMATT} \times X_a$$

where:

Q_h = quantity in tons of asphalt used in HMA

HMATT = HMA total tons placed

X_a = theoretical asphalt content from job mix formula expressed as percentage of the total weight of HMA

Rubberized Hot Mix Asphalt

ICTC calculates the quantity of asphalt in rubberized HMA (RHMA) using the following formula:

$$Q_{rh} = \text{RHMATT} \times 0.80 \times X_{arb}$$

where:

Q_{rh} = quantity in tons of asphalt in asphalt rubber binder used in RHMA

RHMATT = RHMA total tons placed

X_{arb} = theoretical asphalt rubber binder content from the job mix formula expressed as percentage of the total weight of rubberized HMA

Hot Mix Asphalt with Modified Asphalt Binder

ICTC calculates the quantity of asphalt in HMA with modified asphalt binder using the following formula:

$$Q_{mh} = \text{MHMATT} \times [(100 - X_{am}) / 100] \times X_{mab}$$

where:

Q_{mh} = quantity in tons of asphalt in modified asphalt binder used in HMA

MHMATT = modified asphalt binder HMA total tons placed

X_{am} = specified percentage of asphalt modifier

X_{mab} = theoretical modified asphalt binder content from the job mix formula expressed as percentage of the total weight of HMA

Hot Mix Asphalt Containing Reclaimed Asphalt Pavement (RAP)

ICTC calculates the quantity of asphalt in HMA containing RAP using the following formulas:

$$Q_{rap} = HMATT \times X_{aa}$$

where:

$$X_{aa} = X_{ta} - [(100 - X_{new}) \times (X_{ra} / 100)]$$

and

Q_{rap} = quantity in tons of asphalt used in HMA containing RAP

$HMATT$ = HMA total tons placed

X_{aa} = asphalt content of HMA adjusted to account for the asphalt content in RAP expressed as percentage of the total weight of HMA

X_{ta} = total asphalt content of HMA expressed as percentage of the total weight of HMA

X_{new} = theoretical percentage of new aggregate in the HMA containing RAP determined from RAP percentage in the job mix formula

X_{ra} = asphalt content of RAP expressed as percentage

Tack Coat

ICTC calculates the quantity of asphalt in tack coat (Q_{tc}) as either of the following:

1. Asphalt binder using the asphalt binder total tons placed as tack coat
1. Asphaltic emulsion by applying the formula in "Asphaltic Emulsion" to the asphaltic emulsion total tons placed as tack coat

Asphaltic Emulsion

ICTC calculates the quantity of asphalt in asphaltic emulsions, including fog seals and tack coat, using the following formula:

$$Q_e = AETT \times (X_e / 100)$$

where:

Q_e = quantity in tons of asphalt used in asphaltic emulsions

$AETT$ = undiluted asphaltic emulsions total tons placed

X_e = minimum percent residue specified in Section 94, "Asphaltic Emulsions," of the Caltrans *Standard Specifications* based on the type of emulsion used

Design-Builder may determine "Xe" by submitting daily test results for asphalt residue for the asphaltic emulsion used. If Design-Builder chooses this option, Design-Builder shall:

1. Take 1 sample every two hundred (200) tons but not less than one (1) sample per day in the presence of ICTC from the delivery truck, at midload from a sampling tap or thief, and in the following order:
 - 1.1. Draw and discard the first gallon
 - 1.2. Take two separate 1/2-gallon samples
2. Submit 1st sample at the time of sampling
3. Provide 2nd sample within three (3) Business Days of sampling to an authorized laboratory that participates in the AASHTO Proficiency Sample Program
4. Submit test results from the laboratory within ten (10) Business Days of the sample date

Slurry Seal

ICTC calculates the quantity of asphalt in slurry seals (Qss) by applying the formula in "Asphaltic Emulsion" to the quantity of asphaltic emulsion used in producing the slurry seal mix.

Modified Asphalt Binder

ICTC calculates the quantity of asphalt in modified asphalt binder using the following formula:

$$Q_{mab} = MABTT \times [(100 - X_{am}) / 100]$$

where:

- Q_{mab} = quantity in tons of asphalt used in modified asphalt binder
- MABTT = modified asphalt binder total tons placed
- X_{am} = specified percentage of asphalt modifier

The quantity of extender oil is included in the quantity of asphalt.

Other Materials

For other materials containing asphalt not covered above, ICTC determines the method for calculating the quantity of asphalt (Q_o).

EXHIBIT I – RESERVED

EXHIBIT J – DISPUTE RESOLUTION BOARD AGREEMENT

DISPUTE RESOLUTION BOARD AGREEMENT

Project Name: Calexico East Port of Entry Bridge Widening Design-Build Project

ICTC Contract No. 20-101

THIS Dispute Resolution Board Agreement (“Agreement”) is made and entered into this [REDACTED] day of [REDACTED], 2021, between the Imperial County Transportation Commission (ICTC) and Hazard Construction Company (“Design-Builder”) and the Dispute Resolution Board (“DRB”), consisting of the following members (“DRB Members”):

(DRB Member)

(DRB Member)

(DRB Member - Chairperson)

RECITALS

WHEREAS, ICTC and the Design-Builder have executed a Contract for the Project referenced above; and

WHEREAS, Book 1, Section 19.2 of the above referenced Contract provides for the establishment and operation of the DRB to assist in resolving Disputes; and

WHEREAS, the DRB is composed of three (3) members, one (1) selected by ICTC and approved by the Design-Builder, one (1) selected by the Design-Builder and approved by ICTC, and the third (3rd) member selected by the other two (2) members and approved by ICTC and the Design-Builder; and

NOW THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, ICTC, the Design-Builder, and the DRB Members hereto agree as follows:

SECTION I: DEFINITIONS AND DESCRIPTION OF WORK

A. DEFINITIONS

All terms defined in the Contract, including but not limited to Book 1, Exhibit A, “Abbreviations and Definitions”, shall have the same definitions in this Agreement as are set forth in the Contract, except as may otherwise be noted in this Agreement.

ICTC and the Design-Builder, for purposes of this Agreement, shall hereinafter be referred to in the singular as a “Party” and/or collectively as the “Parties.”

B. DESCRIPTION OF THE WORK

In addition to Book 1, Section 19.2 of the Contract, the Parties and the DRB must comply with the provisions of this Agreement and use the DRB as part of the dispute resolution process. To the extent there is any conflict between the terms and conditions of the Contract and this Agreement, the terms and conditions of the Contract shall control.

The DRB must fairly and impartially consider Disputes placed before it and provide recommendations to ICTC and the Design-Builder for resolution of these Disputes.

The DRB shall perform the services necessary to participate in the DRB's actions as provided in Book 1, Section 19.2 of the Contract and as designated in this Agreement at Section III, “Scope of Work.” The Parties shall perform all actions necessary to assist the DRB in performing its scope of work.

The DRB Members agree, that notwithstanding any other provision in this Agreement, the DRB Members shall abide by the four (4) Canons of the March 2018, Dispute Resolution Board Foundation’s Code of Ethical Conduct, as slightly modified to comport with the terms of the Contract, and as are provided below:

Canon 1 – Conflict of Interest and Disclosure

DRB Members must avoid the appearance of, or any actual, conflict of interest during the term of the Dispute Board. DRB Members must disclose, before their appointment, any interest, past or present relationship, or association that could reasonably be considered by a Party as likely to affect that member’s independence or impartiality. If, during the term of a Dispute Board, a DRB Member becomes aware of any fact or circumstance that might reasonably be considered by a Party as likely to affect that DRB Member’s independence or impartiality, the DRB Member must inform the other DRB Members and disclose the matter to the Parties.

Canon 2 – Confidentiality

DRB Members must ensure that information acquired during the term of the Dispute Board remains confidential and must not be disclosed, unless such information is already in the public domain. Any such confidential information may only be disclosed if approved by the Parties or if compelled by law. DRB Members must not use such confidential information for any purpose beyond the activities of the Dispute Board.

Canon 3 – Board Conduct and Communications

DRB Members must conduct all Board activities in an expeditious, diligent, orderly and impartial manner. DRB Members must act honestly, with integrity and without bias. There must be no unilateral communications between a DRB Member and a Party.

Canon 4 – Board Procedures

All Board meetings and/or hearings must be conducted in accordance with the applicable Contract provisions and operating procedures, in a manner that provides procedural fairness to the Parties. Dispute Board recommendations and decisions must be made expeditiously on the basis of the provisions of the Contract, and the information, facts and circumstances submitted by the Parties.

SECTION II: DRB QUALIFICATIONS

- A. DRB Members shall be knowledgeable in the type of construction and construction documents anticipated by the Contract and shall have completed training through, and be in good standing with, the Dispute Resolution Board Foundation. DRB Members shall have substantial experience in or directly related to public works heavy highway construction projects with or on behalf of federal, state, or local government agencies. Experience shall be a minimum of ten (10) years in any combination of the following:
- Supervisor, manager, engineer or executive in public works heavy highway construction contracts with emphasis in resolution of disputes arising out of said contracts.
 - Attorney representing parties in litigating or arbitrating public works heavy highway construction contract claims.
 - Judge or arbitrator adjudicating or otherwise resolving public works heavy highway construction contract claims.
- B. No DRB Member shall have prior direct involvement in the Contract. No DRB Member shall have a financial interest in this Contract or the Parties, including but not limited to the Design-Builder, Design-Builder Related Entities, Affiliates, Subcontractors, Suppliers, and Subconsultants; and legal and business service providers to either Party, at any time within twenty four (24) months before Contract execution or during the term of this Agreement. Exceptions to above are compensation for services on this or other DRBs, as a Dispute Resolution Advisor (DRA), or retirement payments or pensions received from ICTC, GSA, CBP, or Caltrans, Design-Builder, or Design-Builder Related Entity that are not tied to, dependent on or affected by the net worth of ICTC, GSA, CBP, or Caltrans, Design-Builder, or Design-Builder Related Entity.
- C. DRB Members shall, at all times during the term of this Agreement, fully disclose, and continue to make future disclosures relating to, any and all direct or indirect professional or personal relationships with any and all key members and personnel of ICTC, GSA, CBP, or Caltrans, and/or the Design-Builder, including any designated representative as specified in Book 1, Section 23.5.1 of the Contract.

- D. DRB Members shall ensure that they have availability to perform the services under this Agreement at all times, including attending DRB progress meetings, holding timely informal and traditional dispute meetings when requested by the Parties, and issuing timely recommendations on Disputes.

SECTION III: SCOPE OF WORK

The scope of work of the DRB includes, but is not limited to, the following:

▪ Operating Procedures

a) The DRB shall establish operating procedures that will govern the conduct of its business and reporting procedures, consistent with, and in conformance with, the requirements of the Contract and the terms of this Agreement. The operating procedures shall be implemented upon approval of the Parties and the DRB no later than the initial DRB progress meeting.

b) The DRB Chairperson shall schedule progress and dispute meetings and any other DRB activities. The Chairperson shall submit the following documents to the Parties:

a) Caltrans Form CEM 6202 – DRB Establishment Report (Due once the Board is established)

b) Caltrans Form CEM 6204 – DRB Dispute Meeting Report (Due within thirty five (35) days of dispute meeting)

c) DRB members shall refrain, at all times, from expressing opinions on the merits of evidence and statements on matters under Dispute, except in the private sessions of the DRB members. Opinions of DRB members expressed in private sessions shall be kept strictly confidential. Individual DRB members shall not meet with, or discuss Disputes or other issues under the Contract Documents with ICTC, GSA, CBP, Caltrans, and/or the Design-Builder. Any discussions regarding the Project and/or Disputes, which involve the DRB members and ICTC, GSA, CBP, Caltrans, and/or the Design-Builder shall be in the presence of all three (3) DRB members and both ICTC and the Design-Builder. Individual DRB members shall not undertake independent investigations of any kind pertaining to Disputes, except with the knowledge and approval of both ICTC and the Design-Builder and as expressly directed by the DRB Chairperson. No DRB member shall have any ex parte communication with ICTC, GSA, CBP, Caltrans, the Design-Builder, or their managers or agents regarding any material issues in Dispute. Any such ex parte communications with ICTC, GSA, CBP, Caltrans, the Design-Builder, or their managers or agents shall result in the immediate removal of the DRB member.

▪ Progress Meetings

i. DRB Members shall visit the Project Site and meet with representatives of ICTC and Design-Builder to keep abreast of construction activities and to develop familiarity with the Work in progress. Scheduled progress meetings shall be held at or near the Project Site. The DRB shall meet at least once at the start of the Project, and at least once every three (3) months thereafter. The frequency, exact time, and duration of additional Site visits and progress meetings shall be as recommended by the DRB and approved by the Parties consistent with the activities or matters under consideration. Scheduled progress meetings may be waived, if the Parties and DRB are in agreement, when the only Work remaining is plant establishment work.

ii. Each meeting shall consist of a round table discussion and a field inspection of the Work being performed on the Contract. Each meeting and field inspection shall be attended by representatives of ICTC and Design-Builder. The agenda shall generally be as follows:

- i. Meeting opened by the DRB Chairperson.
- ii. Remarks by the ICTC's representative.
- iii. A description by the Design-Builder's representative of Work accomplished since the last meeting; the current schedule status of the Work; and a forecast for the coming period.
- iv. An outline by ICTC's representative of the status of the Work as ICTC views it.
- v. An outline by the Design-Builder's representative of potential problems and a description of proposed solutions.
- vi. A brief description by the Design-Builder's and ICTC's representative of potential Claims and Disputes that have surfaced since the last meeting.
- vii. A summary by ICTC's representative, the Design-Builder's representative and/or the DRB of the status of past potential Claims and/or Disputes.
- viii. The DRB Chairperson will prepare a summary of DRB progress meetings and circulate them for revision and approval by all concerned within ten (10) days of the meeting.

▪ Dispute Meeting: General

a) The term "Dispute Meeting" as used in this subsection (Subsection III (C) of this Agreement) shall refer to both the informal and traditional dispute meeting processes, unless otherwise noted.

b) Either Party may request a Dispute Meeting with the DRB. The requesting Party shall simultaneously notify the other Party of each Dispute Meeting request. Upon being notified of the need for a Dispute Meeting, the DRB shall review and consider the Dispute. The DRB shall determine the time of the Dispute Meeting with due consideration for the needs and preferences of the Parties, while recognizing the importance of a speedy resolution to the Dispute.

c) Dispute Meetings shall be conducted at any location that would be convenient and provide required facilities and access to necessary documentation.

d) Only the following persons will be permitted to attend and present at the Dispute meeting: ICTC's Construction Engineer, Resident Engineer, Structure Representative, or Senior Bridge Engineer; the Design-Builder's Project Manager, Construction Manager, Design Manager; or any other person who is an employee, or consultant, of ICTC or Design-Builder, and who also has direct knowledge of the Dispute and direct involvement in the Project.

e) The following persons will not be permitted to attend the Dispute Meeting: attorneys, claims consultants, or technical experts who do not meet the criteria of Paragraph 4, directly above.

f) The DRB may request that either Party provide technical services necessary for the DRB to adequately review the Disputes presented, including audit, geotechnical, schedule analysis and other services. ICTC 's and/or Design-Builder's technical staff may supply those services as appropriate.

g) At the Dispute Meeting the DRB may ask questions, seek clarification, and request further clarification of data presented by either ICTC or Design-Builder as may be necessary to assist in making a fully informed recommendation. However, the DRB shall refrain from expressing opinions on the merits of statements on matters under Dispute during ICTC 's or Design-Builder's presentations.

h) The Party who referred the Dispute to the DRB shall discuss the Dispute, followed by the other Party. Each Party shall then be allowed one (1) or more rebuttals at the meeting until all aspects of the Dispute are thoroughly covered. Each Party will be given ample time to fully present its position, make rebuttals, provide relevant documents, and respond to DRB questions and requests.

i) There shall be no testimony under oath or cross-examination during Dispute Meetings. There shall be no reporting or recording of the procedures by a shorthand reporter, by electronic means, or by any other means. Documents and verbal statements shall be received by the DRB in conformance with the operating procedures.

j) After Dispute Meetings are concluded, the DRB shall meet in private and reach a recommendation supported by two (2) or more DRB Members. The DRB shall not in its recommendations ignore or re-write the terms of the Contract or propose what the DRB believes is a compromise outcome of the Dispute.

k) The DRB shall make every effort to reach a unanimous recommendation; if the DRB is not unanimous in any part of the recommendation, the dissenting member may write a minority recommendation.

▪ Traditional Dispute Meeting: Procedure

The following procedure shall be used for the traditional dispute meeting:

a) In compliance with Book 1, Sections 19.2.2, 19.2.3 and 19.2.7 of the Contract: if the Parties are unable to reach a resolution of their Dispute as provided in Book 1, Section 19.2.2 of the Contract; and if, consistent with the other provisions of the Contract, the Dispute is governed by Section 19.2 of the Contract, then either Party may refer its Dispute to the DRB. Pursuant to Book 1, Sections 19.2.2.4, 19.2.2.5 and 19.2.3, if a Dispute is not resolved (under a Level Three Review) within ten (10) days of the initial meeting between ICTC 's Executive Director and the Design-Builder's equivalent manager, the Parties shall then have an additional ten (10) Day period within which to refer the matter to the DRB. The referring Party shall make the referral in writing to the DRB, simultaneously copied to the other Party. The written Dispute referral shall describe the disputed matter in individual discrete segments, so that it will be clear to ICTC, the Design Builder, and the DRB what discrete elements of the Dispute have been resolved, and which remain unresolved, and shall include an estimate of the cost of the affected Work and impacts, if any, on controlling items of work, Critical Path, and Completion Deadlines.

b) ICTC and Design-Builder shall each be afforded an opportunity to be present and to be heard by the DRB, and to offer evidence. ICTC and/or Design-builder must furnish copies of any written evidence or documentation to the DRB Chairperson a minimum of fifteen (15) days prior to the date the DRB is

scheduled to convene the dispute meeting. A copy of all evidence and documentation shall be simultaneously submitted to the other Party.

c) ICTC and/or Design-Builder shall produce such additional evidence as the DRB may deem necessary to reach an understanding and a determination of the Dispute. Any additional evidence shall be furnished to the other Party at the same time the evidence is provided to the DRB. The DRB shall not consider evidence (primary or additional) not furnished in conformance with the Contract and the terms specified herein.

d) Upon receipt by the DRB of a written referral of a Dispute, which has complied with the provisions of the Contract governing proper referral to the DRB, the DRB shall convene to review and consider the Dispute. The dispute meeting shall be held no earlier than thirty (30) days and no later than sixty (60) days after receipt of the written referral unless otherwise agreed to by the Parties.

e) The DRB may request clarifying information of ICTC and/or Design-Builder within ten (10) days after the dispute meeting. Requested information, shall be specific to this Contract and shall be submitted to the DRB within ten (10) days of the DRB request, and simultaneously submitted to the other Party.

f) The DRB shall furnish a written report to ICTC and Design-Builder with its finding(s), conclusion(s) and recommendation(s). The DRB shall complete its report, including any minority report/recommendation, and submit it to ICTC and Design-Builder within thirty (30) days after the dispute meeting, except that time extensions may be granted at the request of the DRB with the written concurrence of the Parties. The report shall summarize the facts considered, the specific Contract Documents/provisions relied upon by the DRB as pertinent to the Dispute, and the DRB's interpretation and reasoning in arriving at its conclusion(s) and recommendation(s) and, if requested, recommend guidelines for determining adjustments, if any. The DRB's report shall stand on its own, without attachments or appendices. The DRB Chairperson shall furnish a copy of the written report to ICTC and the Design-Builder.

g) Within thirty (30) days after receiving the DRB's report, ICTC and Design-Builder shall endeavor to respond to the DRB in writing (with a copy sent simultaneously to the other Party) signifying that the Dispute is either resolved or remains unresolved. The response shall be specific as to the reason(s) why the Dispute remains unresolved, if any. Failure to provide the written response within the time specified, shall conclusively indicate that the Party failing to respond rejects the DRB recommendation. While both Parties should consider the DRB's recommendation, it is not binding on either Party.

h) Either Party may request clarification of elements of the DRB's report from the DRB prior to responding to the DRB's report. The DRB shall consider any clarification request only if submitted within ten (10) days after receipt of the DRB's report, and if submitted simultaneously in writing to both the DRB and the other Party. Each Party may submit only one (1) request for clarification for any individual DRB report. The DRB shall respond, in writing, to requests for clarification within ten (10) days of receipt of such requests.

i) Either Party may seek a reconsideration of the DRB's recommendation. The DRB shall only grant reconsideration based upon submission of new evidence and if the request is submitted within the thirty (30) Day time limit specified for response to the DRB's written report. Each Party may submit only one (1) request for reconsideration regarding an individual DRB recommendation. The DRB shall respond, in writing, to requests for reconsideration within ten (10) days of receipt of such requests.

j) If ICTC and Design-Builder are able to resolve their Dispute with the aid of the DRB's report, ICTC and the Design-Builder shall promptly accept and implement the resolution. If the Parties cannot agree on the time or payment adjustment, if any, within sixty (60) days of the acceptance of the recommendation, either Party may request that the DRB recommend an adjustment, if applicable.

▪ **Informal Dispute Meeting**

An informal dispute meeting shall be convened only if the Parties agree that this dispute resolution process is appropriate to resolve the Dispute. The following procedure shall be used for the informal dispute meeting:

a) ICTC and Design-Builder shall furnish the DRB with a one (1) page position paper and any pertinent documents requested by the DRB that are or may become necessary for the DRB to perform its function. The Party furnishing documents shall furnish such documents to the other Party at the same time the documents are provided to the DRB.

b) After the dispute meeting has concluded, the DRB Members shall deliberate in private the same day until a response, including a recommendation with findings, to ICTC and Design-Builder is reached or as otherwise agreed to by the Parties and the DRB.

c) The DRB shall then verbally deliver its recommendation with findings, including any minority recommendation with findings, to the Parties.

d) After the verbal recommendation(s) with findings are presented, ICTC and/or Design-Builder may ask for clarifications.

e) Within five (5) business days of the informal dispute meeting, the DRB must write a one (1) page report that includes the recommendation(s) on the Dispute. The report must be sent to the Parties.

f) Occasionally the DRB may be unable to formulate a recommendation based on the information given at an informal dispute meeting. However, the DRB may provide the Parties with feedback on strengths and weaknesses of their respective positions, to assist the Parties in reaching resolution.

g) If ICTC and Design-Builder are able to resolve their Dispute with the aid of the DRB's recommendation, ICTC and the Design-Builder shall promptly accept and implement the resolution as agreed.

h) ICTC and Design-Builder will endeavor to notify the DRB Members within five (5) business days if the Dispute remains unresolved. While both Parties should consider the DRB's recommendation, it is not binding on either Party.

i) The DRB will not be bound by its verbal or written recommendation in the event that an informal Dispute is later heard by the DRB in a traditional dispute meeting.

j) Unless the Dispute is resolved, use of the informal dispute meeting does not relieve the Parties of their responsibilities under Book 1, Section 19.2, "Dispute Resolution Procedures," of the Contract or subsection III(D), "Traditional Dispute Meeting," of this Agreement. There will be no extension of time

allowed for the process to permit the use of the informal dispute meeting, unless otherwise agreed to by the Parties.

SECTION IV: TIME FOR BEGINNING AND COMPLETION

DRB Members shall not begin work under the terms of this Agreement until authorized in writing by ICTC. Once established, the DRB shall be in operation until ICTC notifies the DRB Members that the DRB has completed its service(s) and is dissolved. If the Contract is terminated in accordance with Book 1, Section 15 "Termination for Convenience" of the Contract, the DRB will be dissolved.

SECTION V: PAYMENT

Each DRB Member shall be compensated at an agreed rate of two thousand dollars (\$2,000) per day for each in-person, approved DRB meeting (and shall not include meetings attended via telephone or other remote communication method). A member serving on more than one (1) ICTC DRB or DRA (regardless of the number of meetings per day) shall not be paid more than the agreed rate per day. The agreed rate shall be considered full compensation for on-site time, travel expenses, transportation, lodging, time for travel, and incidentals for each day or portion thereof that the DRB Member attends (in person) an authorized DRB meeting.

No additional compensation will be made for time spent by DRB Members in regard to review and research activities outside the official DRB meetings unless that time (such as time spent evaluating evidence and preparing recommendations and a DRB report on Disputes presented to the DRB) has been specifically agreed upon in writing by the Parties in advance, in which case, time away from the Project, which has been specifically agreed upon by the Parties in advance, will be compensated at an agreed rate of two hundred dollars (\$200) per hour. The agreed amount of two hundred dollars (\$200) per hour shall include all incidentals, including expenses for telephone, fax, and computer services. From time to time the Parties may reconsider and mutually revise the agreed rate, in which case they shall document the revised agreed rate in writing. ICTC will provide administrative services such as conference facilities to the DRB.

If the DRB needs outside technical services, these technical services shall be preapproved by both Parties. The cost of the preapproved technical services shall be borne equally by the Parties.

a. Payment Processing

a) The Parties shall make direct payments to each DRB Member for their participation in authorized meetings and approved hourly rate charges, from invoices submitted by each DRB Member, and technical services.

b) DRB Members may submit invoices to ICTC and Design-Builder for payment for work performed and services rendered for their participation in authorized meetings not more often than once per month. The invoices shall be in a format approved by the Parties and accompanied by a general description of activities performed during that billing period. Payment for hourly fees, at the agreed rate, shall not be paid to a DRB Member until the amount and extent of those fees are mutually approved by ICTC and Design-Builder.

a. Inspection of Costs Records

DRB Members and the Design-Builder shall keep available for inspection by representatives of ICTC and the United States federal government, for a period of three (3) years after final payment, the cost records and accounts pertaining to this Agreement. If any litigation, claim, or audit arising out of, in connection with, or related to this Agreement is initiated before the expiration of the three (3)-year period, the cost records and accounts shall be retained until such litigation, claim, or audit involving the records is completed.

SECTION VI: ASSIGNMENT OF TASKS OF WORK

DRB Members shall not assign the work of this Agreement.

SECTION VII: REPLACEMENT OF A DRB MEMBER

A. Service of a DRB Member may end at any time with not less than fifteen (15) days' notice as follows:

- a) Upon resignation of a member.
- b) ICTC may replace its selected member.
- c) The Design-Builder may replace its selected member.
- d) The Parties' selected members may replace the third (3rd) member with mutual written approval of ICTC and Design-Builder.
- e) ICTC and/or Design-Builder may replace any member who fails to comply with specified employment contemplated in this Agreement, the financial disclosure conditions of DRB Membership, or the four Canons of the March 2018, Dispute Resolution Board Foundation's Code of Ethical Conduct.

B. When a member of the DRB is replaced, the replacement member shall be selected in the same manner as the replaced member was selected. The selection of a replacement DRB Member will begin promptly upon determination of the need for replacement and shall be completed within fifteen (15) days. Changes in either of the DRB Members chosen by the two (2) Parties will not require re-selection of the third (3rd) member, unless both Parties agree to such re-selection in writing. This Agreement shall be amended to reflect the change of a DRB Member.

C. Each Party shall document the need for replacement and substantiate the replacement request in writing to the other Party and DRB Members.

SECTION VIII: LEGAL RELATIONS

a) The Parties hereto mutually understand and agree that each DRB Member in the performance of duties is acting in the capacity of an independent agent and not as an employee of either Party.

- b) Neither Party shall bear a greater responsibility for damages or personal injury than is normally provided by Federal or State of California Law.
- c) The Parties shall not call any of the DRB Members, who served on the Contract and/or the Project, as a witness in any legal proceedings that may arise from the Contract.
- d) DRB Members waive any and all claims against ICTC and/or the Design-Builder from any alleged harm arising out of or resulting from the DRB's services in connection with this Agreement.
- e) Notwithstanding the provisions of the Contract that require the Design-Builder to indemnify and hold harmless ICTC, the Parties shall jointly indemnify and hold harmless the DRB Members from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of and resulting from the finding(s), conclusion(s), and/or recommendation(s) of the DRB.

SECTION IX: CONFIDENTIALITY

The Parties and the DRB, mutually understand and agree that all documents and records provided by the Parties in reference to issues brought before the DRB, which documents and records are marked "Confidential - for use by the DRB only," shall be kept in confidence and used only for the purpose of resolution of subject Disputes, and for assisting in development of DRB finding(s) and recommendation(s); that such documents and records will not be utilized or revealed to others, except to officials of the Parties who are authorized to act on the subject Disputes, for any purposes, during the life of this Agreement, The foregoing shall not apply, however, to documents or records that before submission to the DRB were already subject to the Public Records Act. Upon termination of this Agreement, said confidential documents and records, and all copies thereof, shall be returned to the Party who furnished them to the DRB. However, the Parties understand that such documents may be subsequently discoverable and admissible in legal proceedings to the extent provided by law.

SECTION X: DISPUTES

Disputes between the DRB and either Party, which cannot be resolved by negotiation and mutual concurrence, shall be resolved in the appropriate legal forum. In the event that ICTC, Design-Builder, or any of the DRB Member(s) deem it necessary to institute legal proceedings to enforce any right or obligation under this Agreement, the Parties and the DRB Members, agree that if such action involves ICTC it may be initiated in any court of competent jurisdiction agreed to between the Design-Builder and DRB Member(s). The Parties and the DRB Members agree that all questions shall be resolved by application of California law and that the parties to any such legal proceeding shall have the right of appeal from such decisions in conformance with the laws of the State of California.

SECTION XI: FEDERAL REVIEW AND REQUIREMENTS

- a) On Federal-Aid contracts, the Federal Highway Administration shall have the right to review the work of the DRB in progress, except for private meetings or deliberations of the DRB that do not become part of the Project records.
- b) Other Federal requirements in this Agreement shall only apply to Federal-Aid contracts.

SECTION XII: CERTIFICATION OF DESIGN-BUILDER, DRB, and ICTC

IN WITNESS WHEREOF, the signatories hereto have executed this Agreement as of the day and year first above written.

SIGNATURES TO FOLLOW

DRB MEMBER

DRB MEMBER

By: _____
[insert name]

By: _____
[insert name]

Title: _____

Title: _____

DRB CHAIRPERSON

By: _____
[insert name]

Title: _____

DESIGN-BUILDER
HAZARD CONSTRUCTION COMPANY

IMPERIAL COUNTY
TRANSPORTATION COMMISSION

By: _____
[insert name]

By: _____
[insert name]

Title: _____

Title: _____

EXHIBIT K – FORM OF PERFORMANCE BOND

Imperial County Transportation Commission
Book 1

Calexico East Port of Entry
ICTC Contract No.: 20-101
Project ID: 1118000265
Federal Aid Project BUILD L-6471 (017)

IMPERIAL COUNTY TRANSPORTATION COMMISSION

PERFORMANCE BOND FOR DESIGN-BUILD CONTRACTS Contract No. ICTC 20-101

(To Accompany a Design-Build Contract)

Bond No.7901040782

[Public Contract Code § 6825]

Premium:\$159,720.00

(REV. 4/2019)

KNOW ALL PERSONS BY THESE PRESENTS,

THAT WHEREAS, The Imperial County Transportation Commission (ICTC) has awarded to Hazard Construction Company (Principal), a design-build contract (Contract) for the design and construction work described as follows:

Calexico East Port of Entry Bridge Widening Design-Build Project.

AND WHEREAS, The Principal is required by Section 6825 of the Public Contract Code to furnish a bond in connection with said Contract guaranteeing the faithful performance of its obligations under the Contract thereof:

NOW THEREFORE, We the undersigned Principal and Nationwide Mutual Insurance Company (Surety) are held and firmly bound unto ICTC, in the sum of nineteen million nine hundred sixty five thousand Dollars (\$19,965,000.00) to be paid to ICTC or its certain attorney, its successors and assigns, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH:

1. That if the above bound Principal, or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the foregoing Contract, including any and all amendments, supplements, and alterations thereto made as therein provided, on his/her or their part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless ICTC, their officers and agents, as therein stipulated, then this obligation shall become and be null and void; otherwise, it shall be and remain in full force and virtue.
2. This Bond shall cover the cost to complete the said design and construction work, but shall not cover any damages of the type specified to be covered by the Principal's errors and omissions insurance for the design elements of the work required pursuant to the Contract and Section 6825 of the Public Contract Code or by any professional liability insurance, whether or not such insurance is provided in an amount sufficient to cover such damages.
3. The said Surety agrees that no change, extension of time, alterations, additions, omissions or other modifications of the terms of the Contract, or in the Work to be performed with respect to the Project, or in the specifications or Plans, or any change or modification of any terms of payment or extension of time for any payment pertaining or relating to the Contract, or any rescission or attempted rescission of the Contract, or this Bond, or any conditions precedent or subsequent in this Bond attempting to limit the right of recovery of claimants otherwise entitled to recover under this Bond, or any fraud practiced by any other person other than the claimant seeking to recover from this Bond, shall in any way affect its obligations on this Bond, and it does hereby waive notice of such changes, extension of time, alterations, additions, omissions or other modifications. The Surety agrees that payments made to contractors and suppliers to

Form of Performance Bond

Exhibit K-1

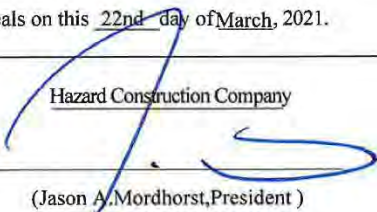
Imperial County Transportation Commission
Book 1

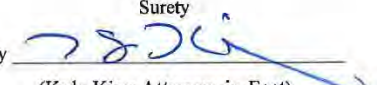
Calexico East Port of Entry
ICTC Contract No.: 20-101
Project ID: 1118000265
Federal Aid Project BUILD L-6471 (017)

satisfy claims on the payment bond do not reduce the Surety's legal obligations under this Bond. Payments made to contractors or suppliers under any agreement where the Surety has arranged for completion of the work to satisfy this Bond will not be considered payment bond claims.

WITNESS WHEREOF, We have hereunto set our hands and seals on this 22nd day of March, 2021.

Correspondence or claims relating to this Bond should be sent to the Surety at the following address:
Nationwide Mutual Insurance Company
8877 North Gainey Center Drive Scottsdale, AZ 85258

Hazard Construction Company
By 
(Jason A. Mordhorst, President)

Nationwide Mutual Insurance Company
Surety
By 
(Kyle King, Attorney-in-Fact)

NOTE: Signatures of those executing for the Surety must be properly acknowledged/notarized, and a Power of Attorney attached.

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For alternate format information, contact or write to:

Imperial County Transportation Commission
1503 North Imperial Avenue; Suite 104
El Centro, California 92243
Attention: Mr. Mark Baza, Executive Director
Telephone: (760) 592-4494.

Form of Performance Bond

Exhibit K-2

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint:

BILL BODENSTADT; HANNAH MCGARVEY; KIM ACEVEDO; KYLE KING; TRAVIS PEARSON; CHANEL ASFAW

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf any and all bonds and undertakings, and other obligatory instruments of similar nature, in penalties not exceeding the sum of

UNLIMITED

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 27th day of February, 2019.

Antonio C. Albanese, Vice President of Nationwide Mutual Insurance Company

ACKNOWLEDGMENT

STATE OF NEW YORK, COUNTY OF NEW YORK: ss

On this 27th day of February, 2019, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Suzanne C. Delio
Notary Public, State of New York
No. 02DE6126649
Qualified in Westchester County
Commission Expires September 16, 2021

Notary Public
My Commission Expires
September 16, 2021

CERTIFICATE

I, Laura B. Guy, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this 22nd day of March, 2021.

Assistant Secretary

BDJ 1(02-19)00

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California

County of San Diego

On March 22, 2021 before me, Apryle Briede, Notary Public
Date NAME, TITLE OF OFFICER - E.G. AJANE DOE, NOTARY PUBLIC
personally appeared Kyle King
NAME(S) OF SIGNER(S)

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

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

WITNESS my hand and official seal.

Apryle Briede (SEAL)
NOTARY PUBLIC SIGNATURE



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California

County of San Diego

On March 23, 2021 before me, Apryle Briede, Notary Public
Date NAME, TITLE OF OFFICER - E.G. AJANE DOE, NOTARY PUBLIC

personally appeared Jason A. Mordhorst
NAME(S) OF SIGNER(S)

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

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

WITNESS my hand and official seal.

Apryle Briede (SEAL)
NOTARY PUBLIC SIGNATURE



EXHIBIT L – FORM OF PAYMENT BOND

Imperial County Transportation Commission
Book 1

Calexico East Port of Entry
ICTC Contract No.: 20-101
Project ID: 1118000265
Federal Aid Project BUILD L-6471 (017)

IMPERIAL COUNTY TRANSPORTATION COMMISSION

PAYMENT BOND FOR DESIGN-BUILD CONTRACTS

Contract No. ICTC 20-101

(To Accompany a Design-Build Contract)

Bond No. 7901040782

[Public Contract Code § 6825]

Premium Included

(REV. 4/2019)

KNOW ALL PERSONS BY THESE PRESENTS,

THAT WHEREAS, The Imperial County Transportation Commission (ICTC) has awarded to Hazard Construction Company (Principal), a design-build contract (Contract) for the design and construction described as follows:

Calexico East Port of Entry Bridge Widening Design-Build Project.

AND WHEREAS, The Principal is required by Section 6825 of the Public Contract Code to furnish a payment bond (Bond) in connection with said Contract to secure the payment of claims of laborers, mechanics, material, men, and other persons as provided by law.

NOW THEREFORE, We the undersigned Principal and Nationwide Mutual Insurance Company (Surety) are held and firmly bound unto ICTC, in the sum of nineteen million nine hundred sixty five thousand Dollars (\$19,965,000.00) to be paid to ICTC or its certain attorney, its successors and assigns, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH:

1. That if said Principal, or its heirs, executors, administrators successors or assigns or subcontractors, shall fail to pay any of the persons named in California Civil Code Section 9100, or anyone required to be paid by law, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Principal and his subcontractors pursuant to Revenue and Taxation Code Section 18662 et seq. with respect to such work and labor, that the Surety herein will pay for the same in an amount not exceeding the sum specified in this Bond, otherwise the above obligation shall be null and void. In case suit is brought upon this Bond, the Surety will pay reasonable attorney's fee to be fixed by the court.
2. This Bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 or anyone required to be paid by law under said Contract so as to give a right of action to such persons or their assigns in any suit brought upon this Bond.
3. The said Surety agrees that no change, extension of time, alterations, additions, omissions or other modifications of the terms of the Contract, or in the Work to be performed with respect to the Project, or in the specifications or Plans, or any change or modification of any terms of payment or extension of time for any payment pertaining or relating to the Contract, or any rescission or attempted rescission of the Contract, or this Bond, or any conditions precedent or subsequent in this Bond attempting to limit the right of recovery of claimants otherwise entitled to recover under this Bond, or any fraud practiced by any other person other than the claimant seeking to recover this Bond, shall in any way affect its obligations on this Bond, and it does hereby waive notice of such changes, extension of time, alterations, additions, omissions or other modifications.
4. When this Bond had been furnished to comply with a statutory or other legal requirement in the location where the construction is to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such

Form of Payment Bond

Exhibit L-1

Imperial County Transportation Commission
Book 1

Calexico East Port of Entry
ICTC Contract No.: 20-101
Project ID: 1118000265
Federal Aid Project BUILD L-6471 (017)

statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not a common law bond.

- This Bond shall cover all payment obligations for the said design-build work, including warranty payment obligations unless a separate warranty bond is provided by the Principal, but shall not cover any payment obligations covered by the Principal's errors and omissions insurance for the design elements of the work required pursuant to the contract or by Section 6825 of the Public Contract Code or by any professional liability insurance whether or not such insurance is provided in an amount sufficient to cover such damages.

WITNESS WHEREOF, We have hereunto set our hands and seals on this 22nd day of March, 2021.

Correspondence or claims relating to this Bond should be sent to the Surety at the following address:
Nationwide Mutual Insurance Company
8877 North Gainey Center Drive Scottsdale, AZ 85258

Hazard Construction Company
By _____
(Jason A. Mordhorst, President)

Nationwide Mutual Insurance Company

Surety
By _____
(Kyle King, Attorney-in-Fact)

NOTE: Signatures of those executing for the surety must be properly acknowledged/notarized, and a Power of Attorney attached.

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For alternate format information, contact or write to:

Imperial County Transportation Commission
1503 North Imperial Avenue; Suite 104
El Centro, California 92243
Attention: Mr. Mark Baza, Executive Director
Telephone: (760) 592-4494

Form of Payment Bond

Exhibit L-2

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint:

BILL BODENSTADT; HANNAH MCGARVEY; KIM ACEVEDO; KYLE KING; TRAVIS PEARSON; CHANEL ASFAW

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf any and all bonds and undertakings, and other obligatory instruments of similar nature, in penalties not exceeding the sum of

UNLIMITED

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 27th day of February, 2019.

Antonio C. Albanese, Vice President of Nationwide Mutual Insurance Company

ACKNOWLEDGMENT

STATE OF NEW YORK, COUNTY OF NEW YORK: ss

On this 27th day of February, 2019, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Suzanne C. Delio
Notary Public, State of New York
No. 02066126649
Qualified in Westchester County
Commission Expires September 16, 2021

Notary Public
My Commission Expires
September 16, 2021

CERTIFICATE

I, Laura B. Guy, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this 22nd day of

March, 2021

Assistant Secretary

BDJ 1(02-19)00

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California

County of San Diego

On March 22, 2021 before me, Apryle Briede, Notary Public
Date NAME, TITLE OF OFFICER - E.G. AJANE DOE, NOTARY PUBLIC
personally appeared Kyle King
NAME(S) OF SIGNER(S)

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

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

WITNESS my hand and official seal.

Apryle Briede (SEAL)
NOTARY PUBLIC SIGNATURE



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California

County of San Diego

On March 23, 2021 before me, Apryle Briede, Notary Public

Date

NAME, TITLE OF OFFICER - E.G. AJANE DOE, NOTARY PUBLIC

personally appeared Jason A. Mordhorst

NAME(S) OF SIGNER(S)

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

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

WITNESS my hand and official seal.

Apryle Briede (SEAL)
NOTARY PUBLIC SIGNATURE



EXHIBIT M – FORM OF WARRANTY BOND

IMPERIAL COUNTY TRANSPORTATION COMMISSION

WARRANTY BOND FOR DESIGN-BUILD CONTRACT **Contract No. ICTC 20-101**

(After Final Acceptance has occurred, Design-Builder may obtain a release of the Performance Bond by providing to ICTC and maintaining full force and effect a warranty bond which shall guarantee performance of all obligations of Design-Builder that survive Final Acceptance under the Contract Documents.)

[Public Contract Code § 6825]

Bond No. _____

(REV. 4/2019)

KNOW ALL PERSONS BY THESE PRESENTS,

THAT WHEREAS, The Imperial County Transportation Commission (ICTC) has awarded to Hazard Construction Company (Principal), a design-build contract (Contract) for the design and construction work described as follows:

Calexico East Port of Entry Bridge Replacement Design-Build Project.

NOW THEREFORE, We the undersigned Principal and _____ (Surety) are held and firmly bound unto ICTC, in the sum of seven hundred ninety eight thousand six hundred Dollars (\$798,600), an amount equal to four percent of the Contract Price during the first two years following Substantial Completion and shall be in the sum of three hundred ninety nine thousand three hundred Dollars (\$399,300), an amount equal to two percent of the Contract Price during the third year following Substantial Completion to be paid to ICTC or its certain attorney, its successors and assigns, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH:

1. That if the above bound Principal, or its heirs, executors, administrators, successors or assigns, shall faithfully carry out and perform the said guarantee, and shall, on due notice, repair and make good at its own expense, or shall pay over, make good and reimburse to ICTC all loss and damage which said ICTC may sustain by reason of failure or default of the above bound Principal so to do, and shall indemnify and save harmless ICTC, GSA, the State, its officers and agents, as therein stipulated, then this obligation shall become and be null and void; otherwise, it shall be and remain in full force and virtue.

WITNESS WHEREOF, We have hereunto set our hands and seals on this _____ day of _____, 2021.

Correspondence or claims relating to this Bond should be sent to the Surety at the following address:

(Principal's name, title, and signature)

Surety

By _____

Attorney-in-Fact

NOTE: Signatures of those executing for the surety must be properly acknowledged/notarized, and a Power of Attorney attached.

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For alternate format information, contact or write to:

Imperial County Transportation Commission
1503 North Imperial Avenue; Suite 104
El Centro, California 92243
Attention: Mr. Mark Baza, Executive Director
Telephone: (760) 592-4494

EXHIBIT N – DESIGN-BUILDER’S PROPOSAL COMMITMENTS

N-1	Form 1B	Design-Build Price Proposal Letter
N-2	Form 3	Non-Collusion Affidavit
N-3	Form 4	Conflict of Interest Disclosure Statement
N-4	Form 5	Equal Employment Opportunity Certification
N-5	Form 6	Debarment and Suspension Certification
N-6	Form 7	Certification Regarding Use of Contract Funds for Lobbying
N-7	Form 8	Buy America Certification
N-8	Forms 9 and 14	Proposal Price
N-9	Form 17	DBE Certification/Performance Plan
N-10		Technical Proposal

Exhibit N-1 Form 1B Design-Build Price Proposal Letter

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 1B
DESIGN-BUILD PRICE PROPOSAL LETTER

For the Calexico East Port of Entry Bridge Widening Design-Build Project with Price Proposals received until ~~November 20, 2020~~ January 8, 2021.

PROPOSAL OF:
Hazard Construction Company

Name of Firm
10529 Vine Street

Street Address
Lakeside, CA 92040 858-587-3600

City, State, ZIP Telephone Number

TO FURNISH AND DELIVER ALL MATERIALS AND TO PERFORM ALL WORK IN ACCORDANCE WITH THE CONTRACT AND THE REQUEST FOR PROPOSALS (RFP) DATED SEPTEMBER 21, 2020, AS AMENDED, FOR: THE CALEXICO EAST PORT OF ENTRY BRIDGE WIDENING.

Contract No.: ICTC 20-101

Project ID: 1118000265

Type of Work: Bridge widening, associated approach roadway, and miscellaneous Site improvement work.

Anticipated Start Date: ~~February 3~~ March 25, 2021

Substantial Completion Deadline: Shall be achieved no later than ~~360~~ 460 Working Days following NTP1.

NOTICE TO PROPOSERS: In submitting a Proposal, Proposers shall return this complete Proposal form and acknowledge Addenda on the signature page below.

BID RIGGING IS A SERIOUS CRIME

IF YOU HAVE ANY INFORMATION CONCERNING COLLUSIVE BIDDING, EVEN A REQUEST TO SUBMIT A COMPLIMENTARY BID, CALL THE U.S. DEPARTMENT OF TRANSPORTATION AT 800-424-9071

The undersigned hereby represents that it will keep this Proposal open for acceptance for sixty (60) Days after the Price Proposal Opening Date without unilaterally varying or amending its terms and without any member or partner withdrawing or any other change being made in the composition of the partnership/joint venture/consortium on whose behalf the Proposal is submitted without first obtaining the prior written consent of ICTC, in ICTC's sole discretion.

**Imperial County Transportation Commission
Instructions to Proposers**

**Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)**

If selected by ICTC, Proposer agrees to (a) execute the Contract with ICTC in good faith to develop the Project in accordance with the Contract Documents, including this Proposal, and (b) to satisfy all other conditions to award of the Contract.

This Proposal includes the following:

- Price Proposal
- Administrative Submittals

Proposer certifies the following: the Proposal is submitted without reservation, qualification, assumptions, or conditions; that it has carefully examined and is fully familiar with all of the provisions of all of the Request for Proposal (RFP) documents, and is satisfied that such provisions provide sufficient detail regarding the Work (as defined in the RFP) to be performed and do not contain internal inconsistencies; that it has carefully checked all the words, figures, and statements in this Proposal; that it has conducted such other field investigations and additional design development which are prudent and reasonable in preparing this Proposal, including a thorough review of all of the RFP documents; and that it has notified ICTC of any deficiencies in or omissions from any RFP documents or other documents provided by ICTC and of any unusual Site conditions observed prior to the date hereof.

Proposer agrees that ICTC will not be responsible for any errors, omissions, inaccuracies, or incomplete statements in this Proposal.

Proposer understands that all costs and expenses incurred by it in preparing this Proposal and participating in the RFP process will be borne solely by the Proposer and shall not be charged retroactively to the Project.

This Proposal shall be governed by and construed in all respects according to the laws of the State of California.

The undersigned affirms that the information provided herein is true and accurate and that any misrepresentations are made under penalty of perjury.

PROPOSAL SECURITY: A bond, payable to the Imperial County Transportation Commission, in an amount equal to ten (10) percent of the Proposal Price is submitted herewith as a Proposal Security.

RECEIPT OF ADDENDA AND CLARIFICATIONS: The undersigned hereby acknowledges receipt of and has considered:

Addendum Number 1	Dated	10/09/20	Myers & Sons Quest #1 & #3 - Public	Not Dated	N/A
Addendum Number 2	Dated	10/23/20	Myers & Sons RFC #1	Dated	N/A
Addendum Number 3	Dated	10/27/20	Hazard – RFI #1	Dated	10/06/20
Addendum Number 4	Dated	10/28/20	Hazard – RFI #2	Dated	10/30/20
Addendum Number 5	Dated	11/16/20	Hazard – RFI #3	Dated	11/06/20
Addendum Number 6	Dated	12/14/20	Hazard – RFI #4	Dated	12/18/20
OHL Quest #6 General	Not Dated	N/A	Hazard – RFI #5	Dated	12/18/20

EXECUTION OF PROPOSAL

This Proposal is dated the 22 day of January 2021.

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

Hazard Construction Company

By:  _____

Print Name: Jason A. Mordhorst _____

Title: President _____

By:  _____

Print Name: W. S. Rogers _____

Title: Executive Vice President _____

Exhibit N-2 Form 3 Non-Collusion Affidavit

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 3
NON-COLLUSION AFFIDAVIT*

STATE OF CALIFORNIA)

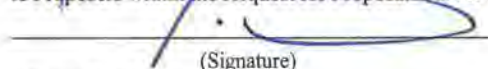

) SS

COUNTY OF SAN DIEGO)

Each of the undersigned, being first duly sworn, deposes and says that:

- Jason A. Mordhorst is the President of Hazard Construction Company and W.S. Rogers is the Executive Vice President of Hazard Construction Company the entity making the foregoing Proposal.
- The Proposal is not made in the interest of, or on behalf of, any undisclosed Person, partnership, company, association, organization, joint venture, limited liability company or corporation; the Proposal is genuine and not collusive or a sham; the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham Proposal, and has not directly or indirectly colluded, conspired, connived or agreed with any Proposer or anyone else to put in a sham Proposal or that anyone shall refrain from proposing; the Proposer has not in any manner, directly or indirectly, sought by agreement, communication or conference with anyone to fix the prices of the Proposer or any other Proposer, or to fix any overhead, profit or cost element included in the Proposal, or of that of any other Proposer, or to secure any advantage against ICTC or anyone interested in the proposed Contract; all statements contained in the Proposal are true; and, further, the Proposer has not, directly or indirectly, submitted its prices or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, joint venture, limited liability company, organization, Proposal depository or any member, partner, joint venture member or agent thereof to effectuate a collusive or sham Proposal.
- The Proposer will not, directly or indirectly, divulge information or data regarding the price or other terms of its Proposal to any other Proposer, or seek to obtain information or data regarding the price or other terms of any other Proposal, until after award of the Contract or rejection of all Proposals and cancellation of the Request for Proposals.

*Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Instructions to Proposers within the Request for Proposals for the Calexico East Port of Entry Bridge Widening Project.

 _____ (Signature)	 _____ (Signature)
Jason A. Mordhorst _____ (Name Printed)	W.S. Rogers _____ (Name Printed)
President _____ (Title)	Executive Vice President _____ (Title)

Subscribed and sworn to before me on this 20th day of January 2021.

See Attached Notaries
Notary Public in and for said County and State

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 20th
day of January, 2021, by Jason A. Mordhorst

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature *Apryle Briede*

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

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 20th
day of January, 2021, by W.S. Rogers

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature *Apryle Briede*

Exhibit N-3 Form 4 Conflict of Interest Disclosure Statement

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 4
CONFLICT OF INTEREST DISCLOSURE STATEMENT

Proposer's Name: Hazard Construction Company ("Proposer")

Proposer's attention is directed to Instructions to Proposers (ITP) Section 1.16.3 regarding Organizational Conflicts of Interest and the restrictions applicable to such conflicts. Proposers are advised that certain firms will not be allowed to participate on any Proposer's team for the Project because of their work with ICTC in connection with the Project procurement. Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Instructions to Proposers within the Request for Proposals for the Calexico East Port of Entry Bridge Widening Project.

1. Required Disclosure of Conflicts

In the space provided below, and on supplemental sheets as necessary, identify all relevant facts relating to past, present, or planned interest(s) of the Proposer's team (including the Proposer, Principal/Major Participants, proposed Subconsultants and proposed Subcontractors, and their respective chief executives, directors, and other key personnel for the Project) which may result, or could be viewed as, an Organizational Conflict of Interest in connection with this RFP.

Proposer shall disclose: (a) any current contractual relationships with ICTC, (b) any past, present, or planned contractual or employment relationships with any officer or employee of ICTC, and (c) any other circumstances that might be considered to create a financial interest in the contract by any ICTC member, officer or employee if Proposer is awarded the Contract. Proposer shall also disclose matters such as ownership of ten (10) percent or more of the stock of, or having directors in common with, any of the individuals or entities involved in preparing the RFP. Proposer shall also disclose contractual relationships including joint ventures with any of the individuals or entities involved in preparing the RFP, including relationships wherein such individual or entity is a contractor or consultant (or Subcontractor or Subconsultant) to Proposer or a member of Proposer's team. The foregoing is provided by way of example and shall not constitute a limitation on the disclosure obligations.

N/A – No Conflict of Interest

2. Explanation

In the space provided below, and on supplemental sheets as necessary, identify steps the Proposer or other entities have taken or will take to avoid, neutralize, or mitigate any Organizational Conflicts of Interest described herein.

N/A

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

3. Certification

The undersigned hereby certifies that, to the best of his or her knowledge and belief, no interest exists that is required to be disclosed in this Conflict of Interest Disclosure Statement, other than as disclosed above.



Signature
Jason A. Mordhorst

Name
President

Title
Hazard Construction Company

Company Name
January 22, _____, 2021
Date

Exhibit N-4 Form 5 Equal Employment Opportunity Certification

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 5
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

[To be executed by the Proposer, Key Personnel, Principal/Major Participants, proposed Subconsultants and proposed Subcontractors]

The undersigned certifies on behalf of Hazard Construction Company, that:
(Name of entity making certification)

[Check one of the following boxes]

- It has developed and has on file at each establishment affirmative action programs pursuant to 41 CFR Part 60-2 (Affirmative Action Programs).
- It is not subject to the requirements to develop an affirmative action program under 41 CFR Part 60-2 (Affirmative Action Programs).

[Check one of the following boxes]

- It has not participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246.
- It has participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246 and, where required, it has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Signature: _____

Title: Jason A. Mordhorst, President

Date: 01/22/22

If not Proposer, relationship to Proposer: N/A

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1) and shall be submitted by Proposers only in connection with contracts which are subject to the equal opportunity clause. Contracts that are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally, only contracts of \$10,000 or under are exempt.) Currently, Standard Form 100 (EEO-1) is the only report required by Executive Orders or their implementing regulations.

Proposers, Principal/Major Participants, proposed Subconsultants or proposed Subcontractors who have participated in a previous contract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 5
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

[To be executed by the Proposer, Key Personnel, Principal/Major Participants, proposed Subconsultants and proposed Subcontractors]


The undersigned certifies on behalf of Mark Thomas & Company, Inc., that:
(Name of entity making certification)

[Check one of the following boxes]

- It has developed and has on file at each establishment affirmative action programs pursuant to 41 CFR Part 60-2 (Affirmative Action Programs).
- It is not subject to the requirements to develop an affirmative action program under 41 CFR Part 60-2 (Affirmative Action Programs).

[Check one of the following boxes]

- It has not participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246.
- It has participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246 and, where required, it has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Signature:  _____
Title: President

Date: 01/19/2021

If not Proposer, relationship to Proposer: _____

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1)) and shall be submitted by Proposers only in connection with contracts which are subject to the equal opportunity clause. Contracts that are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally, only contracts of \$10,000 or under are exempt.) Currently, Standard Form 100 (EEO-1) is the only report required by Executive Orders or their implementing regulations.

Proposers, Principal/Major Participants, proposed Subconsultants or proposed Subcontractors who have participated in a previous contract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Federal Aid Project BUILD L-6471 (017)

FORM 5
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

[To be executed by the Proposer, Key Personnel, Principal/Major Participants, proposed Subconsultants and proposed Subcontractors]


The undersigned certifies on behalf of Earth Mechanics, Inc., that:
(Name of entity making certification)

[Check one of the following boxes]

- It has developed and has on file at each establishment affirmative action programs pursuant to 41 CFR Part 60-2 (Affirmative Action Programs).
- It is not subject to the requirements to develop an affirmative action program under 41 CFR Part 60-2 (Affirmative Action Programs).

[Check one of the following boxes]

- It has not participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246.
- It has participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246 and, where required, it has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Signature: 
Title: Vice President of Surface Transportation

Date: January 18, 2021

If not Proposer, relationship to Proposer: Subconsultant

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1)) and shall be submitted by Proposers only in connection with contracts which are subject to the equal opportunity clause. Contracts that are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally, only contracts of \$10,000 or under are exempt.) Currently, Standard Form 100 (EEO-1) is the only report required by Executive Orders or their implementing regulations.

Proposers, Principal/Major Participants, proposed Subconsultants or proposed Subcontractors who have participated in a previous contract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Federal Aid Project BUILD L-6471 (017)

FORM 5
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

[To be executed by the Proposer, Key Personnel, Principal/Major Participants, proposed Subconsultants and proposed Subcontractors]

The undersigned certifies on behalf of Barrett's Biological Surveys, that:
(Name of entity making certification)

[Check one of the following boxes]

- It has developed and has on file at each establishment affirmative action programs pursuant to 41 CFR Part 60-2 (Affirmative Action Programs).
- It is not subject to the requirements to develop an affirmative action program under 41 CFR Part 60-2 (Affirmative Action Programs).

[Check one of the following boxes]

- It has not participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246.
- It has participated in a previous contract or subcontract subject to the equal opportunity clause described in Executive Orders 10925, 11114 or 11246 and, where required, it has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Signature: Maria D. Barrett

Title: Owner

Date: 19 Jan 2021

If not Proposer, relationship to Proposer: subcontractor

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b)(1) and shall be submitted by Proposers only in connection with contracts which are subject to the equal opportunity clause. Contracts that are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally, only contracts of \$10,000 or under are exempt.) Currently, Standard Form 100 (EEO-1) is the only report required by Executive Orders or their implementing regulations.

Proposers, Principal/Major Participants, proposed Subconsultants or proposed Subcontractors who have participated in a previous contract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

Exhibit N-5 Form 6 Debarment and Suspension Certification

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

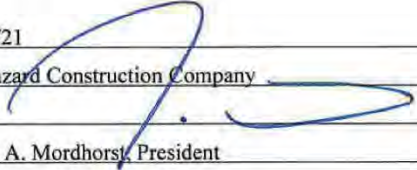
FORM 6
DEBARMENT AND SUSPENSION CERTIFICATION

The undersigned Proposer certifies on behalf of itself and all Principal/Major Participants, Subconsultants and Subcontractors the following:

The undersigned certifies to the best of its knowledge and belief, that it and its principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.
- Have not within a three (3)-year period preceding this Proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses enumerated in this certification.
- Have not within a three (3)-year period preceding this application/proposal had one or more public transactions (federal, State or local) terminated for cause or default.

Where the Proposer is unable to certify to any of the statements in this certification, it shall attach a certification to its Proposal or bid stating that it is unable to provide the certification and explaining the reasons for such inability.

Date: 01/22/21 _____
Proposer: Hazard Construction Company _____
Signature:  _____
Title: Jason A. Mordhors, President _____

**Exhibit N-6 Form 7 Certification Regarding Use of Contract Funds
for Lobbying**

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 7
**CERTIFICATION REGARDING USE OF CONTRACT FUNDS
FOR LOBBYING**

The undersigned certifies the following:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- Proposer shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.
- The truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 USC §3801, et seq., apply to this certification and disclosure, if any.

[Note: Pursuant to 31 USC §1352(c)(1)-(2)(A), any Person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each expenditure or failure.]

Date: 01/22/21
Proposer: Hazard Construction Company
Signature: _____
Title: Jason A. Mordhorst, President

[Copy this form and modify as needed for execution by Proposer, Principal/Major Participants, and all proposed Subconsultants and Subcontractors.]

Imperial County Transportation Commission
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N/A – Hazard Construction Company


**SHORT FORM-LLL
DISCLOSURE OF LOBBYING ACTIVITIES**

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<p>2. Status of Federal Action:</p> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<p>3. Report Type:</p> <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change <p>For Material Change Only: Year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity</p> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier ____, if known Congressional District, if known	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> Congressional District, if known	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known:</p>	
<p>10. a. Name and Address of Lobby Entity (If individual, last name, first name, MI)</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI)</p>	
(attach Continuation Sheet(s) if necessary)		
<p>11. Amount of Payment (check all that apply)</p> \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned	<p>13. Type of Payment (check all that apply)</p> <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____	
<p>12. Form of Payment (check all that apply):</p> <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____ <input type="checkbox"/> d. contingent fee		
<p>14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:</p>		
(attach Continuation Sheet(s) if necessary)		
<p>15. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		

Imperial County Transportation Commission
Instructions to Proposers

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Federal Aid Project BUILD L-6471 (017)

<p>16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any Person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	Signature: 
	Print Name: <u>Jason A. Mordhorst</u>
	Title: <u>President</u>
	Telephone No.: <u>858-587-3600</u> Date: <u>01/22/21</u>

Federal Use Only: Authorized for Local Reproduction
Standard Form - LLL

Standard Form LLL Rev. 09-12-97

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Federal Aid Project BUILD L-6471 (017)

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee; the first subawardee of the prime is the first tier. Subawards include, but are not limited to, subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in Item 1 such as the Request for Proposal [RFP] number, Invitation for Bid [IFB] number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency. Include prefixes such as "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in Item 4 or 5.

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10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial.
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04-90

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FORM 7
CERTIFICATION REGARDING USE OF CONTRACT FUNDS
FOR LOBBYING

The undersigned certifies the following:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- Proposer shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.
- The truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 USC §3801, et seq., apply to this certification and disclosure, if any.

[Note: Pursuant to 31 USC §1352(c)(1)-(2)(A), any Person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each expenditure or failure.]

Date: 01/19/2021

Proposer: Robert Himes

Signature: 

Title: President


[Copy this form and modify as needed for execution by Proposer, Principal/Major Participants, and all proposed Subconsultants and Subcontractors.]

Local Assistance Procedures Manual

EXHIBIT 10-Q
Disclosure of Lobbying Activities

EXHIBIT 10-Q DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award N/A	3. Report Type: <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known Congressional District, if known _____	5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known _____	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable _____	
8. Federal Action Number, if known:	9. Award Amount, if known:	
10. Name and Address of Lobby Entity (If individual, last name, first name, MI)	11. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI)	
(attach Continuation Sheet(s) if necessary)		
12. Amount of Payment (check all that apply) \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned	14. Type of Payment (check all that apply) <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____	
13. Form of Payment (check all that apply): <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ Value _____		
15. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11: (attach Continuation Sheet(s) if necessary)		
16. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input type="checkbox"/>		
17. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when his transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Robert Himes</u> Title: <u>President</u> Telephone No.: <u>(949) 477-9000</u> Date: <u>01/19/2021</u>	
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Standard Form LLL Rev. 04-28-06

Distribution: Orig- Local Agency Project Files

LPP 13-01

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Local Assistance Procedures Manual

EXHIBIT 10-Q
Disclosure of Lobbying Activities

INSTRUCTIONS FOR COMPLETING EXHIBIT 10-Q DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipient at the initiation or receipt of covered federal action or a material change to previous filing pursuant to title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with a covered federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered federal action for which lobbying activity is or has been secured to influence, the outcome of a covered federal action.
2. Identify the status of the covered federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last, previously submitted report by this reporting entity for this covered federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to: subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee" then enter the full name, address, city, state, and zip code of the prime federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the federal program name or description for the covered federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate federal identifying number available for the federal action identification in item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered federal action where there has been an award or loan commitment by the Federal agency, enter the federal amount of the award/loan commitments for the prime entity identified in item 4 or 5.
10. Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.
11. Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).
12. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
13. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
14. Check all boxes that apply. If other, specify nature.
15. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform and the date(s) of any services rendered. Include all preparatory and related activity not just time spent in actual contact with federal officials. Identify the federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
16. Check whether or not a continuation sheet(s) is attached.
17. The certifying official shall sign and date the form, and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30-minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04

LPP 13-01

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May 8, 2013

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 7
CERTIFICATION REGARDING USE OF CONTRACT FUNDS
FOR LOBBYING

The undersigned certifies the following:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- Proposer shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.
- The truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 USC §3801, et seq., apply to this certification and disclosure, if any.

[Note: Pursuant to 31 USC §1352(c)(1)-(2)(A), any Person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each expenditure or failure.]

Date: January 18, 2021

Proposer: Earth Mechanics, Inc.

Signature: 

Title: Vice President of Surface Transportation

[Copy this form and modify as needed for execution by Proposer, Principal/Major Participants, and all proposed Subconsultants and Subcontractors.]

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

NOT APPLICABLE - Earth Mechanics, Inc.
SHORT FORM-LLL
DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application</p> <p><input type="checkbox"/> b. initial award</p> <p><input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only: Year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known</p> <p>Congressional District, if known _____</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known _____</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known:</p>	
<p>10. a. Name and Address of Lobby Entity (If individual, last name, first name, MI)</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI)</p>	
(attach Continuation Sheet(s) if necessary)		
<p>11. Amount of Payment (check all that apply)</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply)</p> <p><input type="checkbox"/> a. retainer</p> <p><input type="checkbox"/> b. one-time fee</p> <p><input type="checkbox"/> c. commission</p> <p><input type="checkbox"/> d. contingent fee</p> <p><input type="checkbox"/> e. deferred</p> <p><input type="checkbox"/> f. other, specify _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. in-kind; specify: nature _____ value _____</p>		
<p>14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:</p> <p>(attach Continuation Sheet(s) if necessary)</p>		
<p>15. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input type="checkbox"/></p>		

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any Person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: 
Print Name: Alahesh Thurairajah, PE, GE
Title: Vice President of Surface Transportatooon
Telephone No.: 714-751-3826 Date: 01/18/21

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Standard Form - LLL

Standard Form LLL Rev. 09-12-97

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee; the first subawardee of the prime is the first tier. Subawards include, but are not limited to, subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in Item 1 such as the Request for Proposal [RFP] number, Invitation for Bid [IFB] number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency. Include prefixes such as "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in Item 4 or 5.

ITP Required Forms

Form 7-4

**Imperial County Transportation Commission
Instructions to Proposers**

**Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)**

10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial.
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04-90

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 7
CERTIFICATION REGARDING USE OF CONTRACT FUNDS
FOR LOBBYING

The undersigned certifies the following:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- Proposer shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.
- The truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 USC §3801, et seq., apply to this certification and disclosure, if any.

[Note: Pursuant to 31 USC §1352(c)(1)-(2)(A), any Person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each expenditure or failure.

Date: 19 Jan 21

Subcontractor: Barrett's Biological Surveys

Signature:



Title: Owner

[Copy this form and modify as needed for execution by Proposer, Principal/Major Participants, and all proposed Subconsultants and Subcontractors.]

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

**SHORT FORM-LLL
DISCLOSURE OF LOBBYING ACTIVITIES**

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352
Note: No lobbying activities by Barrett's Biological Surveys

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. bid/offer/application</p> <p><input type="checkbox"/> b. initial award</p> <p><input type="checkbox"/> c. post-award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only: Year _____ quarter _____ date of last report _____</p>
<p>4. Name and Address of Reporting Entity</p> <p><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known</p> <p>Congressional District, if known _____</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known _____</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known:</p>	
<p>10. a. Name and Address of Lobby Entity (If individual, last name, first name, MI)</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI)</p>	
(attach Continuation Sheet(s) if necessary)		
<p>11. Amount of Payment (check all that apply)</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply)</p> <p><input type="checkbox"/> a. retainer</p> <p><input type="checkbox"/> b. one-time fee</p> <p><input type="checkbox"/> c. commission</p> <p><input type="checkbox"/> d. contingent fee</p> <p><input type="checkbox"/> e. deferred</p> <p><input type="checkbox"/> f. other, specify _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. in-kind; specify: nature _____ value _____</p>		
<p>14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:</p> <p>(attach Continuation Sheet(s) if necessary)</p>		
<p>15. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input type="checkbox"/></p>		

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

16. Information requested through this form is authorized by Title Signature:
31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any Person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Name: Marie S. Barrett
Title: owner Telephone No.: 7604277006
Date: 19 Jan 2021

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Standard Form - LLL

Standard Form LLL Rev. 09-12-97

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee; the first subawardee of the prime is the first tier. Subawards include, but are not limited to, subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in Item 1 such as the Request for Proposal [RFP] number, Invitation for Bid [IFB] number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency. Include prefixes such as "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in Item 4 or 5.

ITP Required Forms

Form 7-4

**Imperial County Transportation Commission
Instructions to Proposers**

**Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)**

10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial.
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04-90

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 7
CERTIFICATION REGARDING USE OF CONTRACT FUNDS
FOR LOBBYING

The undersigned certifies the following:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any Person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any Person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- Proposer shall require that the language of this certification be included in all lower tier subcontracts which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.
- The truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the undersigned understands and agrees that the provisions of 31 USC §3801, et seq., apply to this certification and disclosure, if any.

[Note: Pursuant to 31 USC §1352(c)(1)-(2)(A), any Person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each expenditure or failure.]

Date: 01/18/2021

Proposer: Carlos Ortiz

Signature: 

Title: Chief Operating Officer

[Copy this form and modify as needed for execution by Proposer, Principal/Major Participants, and all proposed Subconsultants and Subcontractors.]

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
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Federal Aid Project BUILD L-6471 (017)

Not Applicable to ADVANTEC Consulting Engineers, Inc

SHORT FORM-LLL
DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352


1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial <input type="checkbox"/> b. material change For Material Change Only: Year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity <input type="checkbox"/> Prime <input checked="" type="checkbox"/> Subawardee Fier _____, if known Congressional District, if known _____			5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known _____		
6. Federal Department/Agency: _____			7. Federal Program Name/Description: CFDA Number, if applicable _____		
8. Federal Action Number, if known: _____			9. Award Amount, if known: _____		
10. a. Name and Address of Lobby Entity (If individual, last name, first name, MI) _____ _____ _____			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI) _____ _____ _____		
(attach Continuation Sheet(s) if necessary)					
11. Amount of Payment (check all that apply) \$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned			13. Type of Payment (check all that apply) <input type="checkbox"/> a. retainer <input type="checkbox"/> b. one-time fee <input type="checkbox"/> c. commission <input type="checkbox"/> d. contingent fee <input type="checkbox"/> e. deferred <input type="checkbox"/> f. other, specify _____		
12. Form of Payment (check all that apply): <input type="checkbox"/> a. cash <input type="checkbox"/> b. in-kind; specify: nature _____ value _____					
14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11: _____ _____ _____ (attach Continuation Sheet(s) if necessary)					
15. Continuation Sheet(s) attached: Yes <input type="checkbox"/> No <input type="checkbox"/>					

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

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16. Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any Person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signature: 
Print Name: Carlos Ortiz
Title: Chief Operating Officer
Telephone No.: 949-861-4999 Date: 01/18/2021

Federal Use Only:

Authorized for Local Reproduction
Standard Form - LLL

Standard Form LLL Rev. 09-12-97

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

INSTRUCTIONS FOR COMPLETION OF SF-LLL DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to Title 31 U.S.C. Section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state, and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee; the first subawardee of the prime is the first tier. Subawards include, but are not limited to, subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in Item 1 such as the Request for Proposal [RFP] number, Invitation for Bid [IFB] number, grant announcement number, the contract grant or loan award number, the application/proposal control number assigned by the Federal agency. Include prefixes such as "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in Item 4 or 5.

ITP Required Forms

Form 7-4

**Imperial County Transportation Commission
Instructions to Proposers**

**Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)**

10. (a) Enter the full name, address, city, state, and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial.
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form and print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503. SF-LLL-Instructions Rev. 06-04-90

Exhibit N-7 Form 8 Buy America Certification

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
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Federal Aid Project BUILD L-6471 (017)

FORM 8
BUY AMERICA CERTIFICATION

The undersigned Proposer hereby certifies on behalf of itself and all contractors (at all tiers) the following:

- Proposer shall comply with the Federal Highway Administration (FHWA) Buy America Requirements of 23 CFR 635.410, which permits FHWA participation in the Contract only if domestic steel and iron will be used on the Project. To be considered domestic, all steel and iron used and all products manufactured from steel and iron shall be produced in the United States and all manufacturing processes, including application of a coating, for these materials shall occur in the United States. Coating includes all processes that protect or enhance the value of the material to which the coating is applied. This requirement does not preclude a minimal use of foreign steel and iron materials, provided the cost of such materials does not exceed the greater of 0.1 percent of the Design-Build Contract price or \$18,444.
- A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this Contract be investigated, Proposer has the burden of proof to establish that it is in compliance.
- At Proposer's request, ICTC may, but is not obligated to, seek a waiver of Buy America requirements if grounds for the waiver exist; however, Proposer certifies that it will comply with the applicable Buy America requirements if a waiver of those requirements is not available or not pursued by ICTC.

Date: 01/22/21

Signature: 

Title: Jason A. Mordhorst, President

Proposer's Name: Hazard Construction Company

N-8 Forms 9 and 14 Proposal Price

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 9
PROPOSAL PRICE

Proposer Name: Hazard Construction Company

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Federal Aid Project BUILD L-6471 (017)

Item/Line No.	Description	Unit	Item Total
PART A	PROJECT MANAGEMENT		
1	Contract Management	Lump Sum	\$1,000,000.00
2	Quality Management	Lump Sum	\$750,000.00
3	Safety and Security Management	Lump Sum	\$250,000.00
4	Public and Stakeholder Information Management	Lump Sum	\$50,000.00
5	Mobilization	Lump Sum	\$2,000,000.00
6	Time Related Overhead	Lump Sum	\$1,200,000.00
7	Bonds and Insurance (sum of 7a, 7b, and 7c)	Lump Sum	\$365,000.00
	7a Warranty Bond	Lump Sum	\$5,000.00
	7b Payment and Performance Bond	Lump Sum	\$165,000.00
	7c Insurance	Lump Sum	\$195,000.00
8	Project Management Subtotal <i>(Sum of Lines 1 through 7)</i>	Lump Sum	\$5,615,000.00
PART B	ENGINEERING & CONSTRUCTION		
9	Design Services	Lump Sum	\$3,000,000.00
10	Environmental Management	Lump Sum	\$300,000.00
11	Utilities	Lump Sum	\$75,000.00
12	Geotechnical	Lump Sum	\$200,000.00
13	Surveys	Lump Sum	\$150,000.00
14	Concrete Pavement	Lump Sum	\$750,000.00
15	Hot Mix Asphalt Pavement	Lump Sum	\$150,000.00
16	Grading and Roadways	Lump Sum	\$1,050,000.00
17	Drainage	Lump Sum	\$290,000.00
18	Bridge <i>(shall equal Form 14 value)</i>	Lump Sum	\$6,430,000.00
19	Minor Structures – <u>Including the abutment tunnel extensions and wing walls</u>	Lump Sum	\$1,000,000.00
20	Planting and Irrigation	Lump Sum	\$25,000.00
21	Signing, Striping, Lighting	Lump Sum	\$450,000.00
22	Maintenance of Traffic	Lump Sum	\$250,000.00
23	Maintenance and Site Security During Construction	Lump Sum	\$100,000.00

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

Item/Line No.	Description	Unit	Item Total
24	Asphalt Price Index Fluctuation Allowance	Lump Sum	\$80,000.00
25	Final Acceptance	Lump Sum	\$50,000.00
26	Engineering and Construction Subtotal <i>(Sum of Lines 9 through 25)</i>	Lump Sum	\$14,350,000.00
27	PROPOSAL PRICE (A+B) <i>(Sum of Lines 8 and 26)</i>	Lump Sum	\$19,965,000.00

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
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Federal Aid Project BUILD L-6471 (017)

FORM 14
BRIDGE COST ESTIMATE FOR FEDERAL AND STATE
REPORTING

Bridge Number: N/A Date: 1-22-2021

Location/Description: Calexico East Port of Entry Bridge Widening

Anticipated Bridge Type: Steel girders with reinforced concrete deck

Estimated Deck Area (ft²): 10,664

Estimated Beam Spans Configuration (ft) 172

Bridge Cost – Total (\$) 6,430,000.00

(Cost associated with bridge construction, including the summation of lines a), b), and c) below.)

- a) Bridge Widening Substructure Construction (\$) 2,000,000.00
- b) Bridge Widening Superstructure Construction (\$) 2,800,000.00
- c) Bridge Widening Miscellaneous Items (\$) 600,000.00
- d) Existing Bridge Maintenance Work (\$) 1,030,000.00

The following is to be provided by the Preferred Proposer with Escrowed Proposal Documents:

Bridge Cost for Federal Reporting: (\$) _____
(exclude "Federal Excluded Items" listed below)

Bridge Cost for State Reporting: (\$) _____
(exclude "State Excluded Items" listed below)

Federal Excluded Items	State Excluded Items
Mobilization	Mobilization
Demolition of Existing Bridges	Approach Slabs (except integral abutment bridges)
Approach Slabs (except integral abutment bridges)	Stream Channel Work
Stream Channel Work	Earthwork (except structural excavation and backfill)
Riprap	Clearing and Grubbing
Slope Paving	Retaining Walls not attached to the Abutment
Earthwork (except structural excavation and backfill)	Guardrail Transitions to Bridges
Clearing and Grubbing	Maintenance and Protection of Traffic
Retaining Walls not attached to the Abutment	Detour Costs
Guardrail Transitions to Bridges	Signing and Marking
Maintenance and Protection of Traffic	Inlet Frames and Grates

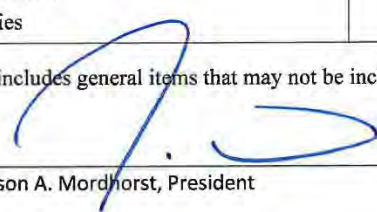
Imperial County Transportation Commission
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Federal Excluded Items	State Excluded Items
Detour Costs	Field Office
Signing and Marking	Construction Engineering Items
Lighting	Training
Electrical Conduit	Right-of-Way
Inlet Frames and Grates	Utility Relocation
Field Office	Contingencies
Construction Engineering Items	
Training	
Right-of-Way	
Utility Relocation	
Contingencies	

Note: Table includes general items that may not be included in the Project.

Signature


Jason A. Mordhorst, President

N-9 Form 17 DBE Certification/Performance Plan

Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

FORM 17
DBE CERTIFICATION

DBE REQUIREMENTS

The following goal for participation by DBE is established for design and construction work:

- Design – five (5) percent.
- Construction – nine (9) percent.

DBE Certification

By signing below, the Proposer certifies that Design-Builder will provide a Good Faith Effort to meet the DBE goals.

Date: 1/22/2021

Signature: _____

Title: President

Proposer's Name: Hazard Construction Company

B4.7. DBE CERTIFICATION - FORM 17

DBE Commitment

Hazard Construction ("Hazard") commits in all aspects of work to provide a Good Faith Effort to meet the established DBE Project goal (Design – 5%, Construction – 9%). As specified in Exhibit E – Disadvantaged Business Enterprise, Hazard will comply with the provisions of 49 CRF Part 26 and its requirements for counting DBE credit, Good Faith Effort and outreach, and tracking and reporting of DBE's utilized on the project. A DBE Performance Plan will be created and implemented by one of Hazard's staff that are experienced in DBE outreach and reporting. The Plan will detail the DBE requirements on the Project and how Hazard plans to meet those requirements on a day-to-day basis as the project progresses through the design and construction phases.

DBE Performance Plan Overview

- Project meetings to establish DBE outreach strategies for focused outreach
- Advertise/Solicit DBE for Quotes
- On-going solicitation throughout design and construction phases
- Create/Maintain Bidder's List
- Verification of DBE certification and participation credit
- Compile/prepare Good Faith Efforts Submittal Package
- All DBE utilization reporting (Monthly and Final)

Anticipated DBE Commitments

Design Services - (Name and Address)	Scope of Work	% DBE Credit	DBE \$'s Design Services	Design % DBE Commitment
Advantec Consulting Engineers, Inc. 1200 Roosevelt Irvine, CA 92620	Lighting, Camera, Electrical Design	100%	\$122,340	4.08%
Earth Mechanics, Inc. 17800 Newhope Street, Suite B Fountain Valley, CA 92708	Geotechnical Exploration, Testing & Engineering	100%	\$218,617	7.29%
Total Design Services DBE Commitment			\$340,957	11.37%

To Be Selected - Anticipated Construction Scopes of Work (Sub/Supplier)	% DBE Credit	Anticipated DBE \$'s Construction	Anticipated % DBE Commitment
Concrete Barrier - Roadway	100%	\$240,000	1.41%
Pile Driving	100%	\$400,000	2.36%
Concrete Paving	100%	\$400,000	2.36%
Electrical	100%	\$200,000	1.18%
Striping	100%	\$25,000	0.15%
SWPPP Services	100%	\$5,000	0.03%
Environmental	100%	\$50,000	0.29%
Quality Control	100%	\$75,000	0.44%
Underground	100%	\$200,000	1.18%
Surveying	100%	\$85,000	0.50%
Construction Area Signs	100%	\$20,000	0.12%
Traffic Control Devices	100%	\$15,000	0.09%
Total Construction Services DBE Commitment		\$1,715,000	10.11%

Hazard anticipates achieving the following DBE participation for the Calexico East Port of Entry Project:

- Design – 11.37%, or \$340,957
- Construction – 10.11%, or \$1,715,000

As design progresses and the plans are finalized, Anticipated DBE \$'s for Construction will be adjusted to conform to the actual scopes of work needed to complete the project.

Good Faith Efforts Made to Date

DBE Outreach and Good Faith Efforts Hazard has made to date for this project during the Request for Proposal stage are attached at the end of this Volume.

Exhibit N-10 Technical Proposal



CALEXICO EAST PORT OF ENTRY BRIDGE WIDENING

VOLUME 2 TECHNICAL PROPOSAL

January 22, 2021

CONTENTS:

- C1 Technical Proposal Executive Summary
- C2 Management/Administration
 - C2.1 Preliminary Project Management Plan with Org Charts & Resumes
 - C2.2 Preliminary Design Approach Submittal
 - C2.3 Environmental Compliance Plan
 - C2.4 Risk Management Plan
 - C2.5 Utility Coordination
- C3 Project Schedule, Construction Phasing/Sequencing Plan, and Safety and Security Program
 - C3.1 Project Schedule
 - C3.2 Construction Phasing/Sequencing
 - C3.3 Safety and Security Program



Imperial County Transportation Commission
Instructions to Proposers

Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)

Administrative Information – Volume 1B		
Proposers shall follow the order of this checklist in their submissions. A copy of this document shall be submitted with Volume 1B – Administrative Submittals.		
Proposal Component	Form (if any)	ITP Cross-Reference
A. Proposer Information, Certifications & Documents		
Price Proposal Letter	Form 1B	§4.6; Appendix B §B4.1
Authorization Documents	No forms provided	§4.6; Appendix B §B4.1
Non-Collusion Affidavit	Form 3	§1.16.2; Appendix B §B4.2
Certification Regarding Contract Funds for Lobbying	Form 7	§1.14, Appendix B §3.6
Buy America Certification	Form 8	Appendix B §B4.3
Letter of Commitment from Surety or Bank	No forms provided	Appendix B §B4.5
DBE Certification and Program Description	Form 17	§1.13; Appendix B §B4.7
Changes in Proposer's Organization	Letter from ICTC approving the change	§1.10; Appendix B §B4.8
B. Proposal Security		
Proposal Bond or Proposal Letter(s) of Credit	Form 11	§4.10; Appendix B §B4.4
An irrevocable letter signed by the Guarantor (if applicable)	Form 16	Appendix B §B4.6

Technical Proposal		
Proposers shall follow the order of this checklist in their submissions. A copy of this document shall be submitted with Volume 2 - Technical Proposal. See Appendix I-1 for additional information regarding the components of the Technical Proposal.		
Proposal Component	Form (if any)	ITP Cross-Reference
A. Technical Proposal Executive Summary		
Technical Proposal Executive Summary	No forms provided	Appendix C §C1
B. Management/Administration		
Preliminary Project Management Plan	No forms provided	Appendix C §C2.1
Preliminary Design Approach Submittal	No forms provided	Appendix C §C2.2

*Imperial County Transportation Commission
Instructions to Proposers*

*Calexico East Port of Entry
ICTC Contract No. 20-101
Project ID 1118000265
Federal Aid Project BUILD L-6471 (017)*

Technical Proposal		
Environmental Compliance Plan	No forms provided	Appendix C §C2.3
Risk Management Plan	No forms provided	Appendix C §C2.4
Utility Coordination	No forms provided	Appendix C §C2.5
C. Project Schedule, Construction Phasing/Sequencing Plan, and Safety and Security Program		
Project Schedule	No forms provided	Appendix C §C3.1
Construction Phasing/Sequencing Plan	No forms provided	Appendix C §C3.2
Safety and Security Program	No forms provided	Appendix C §C3.3

Price Proposal		
Proposers shall follow the order of the Price Proposal Checklist in their submissions. A copy of this document shall be submitted with Volume 3 – Price Proposal.		
Proposal Component	Form (if any)	ITP Cross-Reference
A. Price Proposal		
Price Proposal	Form 9	Appendix D §D2, 1(a)
Bridge Cost Estimate for Federal and State Reporting	Form 14	Appendix D §D2, 2(a)

C1. TECHNICAL PROPOSAL EXECUTIVE SUMMARY

CI. EXECUTIVE SUMMARY

Over the past several months, the Hazard Construction and Mark Thomas team has committed to pursuing and delivering to the Imperial County Transportation Commission (ICTC) the Calexico East Port of Entry Bridge Widening Project. Our team has reviewed the project objectives, requirements and concerns set forth by ICTC, and others, to develop a proposal that provides a quality project while limiting impacts to GSA, CBP, IID and the traveling public.

Organization and Contents

Our Technical Proposal is organized according to Appendix I-1 and is a culmination of the design requirements you have provided, the one-on-one meetings, and questions and answers communicated through request for information (RFI) process.

- Volume 1A:** Administrative Information
- Volume 1B:** Administrative Information
- Volume 2:** Technical Proposal
- Volume 3:** Price Proposal
- Volume 4:** Confidential Proprietary Information

Management & Operational Structure

We bring ICTC a fully integrated team, including subcontractors and subconsultants, who have relevant experience working along the U.S./Mexico border and on similar design-build projects. Leading our integrated design-build team is Project Manager, Brad Lothers, who brings more than 30 years of construction experience along with more than 10 years of experience managing a wide variety of projects in the Imperial Valley for various agencies and owners. Brad is the single point of contact with ICTC and will work daily with the design and construction teams to coordinate project activities and forecast and mitigate any potential project issues.



Keys to a Successful Project



Safety

We will address safety by incorporating accepted design standards detailed in other sections of this proposal. Utilizing these design standards ensures that the bridge, roadway, and other key design elements are safe and enduring features for the traveling public and border crossing workers.

It is Hazard Construction's continuing policy of that the first consideration in the performance of work shall be the safety of employees. All reasonable methods, procedures, and equipment necessary to achieve this will be used. We are firmly committed to maintaining a safe and healthy working environment and plan all work activities with safety in mind.



Mobility

Mobility will be improved through the widening of the bridge and approach roadway. Maintenance of traffic will provide safe, efficient, and secure traffic flows during construction, provide local and emergency vehicles access to Route 7 at the Calexico East Port of Entry Border Crossing inspection booths, and minimize impacts to Route 7 traffic. The completed project will implement a design with improved geometry that meets Caltrans' design and construction standards.



Environmental Compliance

The team will utilize environmental specialists and consultants who will work with local, state, and federal regulatory agencies to make certain the environmental documents and permits are executed and completed for the project. Environmental inspections and surveys will take place as required to protect any wildlife and provide mitigation as the need arises. All employees working on the project are required to attend an environmental training class to make sure they are aware of any environmental concerns. The All-American Canal is a vital part of the Imperial Valley and the team understands its importance. We will implement best management practices (BMPs) as required to control sediment and storm water runoff in order to ensure the canal water quality is maintained.



Communication

Communication is critical to all projects but working in a port of entry facility on the U.S./Mexico border makes it even more crucial. The team recognizes this and is prepared to mitigate disruptions to GSA, CBP, and IID services during the project life cycle. All parties will be involved in weekly meetings where updates, concerns, and mitigation measures during design and construction will be heard. During construction, all parties will be provided weekly schedules showing what scopes of work will be active, what areas they will be working in, and any areas, or tunnels, that may be closed to traffic.



Schedule

Hazard is committed to designing and constructing the project in 460 Working Days from NTP1 as outlined in the proposal documents. The team understands the scheduling requirements and funding obligations and has planned for CBP's scheduling requirements. We will sequence the work, while always maintaining access through one tunnel to maintain patrol access along the All-American Canal bank. Since there are no lane closures allowed during the CBP's hours of operation, all work on top of the bridge that requires lane closures will be performed at night when the facility is closed. The majority of work from under the bridge, or on the canal bank, will take place during daytime working hours.

Stages of Construction

- **Stage 1:** Bridge Widening (driven pile, girders, tunnel extensions, embankment, concrete pavement, approach slabs)
- **Stage 2:** New Pedestrian Walkway (concrete barrier, concrete pavement, fencing)
- **Stage 3:** Remove Existing Walkway (demolition, concrete barrier, concrete pavement)
- **Stage 4:** Bridge Maintenance Work (rehabilitation of bridge deck, repair concrete, replace bolts, clean bridge)



Site Security

Security is of the most importance on this project to keep our country safe and secure. Following Homeland Security Presidential Directive 12, all employees on the project will be required to obtain the proper security clearance for working on the site, which includes background checks, fingerprinting and badging. The site safety/security supervisor will ensure that all requirements are met and that no employees, or subcontractors, are accessing the site without the proper clearances. Additionally, the site safety/security supervisor will work with GSA, CBP, and Border Patrol to verify the site is secure and up to the required security standards for the job site and facility.



Risk Mitigation

One of the greatest attributes of the design-build process is that the unified design-build team works together to identify, quantify, and mitigate risks early in the design development phase. Our team has already identified potential project risks and is ready to continue to monitor and mitigate those risks as the project progresses through design and into construction, while promoting improved relationships between all parties throughout the course of the project.

C2. MANAGEMENT/ADMINISTRATION
C2.1. Preliminary Project Management Plan

C2.1. PRELIMINARY PROJECT MANAGEMENT PLAN

Our team – Hazard Construction, Mark Thomas and Company, and our subconsultants – has spent the past several months working together to develop a design and construction approach for the Calexico East Port of Entry Bridge Widening Project that focuses on safety and quality while minimizing impacts to the traveling public, port of entry operations, and the environment. The project team, led by Project Manager, Brad Lothers, and Design Manager, Paul Mittica, are ready to include ICTC and Caltrans into the integrated team immediately after award.

Design Management

Design management utilizes Mark Thomas and Company and their familiarity with Caltrans' design standards, processes, requirements, and modern field processes to ensure a streamlined constructible final design that minimizes design exceptions.

Integrated Streamlined Design

The team is committed to providing a streamlined design that meets all the criteria required and previously discussed. The process has already started with the first one-on-one meeting which was held with ICTC and Caltrans. We developed questions regarding the project and listened to your responses and requirements and have taken all of that into consideration for our design. Meetings like that move design forward with minimal redesign. Additionally, our team has a functional working relationship with Caltrans in District 11. For example,

we have worked on Value Engineering Concepts on numerous Caltrans projects that includes collaborating with the Design and Construction Division to make sure all the concerns are heard. This relationship is key to making sure design is streamlined.

Design and Construction Interface

The design team will work with the construction team during the whole design process to ensure an efficiently constructible design. This will lead to a final design that is safe, cost effective, high quality, and most importantly, constructible in the field.

Technical Work Group meetings will be held throughout the design phase to review the design and criteria for construction. These work groups further reduce the likelihood of field issues arising that could potentially delay construction. Reviewing and having the construction team involved in this phase of the project gives the designer insight as to what the requirements in the field will be when it comes to constructing the work. By working together, the team has an opportunity to get out in front of any design issues, discuss them, and develop a solution before it has a chance to impact the project.

Document Control

Consistent document control is a key aspect of a design-build project and requires a strong document control system to manage the flow of data through the life of the project. The team will implement and

use a construction management software that has a proven track record. Procore, or similar software, will be used to track correspondence and create and manage RFIs, submittals, as-builts, and schedule updates. All team members will use this software, including Caltrans staff, to provide accurate and consistent document control until the project is closed out.

Construction Management

Our construction team has been involved in the project throughout this pursuit and have provided design input and constructability review. The Hazard Construction management team's approach to managing a successful project includes proper staffing with knowledgeable and motivated individuals who are willing to bring ideas to the project through effective communication with the design and Caltrans teams.

Hazard Construction has a history of working in the Imperial Valley with many different agencies to construct bridges, pave roadways, install underground utilities, and widen roadways. We are eager to partner again on this project and widen the Route 7 East Port of Entry Bridge.

Phasing and Execution

The project will follow the preliminary phasing/staging as provided in the Project Requirements. A key part to project success will be to minimize the impacts to the public and GSA throughout the stages of work. The construction team will review each stage of work (currently four stages) in detail to develop a construction work plan that limits public inconvenience while

meeting all the construction requirements.

Stages of Construction

- **Stage 1:** Bridge Widening (driven pile, girders, tunnel extensions, embankment, concrete pavement, approach slabs)
- **Stage 2:** New Pedestrian Walkway (concrete barrier, concrete pavement, fencing)
- **Stage 3:** Remove Existing Walkway (demolition, concrete barrier, concrete pavement)
- **Stage 4:** Bridge Maintenance Work (rehab bridge deck, repair concrete, replace bolts, clean bridge)

Work plans will be developed prior to the construction phase to ensure there are minimal, or no, delays during construction. These work plans will be shared with Caltrans, GSA, CBP, IID, and any other stakeholders to make sure there are no issues with construction. If an issue arises, all parties will partner and work as a team to find a common solution that benefits the project and parties.

During weekly meetings, the three-week look ahead schedules will be shared and reviewed. This will provide a real time look at allocation of resources and provide a guide for the agencies to know exactly what is going on the project, when and where we will be working, and if there are any road or tunnel closures currently in affect.

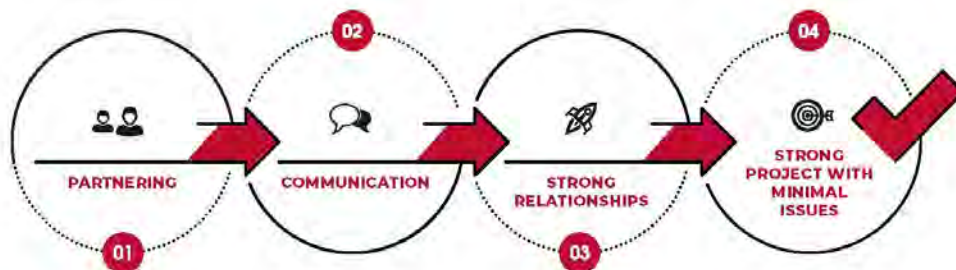
Communication

Communication is the key to a successful project. We believe that Partnering leads to stronger lines of communication and we

are committed to Partnering throughout the project. Open lines of communication build strong relationships and allow all work to be coordinated effectively, meet schedules, and avoid potential project issues.

We will hold task work group meetings to allow everyone to review the specific scopes of work and address all the critical scope areas, such as safety, traffic control, environmental control, and access through the jobsite.

The team recognizes the importance of this and is prepared to mitigate disruptions to GSA, CBP, and IID services during construction. All parties will be involved in weekly meetings where updates, concerns, and mitigation measures during design and construction will be heard. During construction, all parties will be provided weekly schedules showing what scopes of work will be going on, what areas they will be working in, and any areas, or tunnels, that may be closed to traffic.



Interface with QC/QV

Our quality manager will see that the quality validation (QV) efforts meet Caltrans' expectations. They will oversee the entire QV program for design and construction.

We will create a plan that defines the interaction between construction and QC/QV staff. The plan will include specified roles, pre-construction meetings, checklists, documentation requirements, and any required training.

Stakeholders and Public Involvement

The project team will engage the appropriate stakeholders and make sure they are involved in the crucial aspects of the project that involve them. Proper timely notification and coordination will be maintained with the agencies to ensure they are ready and available when they are needed. We will also maintain an "open door policy" when it comes to all agencies. We encourage them to participate in weekly meetings, design coordination meetings, partnering, and other project related matters. This "open door policy" fosters a team atmosphere, not just internally with the design and construction teams, but for the project as a whole. Given the current conditions due to COVID-19 and to take our

“open door policy” to another level, our consistent scheduling of group meetings will be documented and easily available for offsite members to join conveniently.

Plans and permits require extensive coordination with third party agencies. The team will diligently work with those agencies in procuring permits in a timely manner to keep the project moving forward. Some of those outside agencies include:

- County of Imperial – Traffic Control Permit
- Imperial Irrigation District – Encroachment Permit
- Environmental Permits – Local and State
- State Water Resources Board – Storm Water Permit

Public involvement and outreach is an area of focus for the project team. We will stay engaged with local agencies to make sure the public, emergency services providers, and local businesses are kept informed of any major closures, traffic modifications, or any other areas of concern that may impact the way they do business on a day-to-day basis.

DBE Performance Plan

The team has already been actively pursuing Disadvantaged Business Enterprise (DBE) subcontractors and suppliers to participate in the project. We currently have Earth Mechanics, Inc.; Advantec Consulting Engineers, Inc.; and Barrett's Biological Surveys as part of the project team. When awarded the project,

we will continue to look for opportunities to add DBE subcontractors and suppliers to the project as design progresses and explore ways to break up larger scopes of work into smaller packages to be subcontracted to DBEs.

DBE Performance Plan Overview

- Project meetings to establish DBE outreach strategies for focused outreach
- Advertise/solicit DBE for quotes
- On-going solicitation throughout design and construction phases
- Create/maintain Bidder's List
- Verify DBE certification and participation credit
- Compile/prepare Good Faith Efforts Submittal Package
- All DBE utilization reporting (monthly and final)

Preliminary Quality Plan

Our team is committed to providing a high-quality project that meets, and/or exceeds, ICTC and Caltrans requirements. To accomplish this, quality will be built into all project aspects. To ensure a quality project is provided, we will prepare and implement a Quality Management Plan for all aspects of the project, including design and construction.

QC/QV for Design Work

The team will develop a project-specific Design Quality Management Plan to serve as a guide for the QC/QV process during design. The process includes repeated

checks and input from all parties to ensure design meets the applicable Caltrans and FHWA standards.

Overview of Process

- 1. Planning:** scope definition, procedures, technical requirements
- 2. Preparing Documents:** task work groups, consultation with other agencies
- 3. Initial Review:** design standard review, constructability review
- 4. Revisions:** revise after initial review to incorporate comments
- 5. Submittal and Review:** Caltrans and other agencies
- 6. Final Review:** EOR, PM approval, Caltrans signature
- 7. Distribute Plans**

QC/QV for Construction

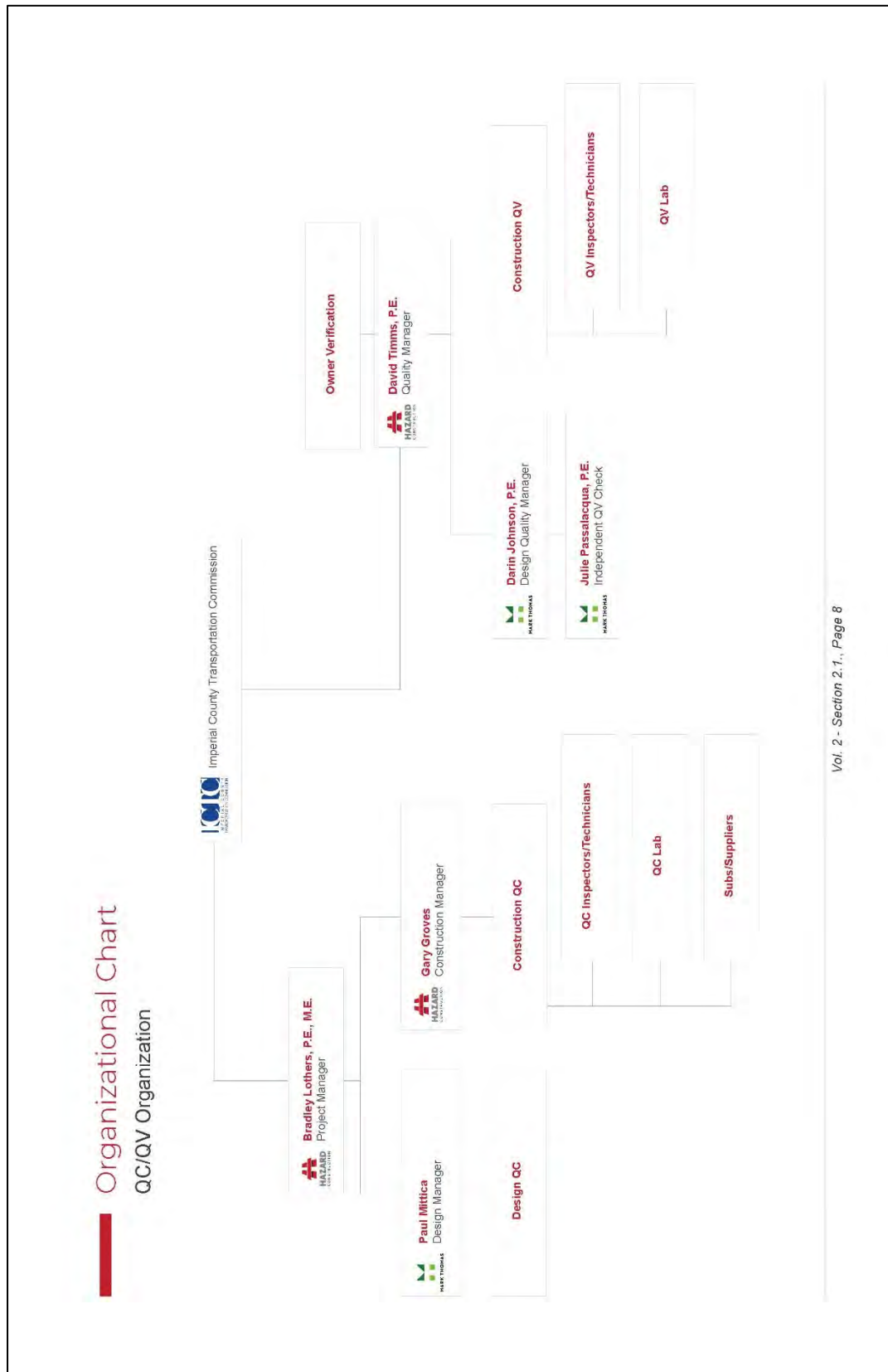
The team will develop a project-specific Construction Quality Management Plan to serve as a guide for the QC/QV process during construction. The construction manager will use the plan to control the quality of construction and verify construction is meeting or exceeding requirements. The plan will show the detailed interaction between QC and QV and requirements for independently verifying quality control on the project.

Overview of Process

- 1. Quality Validation During Construction:** Independent validation that QC is following its approved processes and procedures. Independent laboratory will validate testing and inspection on an approved frequency.
- 2. Inspection and Testing Process:** Perform testing and inspection per the work plan. QC team to perform final inspections and testing. QV team will audit and perform independent testing and verification. Any non-conformance will be followed up with and appropriate mitigation measures will be taken.
- 3. QC/QV for Procurement:** Major subcontractors and suppliers will be required to develop and submit a QC Plan for the team's approval prior to starting work.







C2. MANAGEMENT/ADMINISTRATION

C2.2. Preliminary Design Approach Submittal

C2.2 PRELIMINARY DESIGN APPROACH

The Calexico East Port of Entry (POE) project proposes to improve and enhance traffic needs at the POE. This project will improve a critical and heavily traveled access point between the United States and Mexico that has both local and regional significance. The general scope of work involves widening the existing bridge crossing over the All-American Canal by adding a total of four (4) new northbound lanes and eight-foot shoulder (two for commercial traffic and two for passenger traffic), approach roadway widening, modification to existing drainage, signage, pavement delineation, site access and lighting in the project area. The proposed project improvements are consistent with **Option B** as defined in the approved Project Report. The following sections outline the preliminary design approach submittal overview and narrative. The narrative describes key features of the Hazard Construction & Mark Thomas Team's design concepts and the proposed modifications to the conceptual design not already addressed in the Approved Project Report (PR) and its Attachments. **Our team recognizes the advanced preliminary design detail provided in the PR and its Attachments and fully incorporates the layout provided except where explicitly indicating additions or modifications.**

Bridge Widening Design

The proposed bridge widening including the additional shoulder width included with Option B will utilize built up steel plate girders consistent with the PR as

well as what is consistent with the existing bridge structure. This approach will ensure consistent performance with the existing bridge as well as streamlined approvals for structure type selection. See Appendix for the bridge general plan, typical section, and foundation plan for abutment pile layouts.

The new bridge widening consists of the following:

- Maintaining the same length (175 ft.) as the existing bridge and 5-ft. minimum soffit clearance over high water level for canal
- Abutments on driven steel pipe or precast concrete piles with battered front piles
- Extending existing sheet pile wall in front of abutment approximately 60 ft. at each bank
- Extending existing north and south box culvert tunnels and retaining wall

Overall bridge construction phasing will be consistent with the PR major traffic shifts and sequence. Relative to the specific construction phasing for the bridge widening, the following steps are necessary for widening the bridge:

- **Step 1:** Driving pile then constructing the abutment foundations and caps, completing the south approach first and then moving to north approach.
- **Step 2:** Mobilize girders and cranes to complete the girder placement.

▪ **Step 3:** Finalize and construct superstructure elements including diaphragms, decking using steel pan forms (eliminating falsework), deck drains, bridge parapet, wing walls and bridge lighting. Road widening will occur on the south portion of the approach and then move the north.

▪ **Step 4:** The closure pour between the new and existing bridge is then cast and after curing, traffic can be shifted to the new bridge.

▪ **Step 5:** Permanent median barriers will be constructed, and pedestrian walkway will be relocated.

The above mentioned steps will need to be complied and coordinated with General Services Administration (GSA)/U.S. Customs and Border Patrol (CBP) facility hours of operation, traffic restrictions, and maintaining at least one tunnel open at all times.

Bridge Rehabilitation

Option B work includes non-critical rehabilitation work on the existing structures and tunnels. The 2019 bridge assessment report outlines the rehabilitation work that will need to be completed. These improvements include: joint seal replacement, addition of bearing restraining devices, touch-up paint to uncoated bolts and connection plate, crack repairs, replacement of tunnel lighting, and bridge approach repaving. Portions of the bridge rehabilitation work will require lane closures including bridge approach repaving. Some of these rehabilitation items will need to be completed after the

widening is constructed to maintain current traffic capacity.

Roadway Design

Consistent with the Build Alternative (Option B) in the PR, the proposed roadway improvements tasks include the following:

- Four (4) additional northbound lanes and an eight-foot shoulder,
- Widening the existing Calexico Bridge by approximately 60.5 ft.,
- Relocating the existing pedestrian walkway,
- Improvements will join the existing condition approximately 800 ft. north of the US and Mexico border,
- Extending existing reinforced concrete box (RCB) tunnels,
- Documenting and obtaining Caltrans' approval on the nonstandard design features in a Design Standard Decision Document (DSDD).



Figure 1 Existing North Tunnel

The proposed improvements will join the similar improvements procured by the Mexican government. See Construction Interface at the US/Mexico Border section for additional discussion regarding temporary transition for the project.

Right of way lines and additional right of way needs (fee) are not required for the widening and therefore not identified on the typical roadway cross-section above.

Right of Way

Temporary construction easement will be required for the proposed improvements. Our team proposes early access for the Imperial Irrigation District (IID) encroachment permit through a written request to Imperial County Transportation Commission (ICTC) and include early release items for construction such as: surveys, geotechnical investigations, bridge abutment work, and girder placement. The goal is to obtain early Released for Construction (RFC) for these items, along with the required Right of Way certification from Caltrans, and meet the required total working days as specified in the RFP.

The table below outlines the properties and property interests within the project limits.

No.	Property Owner(s)	APN	Address	Property Interests	Existing Improvements
1	United States Bureau of Reclamation (USBR)	059-513-018	All-American Canal	License Agreement	Tunnel Access
2	United States of America	059-220-010	1699 Carr Road	TCE for construction access	Existing fence, trees, and camera. Protect solar panels
3	Chapel L. Transporters, LLC	059-513-004	363 Nina Lee Road	TCE Hazard to Negotiate Permit to Enter for construction access	None significant

Permitting

Table below outlines the permits required for the project.

Agency	Permit Type	Action Needed
Imperial Irrigation District (IID)	Encroachment Permit for geotechnical investigation and construction efforts.	Coordinating with both IID and IID Energy.
United States Bureau of Reclamation (USBR)	Application for Transportation, Utility Systems, Telecommunications and Facilities on Federal Lands and Property	Submit plans, legal descriptions including meets and bounds.
Imperial County Public Works Department (ICPWD)	Transportation permit	Coordinate with ICPWD regarding utilizing County road as one of the construction activity roads.

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Transportation Management Memorandum (TMM)

The proposed construction will occur in three major stages. The Stage Construction Plan sheets in Attachment G of the PR are consistent with our team's major stages of work and steps described in the Bridge Widening Design Approach along with the phase notes and sequence of work activities, including equipment needs. Per the RFP, closures will not be allowed for the existing access roadway, and access to both the GSA and CBP sites will need to be always maintained. Due to the continuous stream of traffic entering and exiting the POE during the day, it is anticipated that all work that will impact existing traffic will be done at night and temporary closures will not be required.

Stage 1: During the first stage, the bridge widening, roadway widening, and north and south tunnel extensions will be constructed. The existing median barrier that separates NB and SB commercial vehicles will be adjusted to provide four (4), 13-ft. lanes (approximately). The closure pour between the existing bridge and new bridge will be completed.

Stage 2: During the second stage, the four (4) lanes of commercial vehicle traffic, two (2) NB and two (2) SB lanes, will be shifted to the new structure. The deck slope of the most easterly existing bridge will be adjusted with a polyester concrete overlay. Additionally, the existing pedestrian walkway will be realigned to the post-project location.

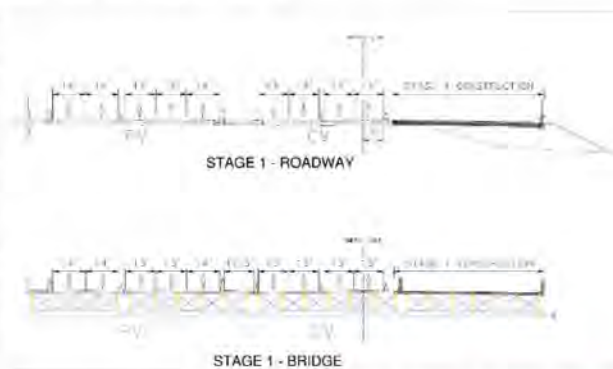


Figure 2: Stage 1 Typical Section

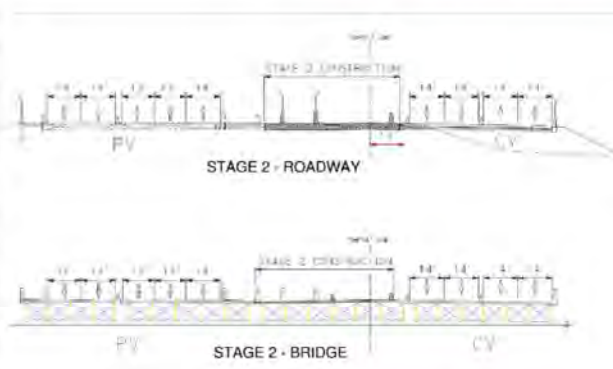


Figure 3: Stage 2 Typical Section

Stage 3: At the completion of the second stage, pedestrians will be shifted to the new walkway and the existing pedestrian walkway will be removed. The two (2) additional private vehicle travel lanes will be added in the NB direction.

Utilities

As noted in the PR, existing utilities are not anticipated to be impacted as part of the project, and a preliminary conflict matrix and utility relocation plan is not necessary at this time. If a utility or on-site facility is discovered near anticipated work, our team will follow the utility coordination method and, if needed, potholing will be conducted to positively identify the existing utility locations, and mitigate unforeseen relocations as stated in the PR.

Landscape

After an initial site visit and additional review, the existing trees and landscape elements near the north-easterly widening will be surveyed, inventoried, and restored based on their temporary removal to allow for construction access. Bonded fiber matrix will also be applied to the project embankment slope area and construction access road for erosion control purposes.

Drainage

The existing drainage system will be modified to perpetuate the existing drainage pattern. The work includes

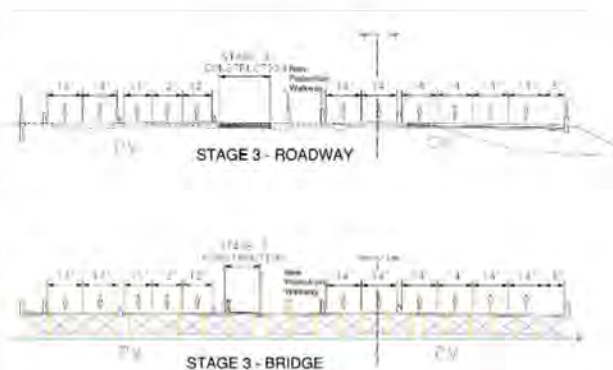


Figure 4: Stage 3 Typical Section

extending culverts, relocating an existing pump station, enlarging an existing detention basin, and creating a new detention basin. The culvert extensions will be designed, procured, and constructed early during the construction sequence to convey stormwater from upstream runoff. The runoff from the bridges will flow into a deck drain system and into two (2) basins as shown in the PR. A risk level 2 PS&E level Stormwater Data Report (SWDR) will be prepared, and Best Management Practices (BMPs) will be implemented as part of the project design. The proposed design will follow Caltrans Highway Design Manual and County of Imperial Department of Public Works standards.

Pump Station Relocation

The existing pump station will be removed, and a new pump station will be installed approximately 60 ft. east of the existing pump station location on the north east quadrant of the bridge widening to allow room for construction and final project footprint. Due to the widening, this pump station and its associated pipe and

electrical wiring will need to be relocated to the new location noted on the Drainage Plan (D-1) sheet in Attachment G of the PR.

Roadway Lighting System and Access Road/Tunnel Lighting System

Our team will verify as-built plans requested from GSA at Notice to Proceed (NTP) and will conduct a thorough field investigation with GSA maintenance personnel to determine the location of the existing roadway lighting system including electroliers, conduits, conductors and electrical service point connections, camera locations, and CCTV electrical service connection. Final roadway lighting and CCTV plans will be done in conformance with GSA and CBP design requirements and will accommodate the bridge expansion.

Signage

Existing signs will need to be updated and/or replaced to align with the proposed improvements. Existing signage conditions will be visually evaluated, surveyed, and documented to determine if replacements are needed. During a field visit in October 2020, our team identified signs that will need to be replaced, as the sign messages are faded.

Construction Interface at the US/Mexico Border

Per Section 1.12 of the revised ITP, issued as part of Addendum No. 5, it is assumed a short temporary transition section may be required from the proposed roadway section to match the existing roadway cross section on the Mexico side of the Border if construction on the Mexico side is not

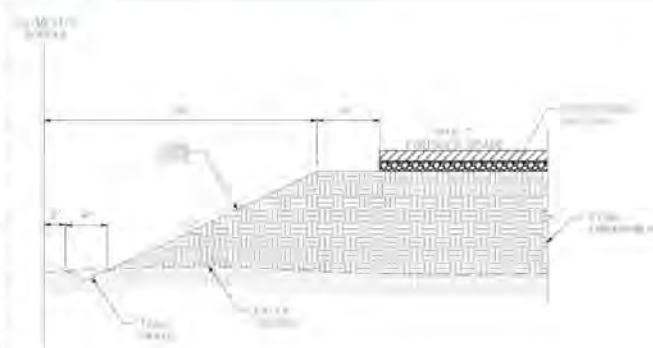


Figure 5: Temporary Slope Condition

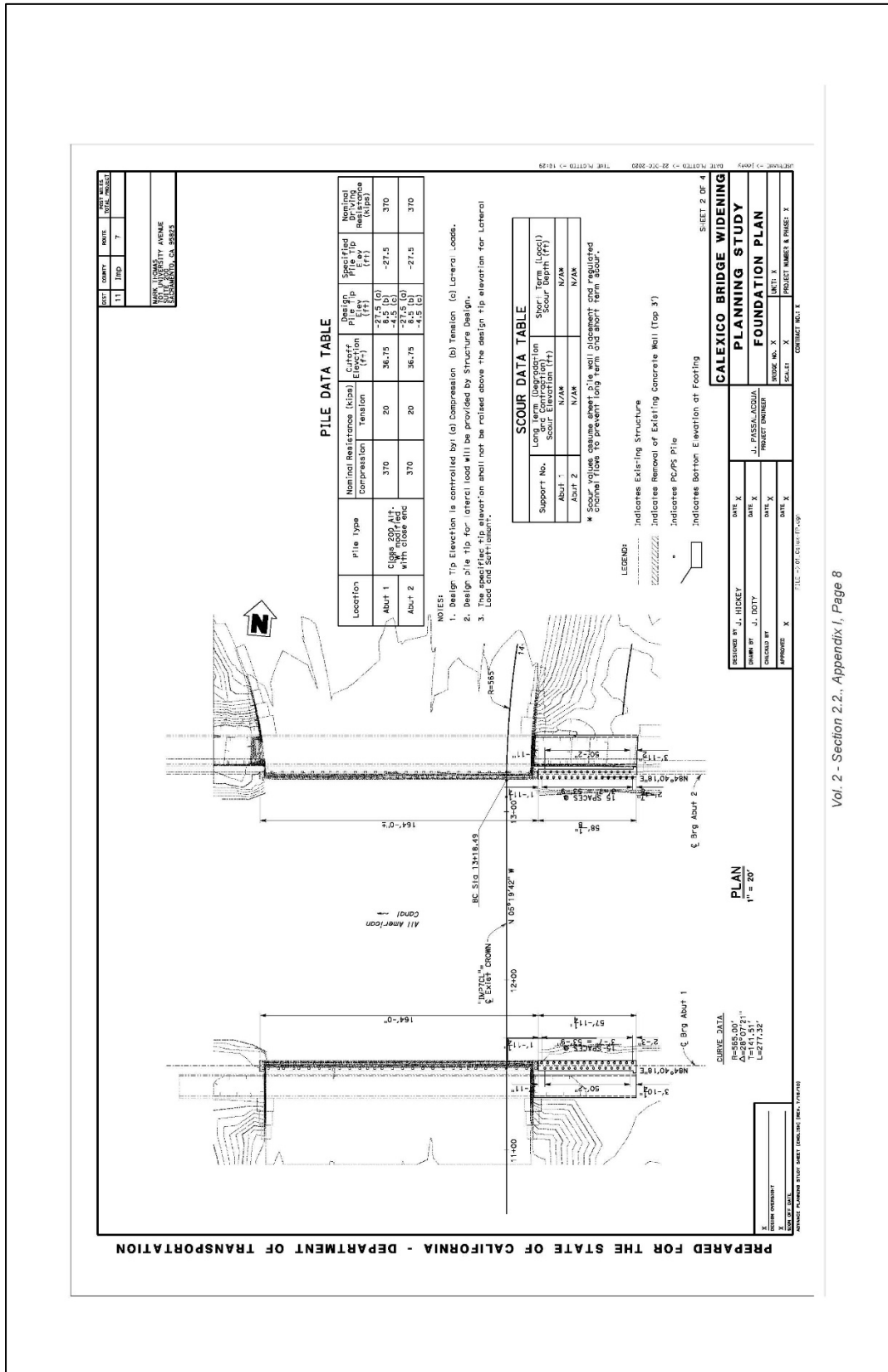
concurrent with our project. See Figure 5 for the proposed temporary slope condition to accommodate this temporary condition. The Phase 1 traffic handling configuration and existing pedestrian walkway would remain in place until the work on the Mexico side of the Border has been completed, allowing traffic to be shifted to the new widening and construction to continue.

C2.2. Preliminary Design Approach Submittal

APPENDIX I

Contents:

Bridge Exhibits



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DATE OF ESTIMATE	12-01-2020	COUNTY	IMPERIAL	POST MILE TOTAL PROJECT
BRIDGE REMOVAL	--	11	Imp	7
STRUCTURE DEPTH	--			
LENGTH	--			
WIDTH	--			
AREA	--			
COST: 1/4% INCLUDING TRAVEL, UTILIZATION & 25% CONTINGENCY	--			
TOTAL COST	--			

LEGEND:

- Indicates Direction of Traffic
- Indicates Bridge Removal (Portion)
- Indicates Existing Structure

NOTES:

- 1 Concrete Barrier (Type R42 Mod) with Chain Link Railing Type 7
- 2 Concrete Barrier (Type 60M Mod)
- 3 Temporary RAILING (Type K)
- 4 Structure Approach, Type N (30) Mod
- 5 Reinforced Concrete Transition Slab
- 6 Reinforced Concrete Overlay
- 7 Class 200 Driven Piles (L=64'-0"/pile, Tot 48 piles)
- 8 Tunnel, see "ROAD PLANS"
- 9 Expansion Joint Seal at abutments (Met 1/2")
- 10 Expansion Joint Filler (Met 1/2")
- 11 Existing sheet piling

ASSUMPTIONS:

1. This bridge is owned and operated by General Service Administration and does not have Caltrans's Bridge Number.
2. Exist uniform longitudinal and cross slope to be maintained unless otherwise indicated.
3. Temporary RAILING (Type K) by the District.
4. Stage construction/traffic control, is expected. Traffic heading south to Calexico will be adjacent to the canal, temporary or permanent falling into the canal. Right of way.
5. Existing transverse deck reinforcements to be protected in place.
6. This project requires permits from different agencies and biological assessment will be conducted to the canal, temporary or permanent piling to be installed.
7. Existing treatment is not considered.
8. Availability for lateral spreading and liquefaction exist. The ground may settle 1-2 Feet.
9. Soil and water of the site may be corrosive. No information available.
10. Potential for scour is considered to be OK.
11. Potential for scour is considered to be OK.
12. Pipe caps may be below adjacent water level. Dewatering, possible confining and seal course may be necessary to avoid water.
13. No rehabilitation work is included with this planning study.

CALEXICO BRIDGE WIDENING

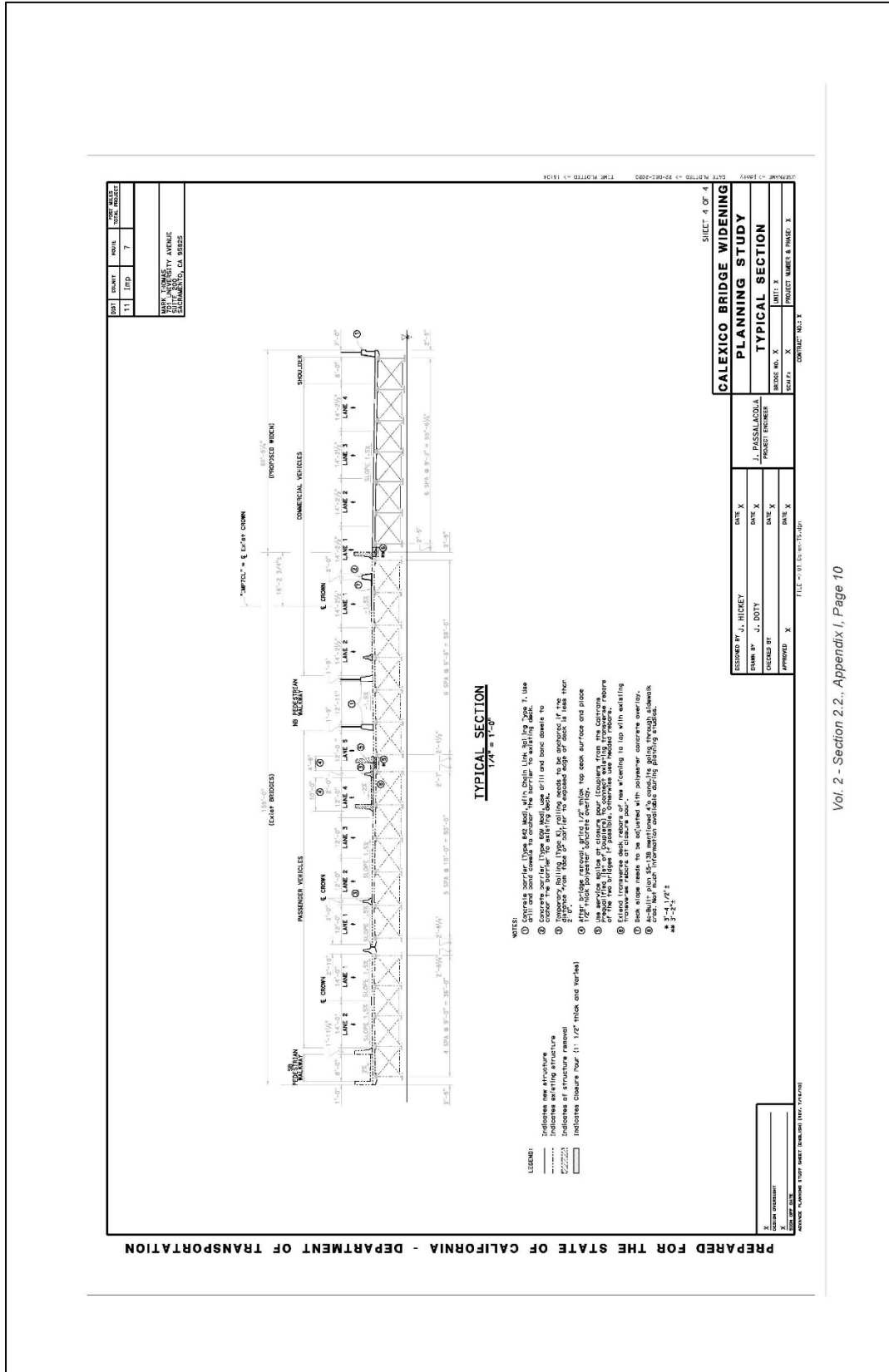
PLANNING STUDY	
GENERAL PLAN	
BRIDGE NO. X	UNIT X
SCALE: X	PROJECT NUMBER & PHASE: X

DESIGNED BY	J. HICKEY	DATE X
DRAWN BY	J. DORTY	DATE X
CHECKED BY		DATE X
APPROVED		DATE X

PROJECT ENGINEER

J. PASCALICOLA
PROJECT ENGINEER

FILE # DP-CALTRANS 675007



C2. MANAGEMENT/ADMINISTRATION
C2.3. Environmental Compliance Plan

C2.3. ENVIRONMENTAL COMPLIANCE PLAN

The project's environmental compliance plan ensures there is an effective plan in place to eliminate or reduce any environmental permit non-compliance incidents from occurring on the project. Each member of the project team plays a role in environmental compliance even throughout the project life.

The Environmental Compliance Plan will be created based on a collaborative effort with the project design and construction team. The project manager will coordinate an initial environmental compliance meeting where all environmental permit requirements and concerns will be shared and noted so they can be incorporated into the design and constructability reviews as the project design progresses. The plan will then be prepared to incorporate and outline the various permits and their requirements, environmental protection on the site, training program, and reporting.

To ensure that all onsite construction activities are performed in accordance with the Approved Project Report and its attachments, an Environmental Management Plan will be created by utilizing a consultant, Marie Barrett, from Barrett's Biological Surveys. Marie has extensive experience working in the Imperial Valley in the agricultural and biological field with a wide variety of agencies and understands what it takes to keep a jobsite environmentally compliant. Resume attached.

This plan will include the following:

- Environmental personnel and training certificates and/or licenses
- Environmental Notification Contact List
- Schedule of Environmental Management Plan activities
- List of mitigation and monitoring actions
- Environmental Monitoring Plan and monthly reporting
- Spill Containment and Countermeasure Plan
- Noise Control and Monitoring Plan
- Vibration Monitoring and Mitigation Plan
- Air Quality Management Plan
- Asbestos Control Management Plan
- Lead-Based Paint Control Management Plan
- Aerially Deposited Lead Soils Management Plan

All employees and subcontractors will go through a site-specific environmental protection training prepared by Barrett's Biological Surveys as a requirement to work on the project and a list of those trained will be kept onsite for review. Additionally, Barrett's Biological Surveys will provide regular site visits and monthly reports documenting compliance with the requirements in addition to any special inspection/surveys for environmentally sensitive scopes of work being performed.

We will utilize the services of a consultant to create and implement a Storm Water Pollution Prevention Plan (SWPPP). Hazard has several consultants that we regularly do business with who have created many SWPPP's for Caltrans projects. They will assist in uploading the SWPPP into SMARTS for approval and obtaining the WDID Permit Number. All required stormwater training, inspections, sampling and analysis, and reporting will be performed by qualified onsite staff or the stormwater consultant.

This project will require extra precautions to protect the All-American Canal from stormwater runoff, contamination, or construction debris. Minimal dewatering is anticipated during construction activities, however if needed, we will pump into a water truck and spray onsite as dust control. We will not discharge any groundwater back into the waterways.



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MARIE S. BARRETT

2035 Forrester Road, El Centro, CA 92243 (760) 352 4159 mariebarrett@roadrunner.com

LICENSES/CERTIFICATES

Flat Tailed Horn Lizard Surveyor CDFW/BLM
Burrowing Owl Surveyor (CDFW/USFWS)
USFW Desert Tortoise Egg Handling Desert Tortoise Council Survey Techniques Workshop Certificate
BCI Bat Conservation and Management Workshop (Acoustic) Certificate
Southwestern Willow Flycatcher Workshop Kernville, CA 2010
CA Scientific Collection Permit 126/USFWS Salvage Permit MB52633B-1

CAREER HISTORY

Barrett's Biological Surveys, El Centro, California BIOLOGIST 3/95 -present

Have performed numerous (over 40,000 acres) surveys involving varied wildlife including burrowing owl and plant species and written reports and biological assessments. Certified to perform Flat Tailed Horned Lizard Surveys; completed Desert Tortoise workshops; approved to handle desert tortoise (American Girl Mine/BLM project, 1/2013). Work closely with governmental agencies such as Bureau of Land Management, State Office of Mining Reclamation, California Department of Fish and Wildlife. Over 150 days spent in field monitoring/surveying for FTHL; 98 days in field monitoring/surveying for desert tortoise and 40,000 acres surveyed for burrowing owl; 3 IID Burrowing owl surveys with AECOM (2011/12- 275 hrs). Wrote Imperial Irrigation District (IID) Artificial Burrow Installation Manual (2009). Over 25 active burrowing owl burrows passively relocated and 50 artificial burrows installed. Volunteered for desert tortoise work (20 hrs) with Dr. Jeff Lovich. Coachella Valley Projects: Torres-Martinez (Desert Cahuilla Composting Facility Biological Resource Technical Report/Surveys 60 acres, SR 86/Ave 84, 2013; Augustine Tribe (Solar Farm Biological Resource Technical Report/Surveys 10 acres, La Quinta, CA, 2010); Benitez Family Trust Therapeutic Community, Dillon and Cabazon Roads, 10 acres, 2008); Chandri Group (Dairy Queen Chill/Grill Project, 1.5 acres, Date Palm Drive/I-10, La Quinta, CA, 2014). Blythe 8Minutenergy Mt. Signal Solar 4500 acres. Preconstruction surveys/construction monitoring and BUOW Post construction monitoring; Biological report. 2010-2020 Black Mt. MtTower Installation: desert tortoise survey and monitoring approved by BLM, El Centro office. Salton City Burretec Landfill FTHL monitoring/clearance 2010-2014 (42.5 hrs); Superior Redi Mix: FTHL surveys, Oat Pit Environmental Assessment for BLM, El Centro, 2009-20. (20 hours) SDG&E La Rosite Pole Replacement FTHL Monitoring 2012-2013(410 hrs); Imperial County Department of Public Works 4 Bridge biological assessments/reports and applicable permitting (2018-present) All American Aggregates, FTHL surveys, Boyd Road Mine Environmental Assessment, BLM El Centro, 2007. (9.5 hours) All American Aggregates, FTHL surveys, Wheeler Road Mine Environmental Assessment, BLM, El Centro, 2006. (8.5 hours); ValRock, FTHL surveys, Ocotillo ByPass Road Environmental Assessment, County of Imperial/BLM, El Centro, 2004. (7 hours). USFWS Authorized desert tortoise biologist: American Girl Mine and Mesquite Mine.

Citizens' Congressional Task Force on the New River, Brawley, Ca PROGRAM COORDINATOR 1/98 - present

Assisted with design, construction, planting and monitoring of four constructed wetlands in Imperial County. Responsible for coordinating activities relating to student and public outreach education to promote the water quality opportunities of wetlands ponding systems on the New River.

Imperial Valley College, Imperial, California ENVIRONMENTAL MANAGEMENT PROJECT COORDINATOR 9/95-12/99

Responsible for establishing an Environmental Technology curriculum, presenting public forums, short courses and certificate courses in hazardous materials and safety areas. In conjunction with Division Chairman, established a budget for 96-98 program and obtained funding of \$131,000 based on 95-96 program performance. Established short courses that trained over 700 people in hazardous materials safety programs. Compiled a survey of employers, which provided direction for the program.

VOLUNTEER ORGANIZATIONS

CALIFORNIA NATIVE PLANT SOCIETY: Imperial Valley Coordinator, 2006-2019.
SALTON SEA INTERNATIONAL BIRD FESTIVAL: Coordinator: 2001-2010. Organized bird festival in the Imperial Valley that attracted over 300 birders.
COLORADO RIVER WATER QUALITY CONTROL BOARD: Board member Dec 05-Sept 06.
FRIENDS OF SONNY BONO NATIONAL WILDLIFE REFUGE: Board Chairman, May 2015-2017

EDUCATION

University of Arizona, Tucson, Arizona
Masters of Science Degree – AGRICULTURAL EDUCATION
Thesis: Survey and training protocol for documenting burrowing owls and habitat in Imperial County, California
California State Polytechnic College, Kellogg-Voorhis Campus, Pomona, California
Bachelor of Science Degree.- AGRICULTURAL BIOLOGY
Imperial Valley College, Imperial, California Associate of Science Degree. AGRICULTURE

C2. MANAGEMENT/ADMINISTRATION

C2.4. Risk Management Plan

C2.4. RISK MANAGEMENT PLAN

We will prepare a risk matrix to identify project elements that can impact the scope of work, schedule, cost, quality, environmental, safety, or other risks in design and construction. The risk matrix will identify the probability of occurrence (high, medium, low) and will continue for the project duration as the risks can change as the project matures or anticipated risks disappear.

Our team will identify risks or opportunities and assess each one qualitatively. The risk matrix will track risk owners and triggers along with a draft mitigation approach, if required. Avoidance and mitigation measures will be developed by the whole team to reduce the overall project risk. An example of this is developing a strategy that is project-specific, like the approach to avoid IID relocations during bridge construction. The risk matrix assists with a strategy like early coordination with utility agencies, such as IID, to discuss construction clearances and help mitigate the potential risk to the project schedule.

The risk register will be updated and reviewed at team meetings to ensure that everyone is well aware of all risks and opportunities as the project progresses and measures are being taken to mitigate those risks.

Agencies		Project Risk Management Plan											
ID #	Risk Modified	Risk Mitigation			Threats/Opportunities			Risk Register			Risk Register		
		Functional Assignment	Responsible Party	Threat/Opportunity	Impact	Probability	Type	Impact	Probability	Type	Impact	Probability	
System	Phase	Assignment	Party	Threat/Opportunity	Impact	Probability	Type	Impact	Probability	Type	Impact	Probability	
1	Active	3/25/2021	RS&E and Construction	Project Management	Obtaining the license agreement to begin in line of the right of way certification.	High	Schedule	High	High	Schedule	High	High	
2	Active	3/25/2021	RS&E and Construction	Project Management	Lack of communication between the Federal, State and local agencies can result in delayed approvals.	Low	Schedule	Low	Low	Schedule	Low	Low	
3	Active	3/25/2021	RS&E and Construction	Project Management	During construction, alternatives to drive on ramps are available or permitted as an opportunity to avoid the need for a project.	Low	Cost	Low	Low	Cost	Low	Low	
4	Active	3/25/2021	Construction	Project Management	Poor NOT respect mobility and safety expectations.	Moderate	Quality	Moderate	Moderate	Quality	Moderate	Moderate	
5	Active	3/25/2021	Construction	Project Management	IS&GEP provides feedback that mobility and safety expectations.	Low	Quality	Low	Low	Quality	Low	Low	
6	Active	3/25/2021	RS&E and Construction	Project Management	IS&GEP provides feedback that security is not meeting their expectations.	Low	Quality	Low	Low	Quality	Low	Low	
7	Active	3/25/2021	Construction	Right of Way/ Utilities	Inconsistent schedule cause confusion about critical path milestones and public perception of the Project.	High	Schedule	High	High	Schedule	High	High	
8	Active	3/25/2021	Construction	Environmental	Conflicts with the ID Overhead power lines are unavoidable.	Low	Schedule	Low	Low	Schedule	Low	Low	
					Construction operations impact sensitive areas which include wetlands, riparian areas, and wetlands. Heavy trucking operations from this project and other roadwork can impact riparian areas.	Low	Schedule	Low	Low	Schedule	Low	Low	

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Priority	Status	Date Identified by a Project Phase	Functional Assignment	Identifiers Event/Component/Event	Risk Rating	Overall analysis		Project Risk Management Plan		Strategic Initiative	Review Schedule Dates/Responsibility	Person(s) (Risk Manager)	Monitoring and Control Last date changes made to risk and Comments
						Impact	Probability	Type	Impact				
10	Active	3/25/2021 Construction	Project Management	Transportation Infrastructure Public Works Transportation	ISSUE/INVESTIGATION of construction impacts on transportation	High	Medium	Cost	High	High	3/25/2021	3/25/2021	
10	Active	P&E and Construction	Project Management	Base building Infrastructure	Identify the correct level of infrastructure for the project	Medium	High	Cost	High	High	3/25/2021	3/25/2021	

C2. MANAGEMENT/ADMINISTRATION

C2.5. Utility Coordination

C2.5. UTILITY COORDINATION

The team will approach the utility coordination effort utilizing the Utility A-B-C Process. Based upon an initial examination of available records, field inspection, and a dig alert, a utility conflict matrix will be developed. An early request for general GSA and CBP on-site utility service facilities, solar field appurtenances, and IID as-built mapping within the project limits will be made and coordinated at NTP. The matrix will include disposition of each utility within the project limits and serve as a tracking record throughout the project. After additional review of the matrix with ICTC, Caltrans and GSA, the team will draft initial letters ("A" Letter) to the utility owners requesting current and planned facilities within and near the project area. The utilities will then be mapped in CAD and overlaid with the current bridge/roadway widening design. If it is determined that potholing existing utilities is necessary to confirm the protect-in-place assumption, especially high-risk facilities; underground exploratory potholes will be conducted to verify locations of existing utility facilities. If a conflict is determined, the team will counteract immediately by sending a claim letter to the current utility owner and coordinate with the Caltrans Right-of-Way. The claim letter begins a process to determine associated rights, develop a path for liability and agreement language, understand schedule implications and review the best course of action for the utility relocation plan and estimate. It is noted later that permanent conflicts are not anticipated, and the team is documenting

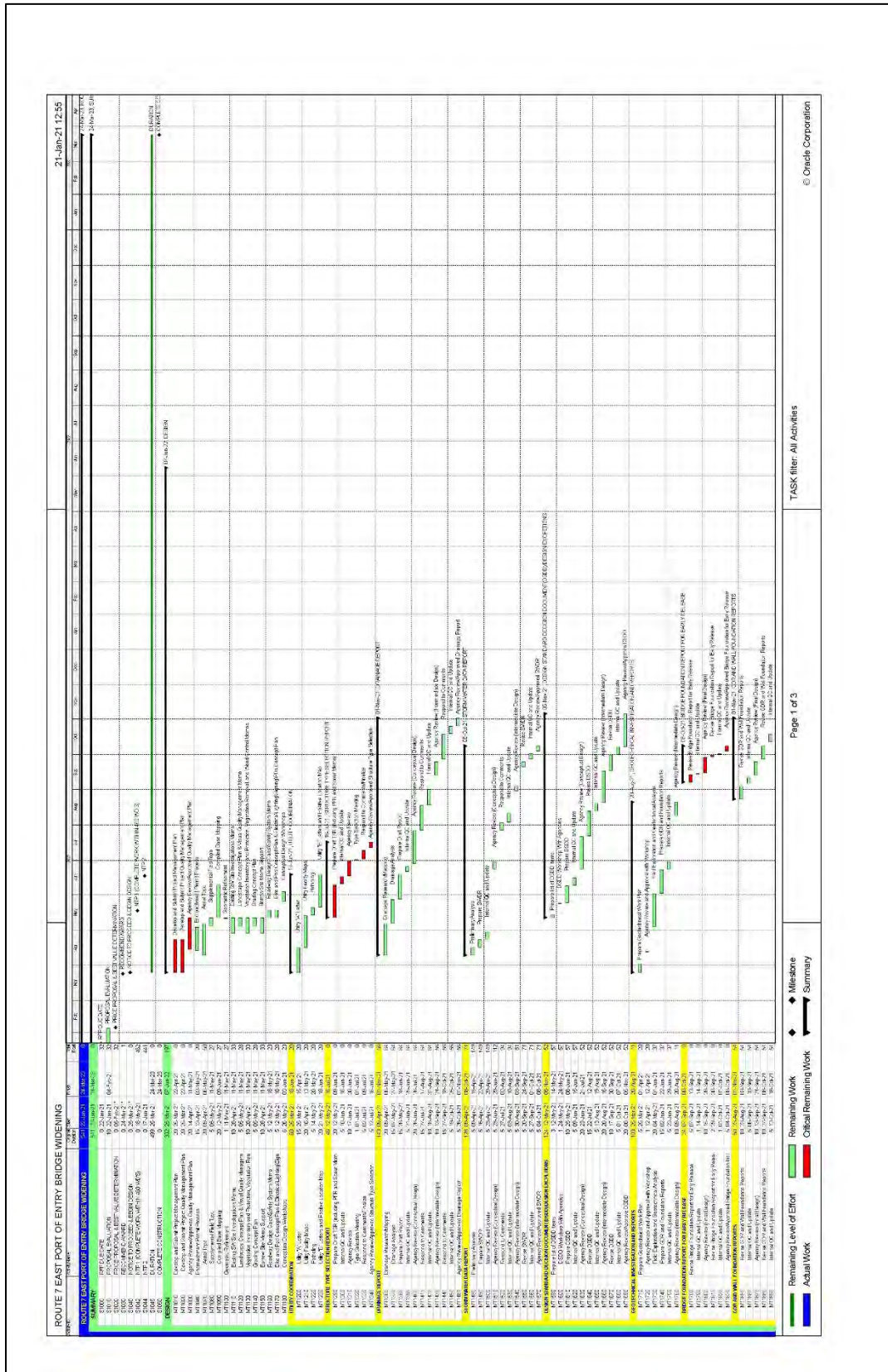
our project approach and understanding if such a case does occur. In most "no conflict" cases according to the PR, once the utility maps have been drawn in CAD and plotted based on the response to the "A" letters, the team will send "B" letters requesting that the utility owner verify the accuracy of the new maps. Once Caltrans Right-of-Way has reviewed the utility matrix, corresponding letters, and mapping and agree that conflicts are unlikely, the team will send final "No Conflict" letters for the project team's and owner's records. Should a conflict arise from early review/potholing or after a "B" letter review, the team will continue the claim letter process, review rights/liability, and discuss relocation plans through a "meeting of minds" with all stakeholders. At that meeting, the team will come prepared to discuss all economically feasible design refinements to avoid relocation with the utility owner. Once a clear path has been determined for liability and/or relocation, and if a utility agreement is required based on a Report of Investigation, the team, with Caltrans Right-of-Way approval, will send subsequent "C" letters with contract agreement language and a Notice to Owner formatted language. If needed, the team arrangements will be made within the construction sequence schedule, widening design, and updates to the Standard Special Provisions, allowing for utility relocation window or preconstruction activities.

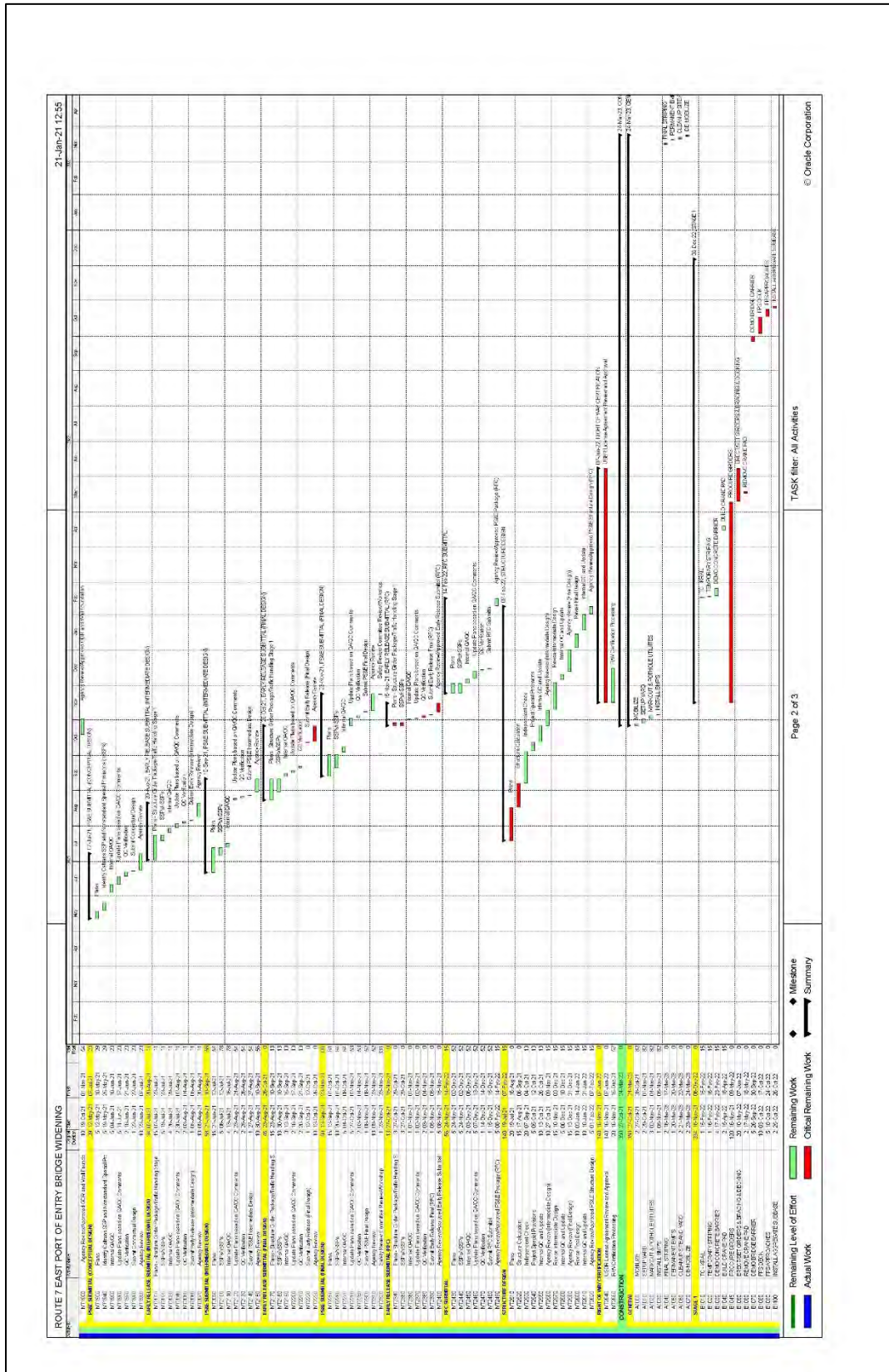


As noted in the Project Report, existing utilities are not anticipated to be impacted as part of the project and a preliminary conflict matrix and utility relocation plan are not expected to be necessary. As noted above, if a utility or on-site facility is discovered near anticipated work, the team will follow the utility coordination method previously outlined and, if needed, will conduct positive identification potholing to mitigate unforeseen relocations. There is an existing 230 kV overhead power line supported by steel poles, as part of the IID Energy Transmission system, that runs parallel to the All-American Canal and spans across the existing roadway. An existing steel electrical pole is located approximately 100 feet east of the current road. Based on the May 2020 Project Report, it is anticipated that the existing

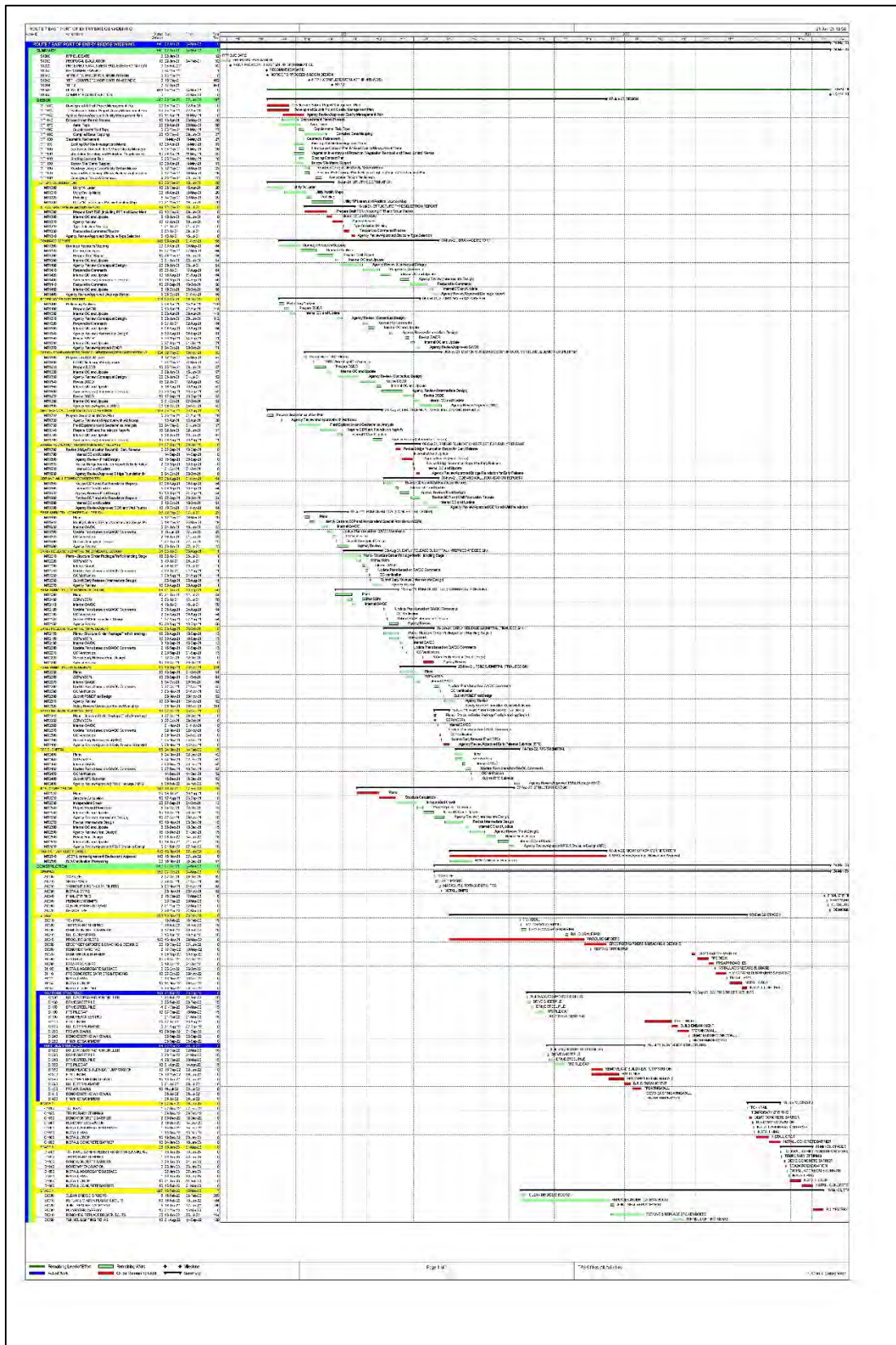
steel poles will not be impacted and will remain in place. Field survey of these existing steel poles as well as the electrical lines, will be completed to confirm the actual locations and clearance elevations. Obtaining survey data will assist in verifying the no impact assumption for the roadway widening design and construction equipment conflicts; eliminating risks in the schedule. As shown in the adjacent figure, our team has been working diligently with crane subcontractors to position the crane(s), depicted by red rectangles, and girder lifts so that the existing overhead lines will not be impacted during staging and girder placement operations. Crane operation will follow the required clearance needs as stated on the Section III, Table 1 of the California Public Utility Commission (CPUC) General Order 95 (GO 95).

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**C3. PROJECT SCHEDULE, CONSTRUCTION
PHASING/SEQUENCING PLAN, AND SAFETY AND
SECURITY PROGRAM**

C3.1. Project Schedule

C3.1. PROJECT SCHEDULE

The schedule includes significant level of detail showing our understanding and complexity of activities and relationships required to deliver the project. The schedule was created considering the design and construction requirements specified by ICTC. We commit to finishing construction within 460 Working Days from NTP 1 as specified in the Instruction To Bidders.

The schedule is broken down into three groups of work:

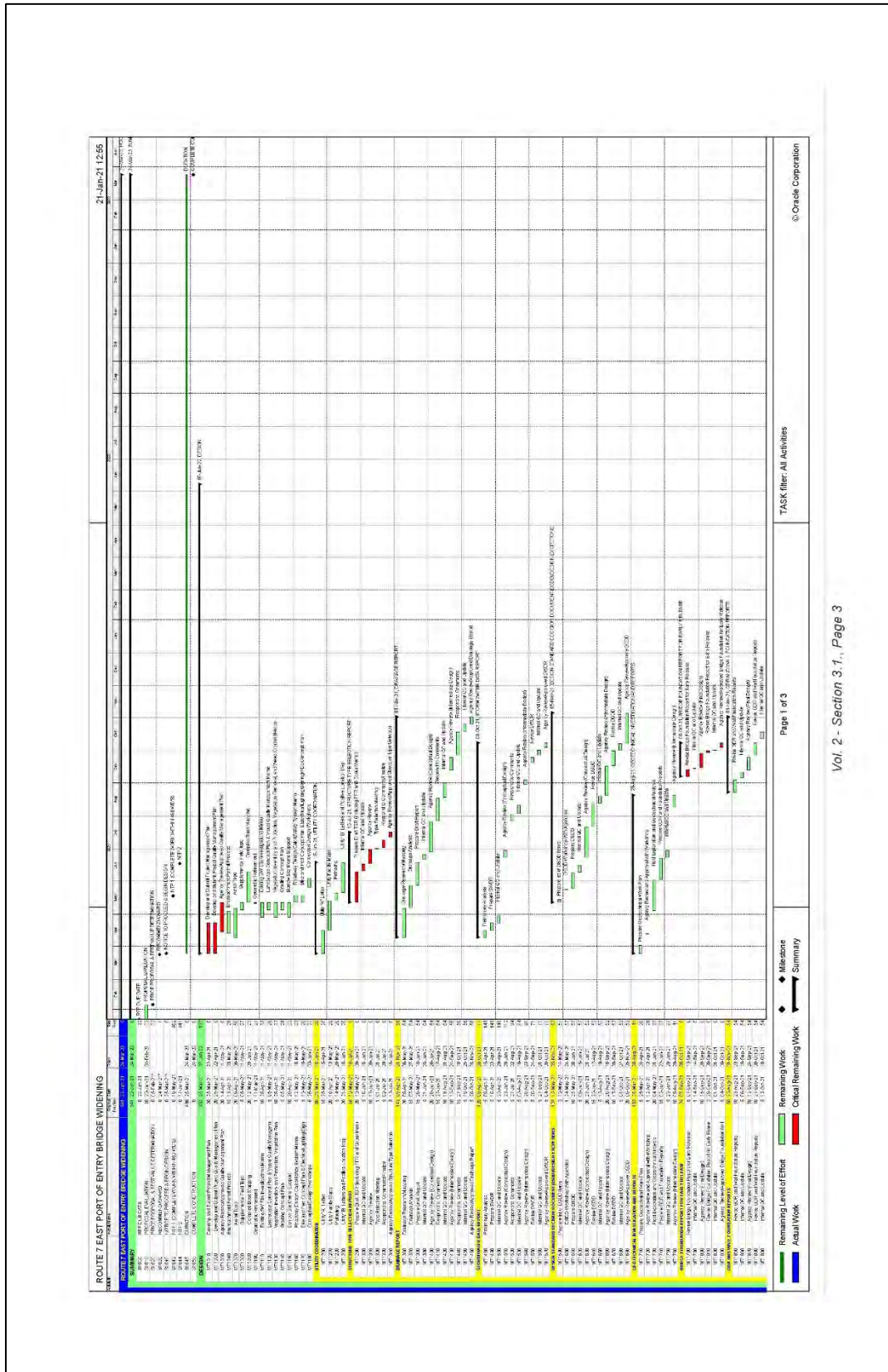
- **Summary:** Project summary highlighting contract milestone dates including award, NTP and construction completion
- **Design:** Is broken down into the specific scopes of design and work. This includes all QC/QV design requirements including conceptual, intermediate and final design process.
- **Construction:** Shows the construction of work broken down based on stages of construction work as well as north and south of canal.

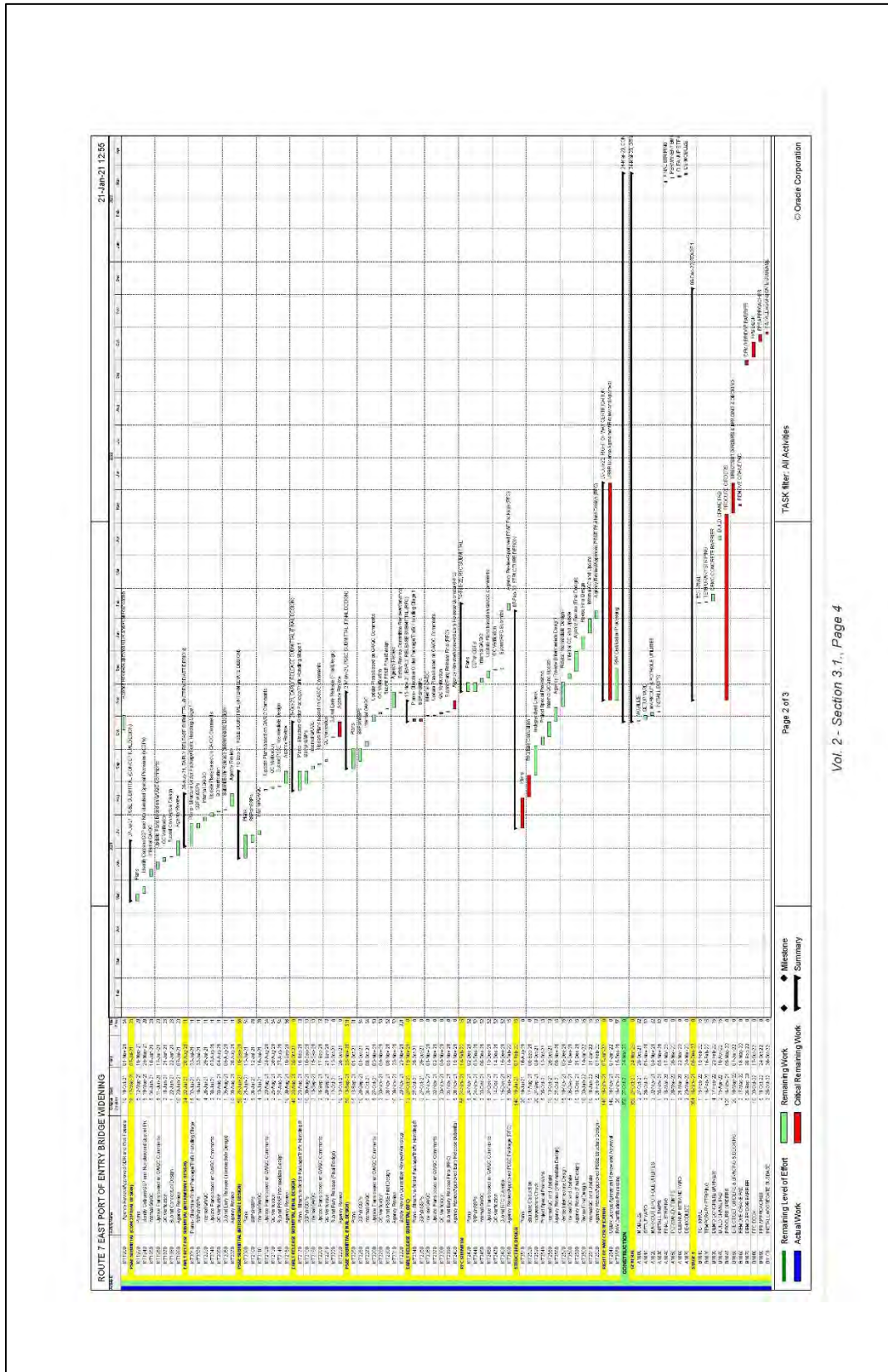
EXAMPLE OF DESIGN SUBMITTAL BREAKDOWN	PS&E SUBMITTAL (CONCEPTUAL DESIGN)		39
	MT1930	Plans	5
	MT1940	Identify Caltrans SSP and Nonstandard Special f	5
	MT1950	Internal QA/QC	5
	MT1960	Update Plans based on QA/QC Comments	5
	MT1970	QC Verification	2
	MT1980	Submit Conceptual Design	1
	MT1990	Agency Review	10
	EARLY RELEASE SUBMITTAL (INTERMEDIATE DESIGN)		34
	MT2010	Plans - Structure Girder Package/Traffic Handling Stag	15
	MT2020	SSPs/nSSPs	5
	MT2030	Internal QA/QC	4
	MT2040	Update Plans based on QA/QC Comments	2
	MT2050	QC Verification	2
	MT2060	Submit Early Release (Intermediate Design)	1
MT2070	Agency Review	10	
PS&E SUBMITTAL (INTERMEDIATE DESIGN)		49	
MT2090	Plans	15	
MT2100	SSPs/nSSPs	5	
MT2110	Internal QA/QC	4	
MT2120	Update Plans based on QA/QC Comments	2	
MT2130	QC Verification	2	
MT2140	Submit PS&E Intermediate Design	1	
MT2150	Agency Review	10	

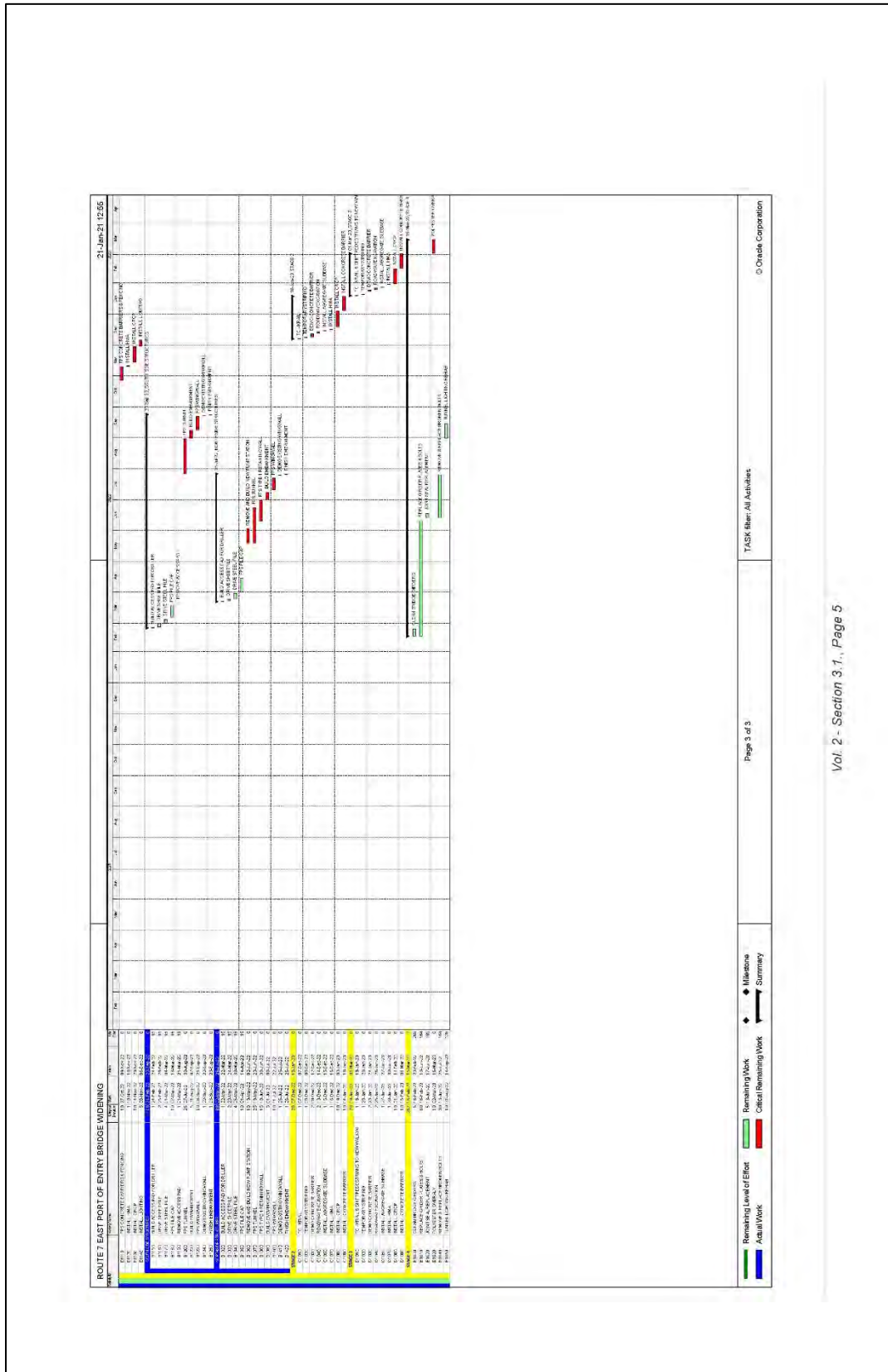
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The job is very linear in nature; therefore, the majority of construction activities are on the critical path. This is also caused by the requirements of keeping one tunnel open at all times which limits working on both sides of the canal at once. Our schedule separates this work to show that we are leaving one tunnel always open to conform with the agencies access requirements.

NORTH AND SOUTH SIDE WORK SEPARATED	SOUTH SIDE STRUCTURES		182
	B1150	BUILD ACCESS PAD FOR DRILLER	1
	B1160	DRIVE SHEETPILE	2
	B1170	DRIVE STEEL PILE	4
	B1180	FPS PILE CAP	10
	B1190	REMOVE ACCESS PAD	1
	B1200	FPS TUNNEL	25
	B1210	FPS TYPE 1 RETAINING WALL	15
	B1220	BUILD EMBANKMENT	5
	B1230	FPS WINGWALL	10
	B1240	DEMO EXISTING WINGWALL	1
	B1250	FINISH EMBANKMENT	1
	NORTHSIDE STRUCTURES		107
	B1320	BUILD ACCESS PAD FOR DRILLER	1
	B1330	DRIVE SHEETPILE	2
	B1340	DRIVE STEEL PILE	4
	B1350	FPS PILE CAP	10
	B1360	REMOVE AND BUILD NEW PUMP STATION	10
	B1370	FPS TUNNEL	25
	B1380	FPS TYPE 1 RETAINING WALL	15
	B1390	BUILD EMBANKMENT	5
	B1400	FPS WINGWALL	10
	B1410	DEMO EXISTING WINGWALL	1
	B1420	FINISH EMBANKMENT	1







**C3. PROJECT SCHEDULE, CONSTRUCTION
PHASING/SEQUENCING PLAN, AND SAFETY AND
SECURITY PROGRAM**

C3.2 Construction Phasing/Sequencing

C3.2. CONSTRUCTION PHASING/SEQUENCING

The design phase of the construction phasing/sequencing will begin at the onset of the project's Notice of Award and NTP and will utilize and be consistent with the draft of the Traffic Management Memorandum.

The Traffic Management Memorandum (TMM) as noted in C2.2. Preliminary Design Approach will provide the guidelines for minimizing impact to the traveling public and the CBP inspection station operations. This will be achieved by following the guidance already provided within the PR, PR Attachment G plans, CBP requirements, and by exceeding CAMUTCD requirements. During the development of the TMM, our team will proactively engage the CBP, GSA and emergency responders to understand their needs for work window requirements, access, egress, TMM strategies and set a plan for continuous communication during the project. A key item to discuss and include in the Traffic Management Memorandum will be the contingency plan as it relates to the construction phasing. The contingency plans should cover additional scenarios and/or emergencies that are not typically covered in the traffic handling plans. These plans provide the best line of communication and course of action should an emergency or unplanned event arise thus minimizing impacts.

Once the TMM has been approved after the concept review and meeting, the project design schedule will progress immediately to an Early Release package which will include Stage 1 traffic handling

and construction activities discussed within the TMM. Our team proposes that an Early Release package which includes direct correlation with Stage 1 activities will be critical to gaining momentum for the project.

The following items are **considered critical path** for the design phase of the project:

- **Early Release Package –**

- » Stage 1 Stage Construction Plan and Traffic Handling Plan
- » Bridge/Girder package – critical to steel girder procurement and beginning pile driving activities

- **Coordination with utility owners and GSA** to identify and verify existing on-site facilities that need to be protected in place

- **Early coordination with IID** to survey and verify existing 230 kV overhead power lines will not be in conflict

As noted previously, obtaining a licensing agreement with the United States Bureau of Reclamation (USBR) for construction activity is a potential schedule risk, and our team will be monitoring and communicating the activity between ICTC and USBR on a weekly basis at a minimum.

Due to the timing and critical path milestone activities and reviews that need to take place, the above listed items will need to happen and be approved within the first four (4) to seven (7) months of the project Notice of Proceed.

The construction phase of the project is very linear due to the scope of work and requirement to always maintain access through at least one tunnel. The work is broken down into four phases as follows:

- **Stage 1** – Bridge Widening (driven pile, girders, tunnel extensions, embankment, concrete pavement, approach slabs)
- **Stage 2** – New Pedestrian Walkway (concrete barrier, concrete pavement, fencing)
- **Stage 3** – Remove Existing Walkway (demolition, concrete barrier, concrete pavement)
- **Stage 4** – Bridge Maintenance Work (rehabilitation of bridge deck, repair concrete, replace girder plates, clean bridge)

The first three stages of work will have to be constructed sequentially in order to maintain vehicular access through the port of entry lanes without reducing capacity. We have figured that most of the Stage 4 work, aside from deck rehab work can and will be performed during construction of the first three stages.

Existing truck lanes will be maintained during construction.



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**C3. PROJECT SCHEDULE, CONSTRUCTION
PHASING/SEQUENCING PLAN, AND SAFETY AND
SECURITY PROGRAM**

C3.3. Safety and Security Program

C3.3. SAFETY AND SECURITY PROGRAM

Safety

It is Hazard Construction's continuing policy that the first consideration in performing work is the safety of employees. All reasonable methods, procedures, and equipment necessary to achieve this will be used.

Hazard Construction will operate under all ICTC, Caltrans, GSA, OSHA, and Hazard Construction safety requirements for the duration of the project. Hazard's site personnel have 40-Hour OSHA, first-aid, and confined space training. In addition to the comprehensive Illness and Injury Prevention Program currently in place, we will develop a site-specific Safety Plan that includes weekly review of the site and contractor operations. Hazard Construction will also conduct daily job hazard analysis during the course of the project.

Working around the All-American Canal and other canals in the Imperial Valley is something Hazard has done on numerous occasions. The Safety Officer and team will work with the IID to make sure all requirements for working around the canal are covered and installed per the IID's requirements. These requirements include personal flotation devices (PFD's) for employees working near or over the water, life rings installed throughout the work area, and a floating lifeline placed across the canal on the downstream side of the job. Work will not begin until all safety concerns are planned and addressed.



Experience Modification Rating:

- 2021: 77%
- 2020: 79%
- 2019: 79%

Safety Record:

THREE YEAR AVERAGE	
Total Case Incident Rate (TCIR)	4.68
Lost Time Incident Rate (LTIR)	1.03
Lost Work Day Rate (LWDR)	2.05
Days Away Restricted or Transferred Rate (DART)	2.61
Total Recordable Injury Frequency Rate (TRIFR)	4.68
Lost Time Injury Frequency Rate (LTIFR)	0.00
Severity	75.98

2020		2019		2019	
Description	Number	Description	Number	Description	Number
Manhours Worked	261,822.47	Manhours Worked	259,711.00	Manhours Worked	239,558.00
Factor	200,000	Factor	200,000	Factor	200,000
Total Recordables	4	Total Recordables	11	Total Recordables	3
Total Lost Time Cases	0	Total Lost Time Cases	4	Total Lost Time Cases	0
Total Lost Workdays	0	Total Lost Workdays	8	Total Lost Workdays	0
Total Days Away	0	Total Days Away	60	Total Days Away	0
Total Incidents from OSHA 300A log (G,H, I, J)	4	Total Incidents from OSHA 300A log (G,H, I, J)	11	Total Incidents from OSHA 300A log (G,H, I, J)	3
Total Restricted or Transferred Days	0	Total Restricted or Transferred Days	198	Total Restricted or Transferred Days	83
Total Restricted or Transferred Cases	0	Total Restricted or Transferred Cases	4	Total Restricted or Transferred Cases	2
TCIR	3.06	TCIR	8.47	TCIR	2.50
LTIR	0.00	LTIR	3.08	LTIR	0.00
LWDR	0.00	LWDR	6.16	LWDR	0.00
DART	0.00	DART	6.16	DART	1.67
TRIFR	3.06	TRIFR	8.47	TRIFR	2.50
LTIFR	-	LTIFR	-	LTIFR	-
SEVERITY	0.00	SEVERITY	158.64	SEVERITY	69.29

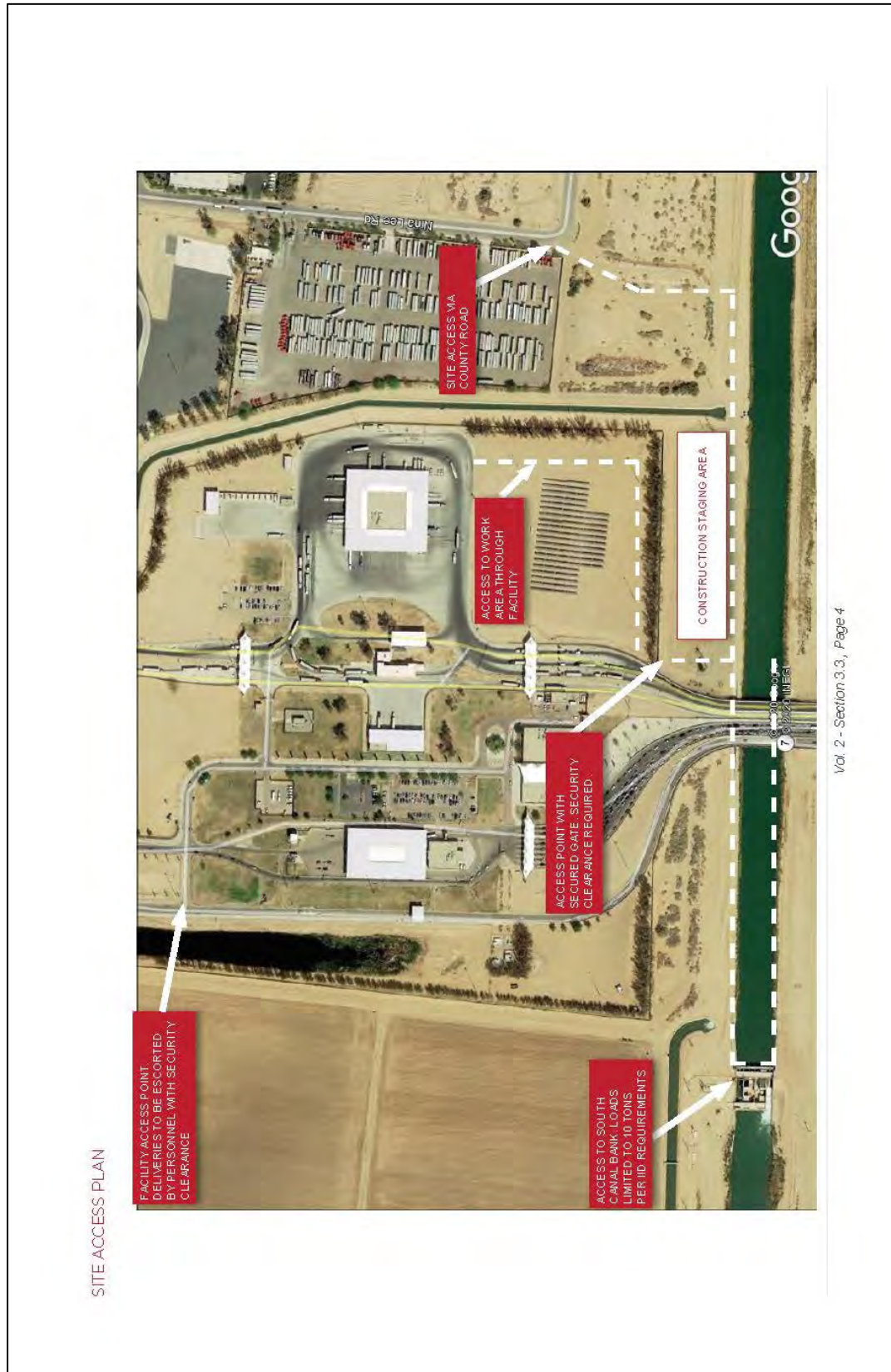
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Security

Security is the most important item on this project to keep our country safe and secure. Following Homeland Security Presidential Directive 12, all employees will be required to obtain the proper security clearance for working on the project, which includes background checks, fingerprinting, and badging. Temporary measures will need to be installed in all areas where the existing security fencing is removed for construction purposes. This work will be coordinated and approved by GSA to provide continuous site security to their facility.

The Safety Officer is responsible for ensuring the site is secure by implementing a site-specific security plan. The plan details:

- CBP vetting and GSA HSPD-12 requirements and process and includes a log of all personnel cleared through that process.
- Site access plan with detailed information on how personnel, vehicles, and deliveries will enter/exit the site.
- Temporary security measures during operations when security fences are removed/replaced and continually review/protect existing cameras and monitoring measures with GSA.
- Staging area security details.
- Interaction guidelines with CBP and GSA to keep them informed on where workers will be working and how they intend to access the site.
- Escort procedure for deliveries or personnel without proper security clearance.



RICHARD KRYMSKI

San Diego • (360) 672-1932 • richard.krymski@outlook.com • www.linkedin.com/in/richard-krymski

SAFETY MANAGER

- 25+year's dedicated safety professional with rapid adaptability, collaboration, data analysis, communication skills, and managing for productivity
- Knowledgeable in identifying and abating safety workplace hazards, coordinating the general organization of all safety programs, safety inspections, and accident investigations
- Manage Safety records and policy development/implementation: Proficient in Computer software to include the Microsoft Office Suite of Word, Excel, and PowerPoint

SKILLS

Safety Program Management	Safety Training	Safety Inspections/ Audits
Process Improvements	Safety Compliance	Customer Service
Incident Investigation	Recordkeeping	Quality Assurance
Analytical thinking	Job site Hazard Analysis	Hazard Abatement

PROFESSIONAL EXPERIENCE

HAZARD COMPANIES

Safety Manager

November 2019 – Present

- Administer, direct, and manage compliance with the company safety program and incident prevention efforts to ensure company safety goals are met. Including the authority and ability to change and/or adjust work procedures as required to ensure the safety of affected employees and the general public.
- Provide a strategic vision for creating safe work areas for affected employees and the general public, including conducting initial work area assessments and the development and facilitation of appropriate training programs.
- Develop, organize, and implement safety-related programs and training for 150 employees.
- Initiate, perform, and document daily, weekly, and monthly Jobsite inspections and audits with particular emphasis on hazard recognition, unsafe behaviors, and facilitate the implementation of corrections/behaviors.
- Initiate, coordinate, and conduct safety meetings and training programs to ensure the effective communication of company policy and safety standards.
- Coordinate and control the development and review of standard operating procedures, master and daily job hazard analysis for each major phase of work to ensure its safe completion, including assessing the need for and facilitating the training for each JHA as may be required.
- Ensure the proper reporting, investigation, and corrective action for vehicle accidents, personal injury accidents, property damage, near-miss incidents.

STRATEGOS CONSULTING, LLC

Transportation Department HazMat/HazWaste Coordinator LOGSU-1

May 2019 – November 2019

- Responsible for and ensured compliance, with "cradle to grave" provisions as a "generator of hazardous waste." Scope of responsibility is proper disposal, storage, labeling, and management of the Transportation Dept. Hazardous Material/Hazardous Waste program as specified by applicable Federal, State, and local Hazardous Waste/Hazardous Material regulations
- Maintained records for the Hazardous Material/Hazardous Waste Program, letters of designation, personnel environmental training documentation, hazardous waste turn-in documents, storage area/tank inspection records, business plans, waste profile sheets, lab analysis, and copies of manifests or bill of lading
- Ensured all hazardous waste and or recyclable materials were correctly identified, labeled, contained, segregated by hazard class, and turned-in for compliant hazardous waste disposal before the 90-day storage limit or other applicable waste storage limits
- Communicated and coordinated with NSWG-1 & NAVSUP Environmental and Base Environmental for routine assessments and policy adherence.

UNITED STATES NAVY

Safety Manager

July 2008 – May 2019

- Organizations Safety committee lead ensuring proper focus, monitoring, safety control, education, investigation and evaluation of an organization safety requirements of 350 personnel to ensure best practices
- Identify, evaluate and devise measures to address physical, environmental, chemical, biological, and ergonomic hazards/risks for fifteen facilities and an organization of 350 personnel
- Developed and maintained working relations with existing and prospective external and internal clients
- Conducted building assessments for designated substances and other hazardous materials, including but not limited to asbestos, lead, and mold
- Developed and conducted health and construction safety training with a successful overall on-site compliance
- Effectively maintained the safety, training, licensing, and maintenance of three 40-ton Link-belt cranes per Navy, NAVOSH, NAVAIR, OSHA regulations.
- Conducted external accident/ incident investigations, identified the root cause and other contributing factors, prepared reports and submitted finding and recommendations promptly

Occupation Health and Safety Specialist

June 2004 – July 2008

- Reviewed, evaluated, and analyzed work environments and design programs and procedures to control, eliminate, and prevent disease and injuries caused by chemical, physical, and biological agents
- Set up, coordinated, and facilitated safety training for 125+ personnel
- Developed and monitored safety standards, policies and procedures to ensure safety or compliance
- Responsible for multiple daily inspections and audits to assure federal, state, and local compliance
- Conducted safety orientations, training, and refresher classes as needed
- Maintained environmental, health, safety, compliance records including incidents, injuries, spills, site inspections
- Coordinated with the clients, employees, and contractors to plan for on-site activities, ensuring all safety procedures were addressed

Safety Technician

September 2000 – June 2004

- Oversaw the training and budget for all organization personnel of all environmental, health, and safety issues, and conducted safety training to educate and assist workers with safety policies, laws/ practices, and awareness programs keeping with the organization's vision
- Determined requirements for personal protective equipment, machine guarding, and engineering controls
- Developed safety programs and policies in accordance with the safety manual, safety news, other safety-related manuals, reports, and videos to assist with day to day operations
- Recognized, monitored, and made recommendations to ensure the correction of all workplace safety hazards through on-site audits, consulting ergonomic assessments, and interventions; collaborated on safety policy development and training

EDUCATION

Bachelor of Arts – Business Administration
Ashford, University, San Diego, CA

June 2018

Associates of Science – Business Administration
Coastline Community College, Fountain Valley, CA

June 2013

PROFESSIONAL CREDENTIALS & AWARDS

Navy and Marine Corps Achievement Medal (10)
Navy and Marine Corps Commendation Medal (1)
OSHA 10 Hour Construction Safety
OSHA 30 Hour Construction Safety
OSHA 510 Occupational Safety and Health Standards for the Construction Industry
OASH 500 Trainer Course in Occupational Safety & Health Standards for Construction
California Hazardous Waste Management Certified
Bachelor of Arts – *summa cum laude*
Associates of Science – *with honors*

Exhibit O Project Oversight Agreement between the Federal Highway Administration (FHWA), the California Department of Transportation (Caltrans), and the Imperial County Transportation Commission

Project Oversight Agreement
between Federal Highway Administration,
the California Department of Transportation,
and the Imperial County Transportation Commission

Project Name: Calexico East Port of Entry (POE) Bridge Expansion Project

FPN: 6471017

EA(s): 11-43050

Project ID Number(s): 1118000265

A. GENERAL

This Project Oversight Agreement (POA) serves as a supplement to the Stewardship and Oversight Agreement on Project Assumption and Program Oversight between the Federal Highway Administration (FHWA) California Division and the State of California Department of Transportation (Caltrans) dated May 28, 2015.

A POA is required for any project that has been classified as a Project of Division Interest (PoDI). The POA assigns specific project responsibilities among FHWA, Caltrans, and the Imperial County Transportation Commission that are necessary for the development and delivery of a PoDI.

This project has been selected as a PoDI by meeting the following criteria:

- Major Project (Total costs > \$500 million) - **Insert total project cost**
- Potential Major Project (Total costs have possibility to be > \$500 million due to risk) - **Insert total project cost**
- Innovative Financing (FY 2018 BUILD TRANSPORTATION DISCRETIONARY GRANTS)
- Innovative Contracting (Design-Build)
- Other Risk-based criteria:

B. PROJECT DESCRIPTION

This Project proposes to widen the existing off-system Calexico East Port of Entry bridge over the All American Canal at the U.S./Mexico border approximately 0.7 miles south of State Route (SR) 7. The project will add two additional northbound commercial truck lanes (from two to four lanes), two additional northbound passenger vehicle lanes (from four to six lanes), and will provide an eight-foot outside shoulder on both the east and west sides of the bridge. There will be new

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barriers and installation of a security fence in each direction. The project also includes improvements to the bicycle and pedestrian facilities at the border crossing.

The Local Project Sponsor is the Imperial County Transportation Commission (ICTC) in partnership with the California Department of Transportation (Caltrans) and U.S. Customs and the U.S. General Services Administration (GSA). The total amount of 2018 BUILD funds awarded are \$20,000,000.

The project is located off the National Highway System and as such FHWA's Title 23 responsibilities for design, PS&Es, contract awards, and inspections have been delegated and assumed by Caltrans. These assumptions are documented in Attachment A and B of this document. Under 23 U.S.C. 106(c), Caltrans may permit local public agencies (LPAs) to carry out Caltrans's assumed responsibilities on locally administered projects. Any approval or related responsibilities where FHWA is listed in Attachment A or described in Section VII of the FHWA/Caltrans Stewardship and Oversight Agreement (SOA) cannot be assumed by Caltrans.

The project will be delivered using the Design-Build project delivery method. See Attachment B for additional Design-Build actions and approval responsibilities assigned to FHWA, Caltrans and if applicable, the local public agency.

C. PROJECT RISK ASSESSMENT

FHWA considers the risks to the delivery of the project in the determination of the level of oversight would be provided to each project. A risk assessment is performed for each project for the following categories:

- | | |
|---------------------------------|-----------------------------------|
| 1. Complexity | 6. Project Administration |
| 2. Cost | 7. National/Regional Significance |
| 3. Schedule | 8. Urgency |
| 4. Funding | 9. Corporate Actions |
| 5. Environmental Considerations | 10. Local Considerations |

The results from the risk analysis tool highlights the major risk areas on the project and provides a categorical triage (i.e., High, Medium, or Low) as to how each of those risk areas impact the project. The following table summarizes the risk analysis results for this project:

Risk Analysis Results Summary Table

Risk Area	Ranking (H/M/L)	Risk Description/ Comments
Complexity	H	<ul style="list-style-type: none"> The project is routine in nature, however it is being procured as a Design-Build Project (H) and require the coordination between multiple stakeholders including other federal agencies (i.e. GSA and CBP). Since it is a border project, it may also require the coordination with Mexico during the construction of the project.
Cost	L	The total costs are expected to be approximately \$32 million. We have \$25 million committed and we will be pursuing an additional \$7

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		million in State funds to complete a Phase 2 (Deferred maintenance improvements, pedestrian canopy, and 8' foot shoulders)
Schedule	H	<ul style="list-style-type: none"> July 31st, 2020 is the DEADLINE to obligate BUILD Grant for Construction. E76 approval by FHWA is expected prior to this date. Design-Build procurement process need expedited schedules.
Urgency	H	<ul style="list-style-type: none"> Project is currently proceeding as planned BUT requires collaborative efforts from ALL Stakeholders to meet July 31st, 2020 Deadline for construction funding obligation.
Environmental Considerations	L	<ul style="list-style-type: none"> Project requires a Categorical Exclusion (CE), i.e. minimum environmental impacts and project mitigation (L) Little opposition to project and low risk of project lawsuits (L)
Funding	L	<ul style="list-style-type: none"> Project is funded with 2018 BUILD Grant, State, and Local funds (L) All project funding will be identified in a state planning document such as a State Transportation Improvement Plan (STIP) (L)
Project Administration	M	<ul style="list-style-type: none"> Project sponsor has adequate resources to deliver the project (M) Project design-build procurement is expected to follow Caltrans process with medium issues meeting Federal Regulations, e.g. DBE, Buy America, Uniform Act, improper payments, and construction quality assurance (M)
National/Regional Significance	M	<ul style="list-style-type: none"> Provides congestion relief and air quality improvement (M)
Corporate Actions	L	<ul style="list-style-type: none"> No significant project elements, protocols or features have been identified that will impact or influence a FHWA national goal and no corporate activities are anticipated in the next year (L)

D. PROJECT ELEMENTS FOR FHWA INVOLVEMENT

Based on the areas identified as having a heightened risk, FHWA has considered the following elements of program delivery as providing an opportunity for added value by its involvement. The specific activities that FHWA will be involvement are listed in Section E, but the elements target for involvement are the following:

- Planning and Programming
- Financial Management
 - Project Authorization(s) and Project Agreement
 - Cost Estimate Reviews
 - Financial Plans (Initial Financial Plan and its Annual Updates)
- Environmental Clearances (i.e., NEPA)
- Design-Build Procurement
 - Advertising (i.e. Request for Proposals and Award)
 - Alternate Technical Concepts
- Design Development and Services
 - Consultant Contracts
 - Design Exceptions
 - Interstate System Access
 - Project Management Plan

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- Design Plans and Release for Construction Packages
- System Engineering Analysis (for ITS projects): SEMP, SERF, and ConOps
- Construction Contract Administration**
 - Contract Administration (i.e., CCOs, Claims, Buy America Requirements)
 - Construction Inspection & Quality (Verification of System)
 - Construction Quality Assurance Plan
 - Final Inspection/Acceptance of completed work
- Other – Describe:**

E. PROJECT ACTIVITIES FOR FHWA INVOLVMENT

Based on project risks and project elements, FHWA has considered what involvement would add value and which specific actions will be taken by FHWA on this Project. FHWA involvement and a detailed description of what those actions will entail is as follows:

NOTE: This is a Design-Build Project. FHWA and Caltrans Design-Build's project approvals and related responsibilities are identified in Attachment B – Design-Build Project Action Responsibility Matrix. Attachment B supplements and those approval and related responsibilities identified in Attachment A - Project Action Responsibility.

Retained Project Approval Actions

A detailed accounting of who will take responsibility for each project approval action is provided in Attachment A. By checking this box, FHWA has indicated that optional approval actions highlighted in blue in the Attachment have been retained as indicated. Attachment B supplements Attachment A and indicates approval actions and responsibilities tailored to this Design-Build project.

It has been determined under 23 U.S.C. 106(c) that Caltrans may permit local public agencies (LPAs) to carry out Caltrans's assumed responsibilities on locally administered projects. Any delegation must be documented in a separate agreement between Caltrans and that Local Agency. Caltrans is responsible and accountable for LPA compliance with all applicable Federal laws and requirements.

Project/Technical Meetings

FHWA has determined that it will not be involved in these activities.

Field Review/Inspection & Report

FHWA will conduct construction inspection to verify that Buy American Requirements and Labor Compliances are met on this project.

Program/Process Reviews & Report

FHWA may plan to include projects as part of risk-based program or process reviews. If this project is selected as part of a program or process review, Caltrans

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will be notified as soon as possible.

Other – Describe:

FHWA may plan other specific project level actions and involvement not otherwise reflected in this POA. It selected for other specific project level actions and involvement, Caltrans will be notified as soon as possible.

FHWA, in collaboration with Caltrans, shall work to ensure reporting requirements outlined in the Grant Agreement are met by Imperial County Transportation Commission.

F. FHWA PROJECT OVERSIGHT MANAGER (POM) AND OTHER OVERSIGHT RESOURCES

A POM has been designated to provide federal oversight of the project. The POM will be responsible for coordinating all FHWA project actions described in this POA. When necessary, the POM will coordinate with other federal staff resources to obtain technical assistance and ensure expeditious reviews and approvals of project actions. As part of this agreement, Caltrans and Imperial County Transportation Commission agrees to include the POM in any regularly scheduled activities as indicated in this POA. In addition, Caltrans and Imperial County Transportation Commission agrees to inform the POM of any major changes to the project risk, which might impact FHWA's role in the project. The POM contact information is as follows:

Tay Dam
Sr. Transportation Engineer
FHWA California Division CalSouth Office
888 S. Figueroa St, Suite 440
Los Angeles, CA 90017
Phone: 213-894-5919
Email: tay.dam@dot.gov

All records pertaining to this project must be available to the POM for review in accordance with applicable laws. In addition, the United States Department of Transportation (USDOT) Office of Inspector General (OIG) may also perform audits on the project.

G. UPDATES TO THE AGREEMENT

It is anticipated that instances, such as changes in Federal/State laws or guidance, evolving levels of project risk, and project specific modifications, may require an update of this Agreement during

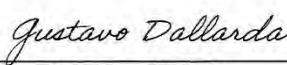
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its implementation. In order to facilitate any such changes, the Caltrans Project Manager, the Imperial County Transportation Commission Official Local Agency Name Project Manager, and the FHWA POM will ensure this Agreement is kept current and will coordinate the negotiation of any changes.

This Project Oversight Agreement is being executed on August 19, 2020.



Mark Baza
Executive Director
Imperial County Transportation
Commission



Gustavo Dallarda
District 11 Director
California Department of
Transportation

MATTHEW T SCHMITZ
Digitally signed by
MATTHEW T SCHMITZ
Date: 2020.08.19
16:52:59 -07'00'

Matthew Schmitz
Director, Project Delivery
Federal Highway Administration

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**ATTACHMENT A
PROJECT ACTION RESPONSIBILITY MATRIX**

NOTE: See Attachment B – Design-Build Project Action Responsibility Matrix for additional Caltrans and FHWA approvals and related responsibilities specific to this Design-Build Project.

The following matrix identifies Federal-aid highway program (FAHP) project approvals and related responsibilities. The matrix specifies which ones are subject to State DOT assumption under the provisions of 23 U.S.C. 106(c) or other statutory or regulatory authority, as well as those which are reserved to FHWA. The highlighted boxes indicate when there is an option for that action to be delegated to Caltrans or retained by FHWA. The appropriate choice of the approval authority should be selected in all those instances and shown under the "Agency Responsible" column.

Project oversight responsibilities for this project are assigned by this Attachment, which replaces the default Project Action Responsibility Matrix in the FHWA/Caltrans Stewardship and Oversight Agreement (SOA). Additional Project oversight responsibilities are supplemented in Attachment B Design-Build Project Action Responsibility Matrix.

Note that with any responsibilities delegated to Caltrans, Caltrans may have the option to further delegate these responsibilities to a Local Agency in accordance with any applicable State and Federal laws and regulations as specified in Section V of the FHWA/Caltrans SOA.

PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
PROGRAMMING (All phases)	
Ensure project in Statewide Transportation Improvement Program (STIP)/Transportation Improvement Program (TIP)	STATE
Identify proposed funding category	STATE (1)
FINANCIAL MANAGMENT (All phases)	
Obligate funds/approve Federal-aid project agreement, modifications, and project closures (project authorizations) <i>(Note: this action cannot be assumed by State)</i>	FHWA
Authorize current bill <i>(Note: this action cannot be assumed by State)</i>	FHWA

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
Review and Accept Financial Plan and Annual Updates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] <i>(Note: this action cannot be assumed by State)</i>	N/A
Review Cost Estimates for Federal Major Projects over \$500 million [23 U.S.C. 106(h)] <i>(Note: this action cannot be assumed by State)</i>	N/A
Develop Financial Plan for Federal Projects between \$100 million and \$500 million. [23 U.S.C. 106(i)]	N/A
ENVIRONMENT (All phases)	
All EA/FONSI, EIS/ROD, 4(f), 106, 6(f) and other approval actions required by Federal environmental laws and regulations. <i>(Note: this action cannot be assumed by STATE except under 23 U.S.C. 327)</i>	N/A
Categorical Exclusion approval actions <i>(Note this action cannot be assumed by the State except through an assignment under 23 U.S.C. 326 or 327, or through a programmatic agreement pursuant to Section 1318(d) of MAP-21 and 23 CFR 771.117(g))</i>	STATE (3)
PRELIMINARY DESIGN (Design Phase)	
Consultant Contract Selection	STATE (4)
Sole source Consultant Contract Selection	STATE (4)
Approve hiring of consultant to serve in a "management" role [23 CFR 172.9] <i>(Note: this action cannot be assumed by State)</i>	FHWA
Approve consultant agreements and agreement revisions (Federal non-Major Projects) [23 CFR 172.9]	STATE
Approve consultant agreements and agreement revisions on Federal Major Projects [23 CFR 172.9] <i>(Note: this action cannot be assumed by State)</i>	N/A
Approve exceptions to design standards [23 CFR 625.3(f)]	STATE

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
Interstate System Access Change [23 USC 111] (Note: this action cannot be assumed by State)	N/A
Interstate System Access Justification Report [23 USC 111] (Note: action may be assumed by State pursuant to 23 USC 111(e))	N/A
Airport highway clearance coordination and respective public interest finding (if required) [23 CFR 620.104]	STATE
Approve Project Management Plan for Federal Major Projects over \$500 million [23 USC 106(h)] (Note: this action cannot be assumed by State)	N/A
Approve innovative and Public-Private Partnership projects in accordance with SEP-14 and SEP-15 (Note: this action cannot be assumed by State)	N/A
Provide pre-approval for preventive maintenance project (until FHWA concurs with STATE procedures) (Note: this action cannot be assumed by State)	N/A
DETAILED / FINAL DESIGN (Design Phase)	
Provide approval of preliminary plans for unusual/complex bridges or structures on the Interstate. [23 USC 109(a) and FHWA Policy]	N/A
Provide approval of preliminary plans for unusual/complex bridges or structures (non-Interstate). [23 USC 109(a) and FHWA Policy]	STATE
Approve retaining right-of-way encroachments [23 CFR 1.23 (b) & (c)]	STATE
Approve use of local force account agreements [23 CFR 635.104 & 204]	STATE
Approve use of publicly owned equipment [23 CFR 635.106]	STATE
Approve the use of proprietary products, processes [23 CFR 635.411]	STATE
Concur in use of publicly furnished materials [23 CFR 635.407]	STATE
RIGHT-OF-WAY (Design and Operational Phases)	

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
Make feasibility/practicability determination for allowing authorization of construction prior to completion of ROW clearance, utility and railroad work [23 CFR 635.309(b)]	STATE
Make public interest finding on whether State may proceed with bid advertisement even though ROW acquisition/relocation activities are not complete for some parcels [23 CFR 635.309(c)(3)]	STATE
Ensure compliant ROW certificate is in place [23 CFR 635.309(c)]	STATE
Approve Hardship and Protective Buying [23 CFR 710.503] (If a Federal-aid project) <i>(Note: this action cannot be assumed by State)</i>	FHWA
Approve Interstate Real Property Interest Use Agreements [23 CFR 710.405] <i>(Note: this action cannot be assumed by State)</i>	N/A
Approve non-highway use and occupancy [23 CFR 1.23(c)]	STATE (4)
Approve disposal at less than fair market value of federally funded right-of-way, including disposals of access control [23 U.S.C. 156] <i>(Note: this action cannot be assumed by State)</i>	FHWA
Approve disposal at fair market value of federally funded right-of-way, including disposals of access control [23 CFR 710.409] <i>(Note: 23 CFR 710.201 authorizes FHWA and STATE to agree to scope of property-related oversight and approvals for all actions except those on the Interstate System)</i>	STATE (4)
Requests for credits toward the non-Federal share of construction costs for early acquisitions, donations or other contributions applied to a project <i>(Note: this action cannot be assumed by State)</i>	FHWA
Federal land transfers [23 CFR 710, Subpart F] <i>(Note: this action cannot be assumed by State)</i>	FHWA
Functional replacement of property [23 CFR 710.509] <i>(Note: this action cannot be assumed by State)</i>	FHWA

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
SYSTEM OPERATIONS AND PRESERVATION (Design Phase)	
Accept Transportation Management Plans [23 CFR 630.1012(b)]	STATE
Approval of System Engineering Analysis (for ITS) [23 CFR 940.11]	STATE
PS&E AND ADVERTISING (Design Phase)	
Approve PS&E [23 CFR 630.201]	N/A (5)
Authorize advance construction and conversions [23 CFR 630.703 & 709] <i>(Note: this action cannot be assumed by State)</i>	FHWA
Approve utility or railroad force account work [23 CFR 645.113 & 646.216]	STATE
Approve utility and railroad agreements [23 CFR 645.113 & 646.216]	STATE
Approve use of consultants by utility companies [23 CFR 645.109(b)]	STATE
Approve exceptions to maximum railroad protective insurance limits [23 CFR 646.111]	STATE
Authorize (approve) advertising for bids [23 CFR 635.112, 309]	N/A (6)
CONTRACT ADVERTISEMENT AND AWARD (Design Phase) All contracts to be done by competitive bidding unless otherwise authorized by law	
Approve cost-effectiveness determinations for construction work performed by force account or by contract awarded by other than competitive bidding [23 CFR 635.104 & 204]	STATE
Approve emergency determinations for contracts awarded by other than competitive bidding [23 CFR 635.104 & 204]	STATE
Approve construction engineering by local agency [23 CFR 635.105]	STATE
Approve advertising period less than 3 weeks [23 CFR 635.112]	N/A

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
Approve addenda during advertising period [23 CFR 635.112]	N/A (5)
Concur in award of contract [23 CFR 635.114]	STATE
Concur in rejection of all bids [23 CFR 635.114]	N/A (5)
Approval of Design-Build Requests-for-Proposals and Addenda [23 CFR 635.112]	STATE
CONSTRUCTION (Construction Phase)	
Approve major changes and extra work [23 CFR 635.120]	STATE
Approve major contract time extensions [23 CFR 635.120]	STATE
Concur in use of mandatory borrow/disposal sites [23 CFR 635.407]	STATE
Accept materials certification [23 CFR 637.207]	STATE
Concur in settlement of contract claims [23 CFR 635.124]	STATE
Concur in termination of construction contracts [23 CFR 635.125]	STATE
Waive Buy America provisions [23 CFR 635.410] <i>(Note: this action cannot be assumed by State)</i>	FHWA
Final inspection/acceptance of completed work [23 USC 114(a)]	STATE
CIVIL RIGHTS (All phases)	
Approval of Disadvantaged Business Enterprise (DBE) Project Contract Goal set by the State DOT under 49 CFR 26.51(d). [49 CFR 26.51(e)(3)]	STATE
Acceptance of Bidder's Good Faith Efforts to Meet Contract Goal [49 CFR 26.53] or of Prime Contractor's Good Faith Efforts to Find Another DBE Subcontractor When a DBE Subcontractor is Terminated or Fails to Complete Its Work [49 CFR 26.53(g)] <i>(Note: this action cannot be performed by the FHWA)</i>	STATE

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PROJECT ACTION RESPONSIBILITY MATRIX	
ACTION	AGENCY RESPONSIBLE
	PROJECTS OFF THE NHS
Equal Employment Opportunity (EEO) Contract Compliance Review [23 CFR Part 230, Subpart D]	STATE
Training Special Provision – Approval of Project Goal for training slots or hours [23 CFR Part 230, Subpart A]	STATE
Training Special Provision – Approval of New Project Training Programs [23 CFR 230.111(d), (e)] <i>(Note: this action cannot be assumed by State)</i>	FHWA
FOOTNOTES:	
<p>(1) Caltrans is responsible for ensuring that all individual elements of the project are eligible. FHWA will check that the scope of the project as described in submitted project agreement is eligible for the category of funding sought. All final eligibility and participation determinations are retained by FHWA.</p> <p>(2) The USDOT Build America Bureau may have requirements that impact this action (applies to projects in which innovative financing is used).</p> <p>(3) If there is a 23 U.S.C. 326 or 325 assignment or PCE agreement, decisions are handled in accordance with those assignments or agreements.</p> <p>(4) State's process and modifications to, or variation in process, require FHWA approval.</p> <p>(5) This project action is not applicable to Design-build projects and it's superseded with project action(s) included in Attachment B.</p> <p>(6) This project action is not applicable to Design-Build projects. However, requirements under 23 CFR 635.112, 309 still applies.</p>	

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ATTACHMENT B
Design-Build Project Action Responsibility Matrix

The following matrix identifies additional Federal-aid highway program (FAHP) project approvals and related responsibilities for Design-Build projects. This matrix is tailored to this Design-Build project and it specifies FHWA, Caltrans, and Local Agency actions.

Additional Project oversight responsibilities for this Design-Build project are assigned by this Attachment, which supplements the Project Action Responsibility Matrix (Attachment A) in this Agreement.

Note that with any responsibilities delegated to Caltrans, Caltrans may have the option to further delegate these responsibilities to a Local Agency in accordance with any applicable State and Federal laws and regulations as specified in Section V of the FHWA/Caltrans Stewardship and Oversight Agreement.

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Note the following:

- Times provided are suggested turnaround times.
- Caltrans and Local Agency Actions were populated and in blue. Final Action responsibilities to be agreed by Caltrans and Local Agency.

DESIGN-BUILD PROJECT ACTIONS RESPONSIBILITY MATRIX (OFF NHS)			
ACTIVITY	Local Agency	CALTRANS ACTION	FHWA ACTION
Project Delivery Selection	Determine and Notify	Notify	None
Potential Conflict of Interest	Determine and Notify	Notify	None
Preliminary Engineering Authorization	Prepare	Review & Recommend	Authorize (5 Days) ¹
Request for Qualifications (RFQ) ⁸	Prepare	Review	None
RFQ Clarifications	Prepare	None	None
RFQ Addenda	Prepare	Review & Concur	None
Major RFQ Addenda	Prepare	Review & Recommend	None
Short-List	Prepare	None	None
Statement of Qualifications Evaluation (SOQ) Evaluations	Review	Observe	None
Draft Request for Proposals (RFP)	Prepare	None	None
Value Engineering Analysis	Prepare	Review	No longer required by FHWA
Final RFP	Prepare	Review and Approve	Review
RFP Addenda	Prepare	Approval	None
Alternate Technical Concepts (ATC)	Review	Review and Approve	None
Technical Proposal Review and Scoring	Conduct	Notify	None ²
Price Proposal Opening	Conduct	Notify	None
Price Proposal Review	Review	None	None
Design-builder Selection	Determine and Notify	Notify	None
Request for Concurrence in Award ⁶	Prepare	None	None
Contract Award ⁹	Award	None	None
Debriefing	Conduct	None	None
Initial Financial Plan (IFP) and Financial Plan Annual Updates ^{3,4}	Prepare	Review and Approve	None
Request for Construction Authorization (E-76) ⁷	Prepare	Review & Recommend	Authorize (7 Days) ¹

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DESIGN-BUILD PROJECT ACTIONS RESPONSIBILITY MATRIX (OFF NHS)			
ACTIVITY	Local Agency	CALTRANS ACTION	FHWA ACTION
Design Reviews - Definitive, Interim, & Final	Review	None ⁶	None
Release for Construction (RFC) Plans	Review	None	None
Terminate DB Contract	Determine and Notify	Notify	None
Cancelling Procurement	Determine & Notify	Notify	None
FOOTNOTES:			
<p>(1) Timeframes for FHWA's actions will be discussed and agreed between all applicable parties. Days are business days.</p> <p>(2) FHWA may observe the process based on availability of the POM and outcome of FHWA's risk assessment.</p> <p>(3) See Financial Plan Checklist and Financial Plan Guidance. Documents can be found here: https://www.fhwa.dot.gov/majorprojects/financial_plans/guidance14.cfm#contents</p> <p>(4) Financial Plans approval by FHWA is required if estimated total cost (including all project phases) is greater than \$500 Million. Financial Plans for projects with total estimated costs between \$100 and less than \$500 Million are still required but do not require approval by FHWA. Consult with the FHWA's POM for additional information.</p> <p>(5) Documents to include in the request for concurrence in award: Finding of Price reasonableness by contracting Agency; Post-award tabulation of Proposals price; Tabulation of Technical and Price Proposals scoring for all proposers; Identification of all addenda issued, including minor addenda; Assurance that all proposers have received all issued addenda.</p> <p>(6) Design reviews will be only done by Caltrans or FHWA if requested by Local Agency. Review of design packages for adherence to the SHPP MOA will be completed by Caltrans as applicable.</p> <p>(7) Caltrans DLA will provide FHWA a copy of the approved Initial Financial Plan when requesting E-76 for construction authorization.</p> <p>(8) If RFQ is issued prior to the completion of the NEPA process, the RFQ must inform proposers of the general status of the NEPA review. (23 CFR 636.109(a)(1))</p> <p>(9) Additional contract requirements apply when Caltrans/Local Agency proceeds with contract award prior to the conclusion of the NEPA process. See 23 CFR 636.109(b).</p> <p>(10)Limited to preliminary design and such additional activities as may be necessary to complete the NEPA process.</p> <p>(11)Only applicable if the NEPA process has not been completed. This activity occurs after the completion of the NEPA process.</p> <p>(12)FHWA's approval of Initial Financial Plan is required to authorize funds for construction (NTP2).</p> <p>(13)When the Final RFP is issued prior to the completion of the NEPA process, the RFP approval only constitutes FHWA's approval of Caltrans/Local Agency's request to release the document.</p>			

POA Template Ver. 19-01+Design-Build

**Exhibit P Grant Agreement Under the Consolidated Appropriations Act,
2018 for the National Infrastructure Investments Discretionary
Grant Program**

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, DC 20590

GRANT AGREEMENT UNDER THE
CONSOLIDATED APPROPRIATIONS ACT, 2018
(PUB. L. 115-141, MARCH 23, 2018)
FOR THE NATIONAL INFRASTRUCTURE INVESTMENTS
DISCRETIONARY GRANT PROGRAM
(FY 2018 BUILD TRANSPORTATION DISCRETIONARY GRANTS)

IMPERIAL COUNTY TRANSPORTATION COMMISSION
CALEXICO EAST PORT OF ENTRY BRIDGE EXPANSION

FHWA FY 2018 BUILD Grant No. 32

This agreement is between the United States Department of Transportation (the “USDOT”) and Imperial County Transportation Commission (the “**Recipient**”). It reflects the selection of the Recipient for an award under the provisions of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, March 23, 2018), regarding National Infrastructure Investments, as described in the Notice of Funding Opportunity for the Department of Transportation’s National Infrastructure Investments Under the Consolidated Appropriations Act, 2018, 83 FR 18651 (April 27, 2018) (the “**NOFO**”). In this agreement, “**FY 2018 BUILD Transportation Discretionary Grant**” means an award under those provisions.

ARTICLE 1. AWARD TERMS AND CONDITIONS

- 1.1 **Operating Administration.** The Federal Highway Administration (the “**FHWA**”) will administer this agreement on behalf of the USDOT. In this agreement, the “**Administering Operating Administration**” means the FHWA.
- 1.2 **Application.**
 - (a) The application for funding was dated July 19, 2018 and titled “Calexico East Port of Entry Bridge Expansion.” It contained Standard Form 424 and all information and attachments submitted with that form through Grants.gov.
 - (b) The Recipient states that:
 - (1) all material statements of fact in the application were accurate when that application was submitted; and
 - (2) Attachment E documents all material changes in the information contained in that application.

1.3 **Purpose.** The purpose of this award is to advance capital investments in surface transportation infrastructure that will have a significant local or regional impact. The parties will accomplish that purpose by achieving the following objectives:

- (1) timely completing the Project; and
- (2) ensuring that this award does not substitute for non-Federal investment in the Project, except as proposed in the application identified in section 1.2, as modified by section 2.3 and Attachment C.

In this agreement, the “**Project**” means the project proposed in the application identified in section 1.2, as modified by the negotiated provisions of this agreement, including sections 2.1, 2.2, and 2.3 and the attachments referenced in section 1.9.

1.4 **Federal Award Amount.** The USDOT hereby awards a FY 2018 BUILD Transportation Discretionary Grant in the amount of \$20,000,000 for the period of performance. The USDOT shall not provide funding greater than this amount under this agreement. The Recipient acknowledges that USDOT is not liable for payments that exceed this amount.

1.5 **Period of Performance.**

- (a) The period of performance for this award begins on the date of this agreement and ends on the period of performance end date that is listed in section 2.2.
- (b) The Recipient shall not charge to this award costs that are incurred after the period of performance.
- (c) The Recipient may charge to this award costs that were incurred before the date of this agreement only if those costs are identified in Attachment F and would have been allowable if incurred during the period of performance award. This limitation applies to costs incurred under an advance construction authorization (23 U.S.C. 115), costs incurred prior to authorization (23 C.F.R. 1.9(b)), and pre-award costs under 2 C.F.R. 200.458. This agreement hereby terminates and supersedes any previous USDOT approval for the Recipient to incur costs under this award for the Project. Attachment F is the exclusive USDOT approval of costs incurred before the date of this agreement.

1.6 **Urban or Rural Designation.** Based on information that the Recipient provided to the USDOT, including the technical application, the USDOT hereby designates the project to be a project in a rural area, as defined in the NOFO. The Recipient shall comply with the requirements that accompany that designation on minimum award size, geographic location, and cost sharing.

1.7 **Fund Obligation.**

This agreement obligates the total amount of funds stated in section 1.4.

1.8 Federal Award Identification Number.

The Federal Award Identification Number (the "FAIN") will be generated when the FHWA Division Office authorizes the project in the Fiscal Management Information System ("FMIS"). The Recipient acknowledges that it has access to FMIS and can retrieve the FAIN from FMIS.

1.9 Attachments. This agreement includes the following attachments as integral parts:

Attachment A	Statement of Work
Attachment B	Estimated Project Schedule
Attachment C	Estimated Project Budget
Attachment D	Performance Measurement Table
Attachment E	Material Changes from Application
Attachment F	Approved Pre-Award Costs

ARTICLE 2. PROJECT AND RECIPIENT INFORMATION

2.1 Summary of Project's Statement of Work. (See Attachment A for additional details).

The Project will widen the Calexico East Port of Entry bridge along the US-Mexico border to accommodate two additional northbound commercial truck lanes and two additional northbound passenger vehicle lanes. The Project also includes improvements to the bicycle and pedestrian facilities at the border crossing.

2.2 Summary of Project's Estimated Schedule. (See Attachment B for additional details).

Actual Completion of NEPA:	April 13, 2020
Planned RFP Approval:	July 14, 2020
Planned Design/Build Contract Award Date:	February 2, 2021
Planned Design/Build Start Date:	February 3, 2021
Planned Construction Start Date:	February 3, 2021
Planned Construction Substantial Completion and Open to Traffic Date:	October 7, 2022
Period of Performance End Date:	April 7, 2024
Planned Project Closeout Date:	July 7, 2025

2.3 Summary of Project's Estimated Budget. (See Attachment C for additional details).

BUILD Funds and Additional Sources of Project Funds:

BUILD Grant Amount:	\$20,000,000
Other Federal Funds (if any):	\$ 0
State Funds ¹ (if any):	\$ 2,250,000
Local Funds ² (if any):	\$ 2,057,000
Private Funds (if any):	\$ 0
Other Funds (if any):	\$ 0
Total Project Cost:	\$24,307,000

¹ Trade Corridor Enhancement Program-SB 1 State Funds

² Imperial County Measure D Half-Cent Sales Tax

2.4 Recipient Cost Share Certification.

As negotiated, the Recipient hereby certifies that not less than \$4,307,000 in non-Federal funds are committed to fund the Project.

2.5 Project's State and Local Planning Requirements.

Project is identified in the following Plans and Programs:

- 2014 California-Baja California Border Master Plan, State of California
- 2016 Regional Transportation Plan/Sustainable Communities Strategy, Southern California Association of Governments (SCAG)/Imperial County Transportation Commission (ICTC)
- 2018 State Transportation Improvement Program (STIP) Caltrans/CTC
- 2017 and 2019 Federal Transportation Improvement Program, SCAG/ICTC.

2.6 Project's Environmental Approvals and Processes.

Environmental Documentation Type, Titles and Date: Categorical Exclusion, approved on April 13, 2020.

Environmental Decision Type and Date: Categorical Exclusion, approved on April 13, 2020.

Name of Agency and Office Approving each Environmental Decision Document:
FHWA California Division

2.7 Unique Entity Identifiers.

Dun and Bradstreet Data Universal Numbering System No. (the "DUNS No.") of the California Department of Transportation: 840881648

DUNS No. of Imperial County Transportation Commission: 9622953790000

2.8 Recipient Contacts.

Mark Baza
Executive Director
Imperial County Transportation Commission
1503 N. Imperial Avenue, Suite 104
El Centro, California 92243-6301
(760) 592-4494
markbaza@imperialctc.org

Nicola Bernard
Project Manager Trade Corridor
Caltrans District 11
Desk (619) 688-6708
Cell (619) 405-4520
nicola.bernard@dot.ca.gov

ARTICLE 3. GENERAL REPORTING TERMS

- 3.1 **Report Submission.** The Recipient shall send all reports required by this agreement to all of the USDOT contacts who are listed in Section 9.1.
- 3.2 **Alternative Reporting Methods.** The Administering Operating Administration may establish processes for the Recipient to submit reports required by this agreement, including electronic submission processes. If the Recipient is notified of those processes in writing, the Recipient shall use the processes required by the Administering Operating Administration.
- 3.3 **Reporting as History of Performance.** Under 2 C.F.R. 200.205, any Federal awarding agency may consider the Recipient's timely submission of the reports that this agreement requires, or the Recipient's failure to timely submit those reports, when evaluating the risks of making a future Federal financial assistance award to the Recipient.
- 3.4 **Paperwork Reduction Act Notice.** Under 5 C.F.R. 1320.6, the Recipient is not required to respond to a collection of information that does not display a currently valid control number issued by the Office of Management and Budget (the "OMB"). Collections of information conducted under this agreement are approved under OMB Control No. 2105-0563.

ARTICLE 4. PROGRESS REPORTING

- 4.1 **Quarterly Project Progress Reports and Recertifications.** On or before the 20th day of the first month of each calendar year quarter and until Project Closeout, the Recipient shall submit to the USDOT a Quarterly Project Progress Report and Recertification with the form and content described in Exhibit H. If the date of this agreement is in the final month of a calendar year quarter, then the Recipient shall submit the first Quarterly Project

Progress Report and Recertification in the second calendar year quarter that begins after the date of this agreement.

- 4.2 **Closeout Information.** No later than 90 days after the period of performance end date that is listed in section 2.2, the Recipient shall:
- (1) submit a final Federal Financial Report (SF-425), a certification or summary of project expenses, and any other information required under the Administering Operating Administration's closeout procedures; and
 - (2) provide a report comparing the final work, schedule, and budget to the statement of work described in section 2.1, the schedule described in section 2.2, and the budget described in section 2.3.
- 4.3 **Project Closeout.** In this agreement, "**Project Closeout**" means the date that the USDOT notifies the Recipient that the award is closed out. Under 2 C.F.R. 200.343, Project Closeout should occur no later than one year after the Recipient liquidates all obligations under this award and submits the reports identified in section 4.2.

ARTICLE 5. PERFORMANCE REPORTING

- 5.1 **Performance Measure Data Collection.** The Recipient shall collect the data necessary to report on each performance measure that is identified in the Performance Measurement Table in Attachment D.
- 5.2 **Pre-project Performance Measurement Report.** The Recipient shall submit to the USDOT, on or before the Pre-project Report Date that is stated in Attachment D, a Pre-project Performance Measurement Report that contains:
- (1) baseline data for each performance measure that is identified in the Performance Measurement Table in Attachment D, accurate as of the Pre-project Measurement Date that is stated in Attachment D; and
 - (2) a detailed description of the data sources, assumptions, variability, and estimated levels of precision for each measure.
- 5.3 **Interim Performance Measurement Reports.** After project completion, the Recipient shall submit to the USDOT on or before each of the periodic reporting dates specified in the Performance Measurement Table in Attachment D, an Interim Performance Measurement Report containing data for each performance measure that is identified in that table, accurate as of the final date of the measurement period specified in that table. If an external factor significantly affects the value of a performance measure during a measurement period, then in the Interim Performance Measurement Report the Recipient shall identify that external factor and discuss its influence on the performance measure.
- 5.4 **Project Outcomes Report.** The Recipient shall submit to the USDOT, on or before the Project Outcomes Report Date that is stated in Attachment D, a Project Outcomes Report that contains:

- (1) a narrative discussion detailing project successes and the influence of external factors on project expectations;
- (2) all baseline and interim performance measurement data that the Recipient reported in the Pre-project Performance Measurement Report and the Interim Performance Measurement Reports; and
- (3) an *ex post* examination of project effectiveness relative to the baseline data that the Recipient reported in the Pre-project Performance Measurement Report.

ARTICLE 6. AGREEMENT MODIFICATIONS

- 6.1 **Bilateral Modifications.** The parties may amend, modify, or supplement this agreement by mutual agreement in writing signed by the USDOT and the Recipient. Either party may request to amend, modify, or supplement this agreement by written notice to the other party.
- 6.2 **Limited Unilateral Modifications.**
 - (a) The Recipient may update the contacts who are listed in section 2.8 by written notice to all of the USDOT contacts who are listed in section 9.1.
 - (b) The USDOT may update the contacts who are listed in section 9.1 by written notice to all of the Recipient contacts who are listed in section 2.8.
- 6.3 **Other Modifications.** The parties shall not amend, modify, or supplement this agreement except as permitted under section 6.1 or section 6.2. If an amendment, modification, or supplement is not permitted under section 6.1 and not permitted under section 6.2, it is void.

ARTICLE 7. STATEMENT OF WORK, SCHEDULE, AND BUDGET CHANGES

- 7.1 **Statement of Work Changes.** If the Project's activities differ from the statement of work that is described in section 2.1 and Attachment A, then the Recipient shall request a modification of this agreement to update section 2.1 and Attachment A.
- 7.2 **Schedule Changes.** If the Project's substantial completion date changes to a date that is more than six months after the substantial completion date listed in section 2.2 or a schedule change would require the period of performance to continue after the period of performance end date listed in section 2.2, then the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B. For other schedule changes, the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.
- 7.3 **Budget Changes.**
 - (a) If, in comparing the Project's budget to the amounts listed in section 2.3, the "Other Federal Funds" amount increases or one or more of the "State Funds," "Local Funds," "Private Funds," "Other Funds," or "Total Project Cost" amounts decrease, then the

Recipient shall request a modification of this agreement to update section 2.3 and Attachment C. For other budget changes, the Recipient shall request a modification of this agreement to update Attachment C unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.

- (b) If the actual eligible project costs are less than the "Total Project Cost" that is listed in section 2.3, then the Recipient may propose to the USDOT, in writing consistent with the Administering Operating Administration's requirements, specific additional activities that are within the scope of this award, as defined in sections 1.3 and 2.1, and that the Recipient could complete with the difference between the "Total Project Cost" that is listed in section 2.3 and the actual eligible project costs.
- (c) If the actual eligible project costs are less than the "Total Project Cost" that is listed in section 2.3 and either the Recipient does not make a proposal under section 7.3(b) or the USDOT does not accept the Recipient's proposal under section 7.3(b), then:
 - (1) in a request under section 7.3(a), the Recipient shall reduce the Federal Share by the difference between the "Total Project Cost" that is listed in section 2.3 and the actual eligible project costs; and
 - (2) if that modification reduces this award and the USDOT had reimbursed costs exceeding the revised award, the Recipient shall refund to the USDOT the difference between the reimbursed costs and the revised award.

In this agreement, "**Federal Share**" means the sum of the "BUILD Grant Amount" and the "Other Federal Funds (if any)" amounts that are listed in section 2.3.

- (d) The Recipient acknowledges that amounts that are required to be refunded under section 7.3(c)(2) constitute a debt to the Federal Government that the USDOT may collect under 2 C.F.R. 200.345 and the Federal Claims Collection Standards (31 C.F.R. parts 900-999).

7.4 **USDOT Acceptance of Changes.** The USDOT may accept or reject modifications requested under this article 7, and in doing so may elect to consider only the interests of the BUILD Transportation Discretionary Grant program and the USDOT. The Recipient acknowledges that requesting a modification under this article 7 does not amend, modify, or supplement this agreement unless the USDOT accepts that modification request and the parties modify this agreement under section 6.1.

ARTICLE 8. TERMINATION AND EXPIRATION

8.1 **USDOT Termination.**

- (a) The USDOT may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

- (1) The Recipient fails to obtain or provide any non-BUILD Transportation Discretionary Grant contribution or alternatives approved by the USDOT as provided in this agreement and consistent with sections 2.2, 2.3, and 2.4;
- (2) The Recipient fails to begin the design/build project before **April 3, 2021**;
- (3) The Recipient fails to begin expenditure of award funds by **May 15, 2021**;
- (4) The Recipient fails to achieve the Construction Substantial Completion and Open to Traffic Date by **April 7, 2023**;
- (5) The Recipient fails to meet the conditions and obligations specified under this agreement, including a material failure to comply with the schedule in section 2.2 even if it is beyond the reasonable control of the Recipient; or,
- (6) The USDOT determines that termination of this agreement is in the public interest.

(b) In terminating this agreement under this section the USDOT may elect to consider only the interests of the USDOT.

8.2 **Closeout Termination.** This agreement terminates on Project Closeout.

8.3 **Fund Liquidation, Adjustment, and Cancellation.**

- (a) The Recipient shall liquidate all obligations under this award not later than 90 days after the period of performance end date that is listed in section 2.2. The Recipient acknowledges that this period of availability for liquidation ends before the statutory expenditure deadline identified in section 8.3(c).
- (b) Liquidation and adjustment of funds under this agreement follow the requirements of 2 C.F.R. 200.343–345.
- (c) Outstanding FY 2018 BUILD Transportation Discretionary Grant balances are canceled by statute after September 30, 2025, and are then unavailable for any purpose, including adjustments and expenditures.

8.4 **Reporting Survival.** The reporting requirements set forth in articles 4 and 5 of this agreement survive the termination of this agreement and the expiration of award funds.

ARTICLE 9. USDOT CONTACTS

9.1 **USDOT Contacts.** Except as authorized by the USDOT under section 3.2, the Recipient shall send all notices, reports, and information required by this agreement to all of the following contacts:

Omar Elkassed
Senior Transportation Engineer
FHWA California Division

888 S. Figueroa Street, Suite 440
Los Angeles, California 90017
(213) 894-6718
omar.elkassed@dot.gov

and

FHWA BUILD Transportation Program Manager
Federal Highway Administration
Office of Freight Management and Operations
1200 New Jersey Avenue, SE
Room E86-206
Washington, DC 20590
(202) 366-2639
FHWA-TIGER.Reports@dot.gov

and

OST BUILD Transportation Discretionary Grants Coordinator
United States Department of Transportation
Office of the Secretary
1200 New Jersey Avenue, SE
Washington, DC 20590
(202) 366-8914
BUILDGrants@dot.gov

ARTICLE 10. ADDITIONAL TERMS AND CONDITIONS

- 10.1 **Catalog of Federal Domestic Assistance Information.** This award is under the program titled "National Infrastructure Investments," with number 20.933 in the Catalog of Federal Domestic Assistance.
- 10.2 **Research and Development Designation.** This award is not for research and development.
- 10.3 **Exhibits.** This agreement includes the following exhibits as integral parts located at: https://ops.fhwa.dot.gov/freight/infrastructure/build/fy2018_gr_exhbt/index.htm

Exhibit A	Legislative Authority
Exhibit B	General Terms and Conditions
Exhibit C	Applicable Federal Laws and Regulations
Exhibit D	Grant Assurances
Exhibit E	Responsibility and Authority of the Recipient
Exhibit F	Reimbursement of Project Costs
Exhibit G	Grant Requirements and Contract Clauses
Exhibit H	Quarterly Progress Reports: Format and Content

- 10.4 **Construction.** If a provision in the exhibits or the attachments conflicts with a provision in Articles 1 – 12, then the provision in Articles 1 – 12 prevails. If a provision in the attachments conflicts with a provision in the exhibits, then the provision in the attachments prevails.

ARTICLE 11. SPECIAL GRANT REQUIREMENTS

- 11.1 **State DOT as Pass-Through Entity.** Under 2 C.F.R. part 200 and 23 U.S.C. 106(g), California Department of Transportation will serve as the pass-through entity for the purpose of administering this award.

- 11.2 **FMIS Identification.** For purpose of administering the FY 2018 BUILD funds for the project, California Department of Transportation (Caltrans) will be identified in FMIS as the recipient and the Imperial County Transportation Commission (ICTC) will be identified as the subrecipient.

- 11.3 **Advance Construction and Tapered Match Authorization.** On June 3, 2019, the California Division Office authorized environmental compliance and NEPA documentation activities for the Project to proceed under the Advance Construction provisions of 23 U.S.C. § 115. With the authorization, the Division office authorized also the use of tapered match under the FHWA's tapered match procedures in the *Federal-aid Guidance Non-Federal Matching Requirements* dated May 15, 2019 and consistent with 2 CFR 200.300(b) to allow the \$2,250,000 of non-Federal funds to be used as a match to the FY 2018 BUILD funds provided under this agreement for construction of the Project.

Concurrently with the authorization of the Project to proceed to construction, obligation of the FY 2018 BUILD funds by the Division's execution of the BUILD grant agreement, and recordation of the BUILD funds in the FMIS, the Division shall modify the FMIS project agreement to recognize the advance construction authorized incurred tapered match costs as the non-Federal match for the Project consistent with 23 U.S.C. § 115, 23 CFR 630.106 (c), 630. 108(c)(2) and 2 CFR 200.306(b).

- 11.4 The U.S. General Services Administration (GSA) owns the bridge and is identified as a project partner in the grant application. ICTC and Caltrans will coordinate with GSA to ensure all phases of the project including, environmental, preliminary engineering, design, and construction, meet GSA requirements and standards.

- 11.5 There are no other special grant requirements for this Project.

ARTICLE 12. EXECUTION

- 12.1 **Counterparts.** This agreement may be executed in counterparts, which constitute one document. The parties shall execute this agreement in quadruplicate and intend each countersigned original to have identical legal effect.

- 12.2 **Effective Date.** This agreement is effective when fully executed by authorized representatives of the Recipient and the USDOT. The Recipient shall execute this agreement and then submit three original signed copies of the agreement to the USDOT

for execution. This instrument constitutes a FY 2018 BUILD Transportation Discretionary Grant when it is signed and dated by the authorized official of the USDOT.

EXECUTION BY THE USDOT

Executed this _____ day of _____, 202__.

MONICA GOURDINE

Digitally signed by MONICA
GOURDINE
Date: 2020.07.29 07:34:23 -07'00'

Signature of USDOT's Authorized Representative

for Vincent Mammano
Division Administrator
FHWA California Division

EXECUTION BY IMPERIAL COUNTY TRANSPORTATION COMMISSION

By signature below, the Recipient acknowledges that it accepts and agrees to be bound by this agreement.

Executed this 29th day of June, 2020.



Signature of Recipient's Authorized Representative

Mark Baza
Executive Director

EXECUTION BY STATE DEPARTMENT OF TRANSPORTATION

By signature below, the State Department of Transportation (the "SDOT") acknowledges that it agrees to act as a limited agent for the Recipient to assist in the receipt and disbursement of the FY 2018 BUILD Transportation Discretionary Grant obligated by this agreement and to perform such other administrative and oversight duties with respect to the award and the Project as the Recipient and the SDOT shall agree upon between themselves. The SDOT acknowledges the fiduciary duty owed to the parties to this agreement and will promptly disburse the award to the Recipient at Recipient's direction and instructions. Further, the SDOT will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the duties it assumes under this agreement in compliance with the agreement's terms and conditions.

Executed this 27th day of July, 2020.



Signature of California Department of Transportation
Designated Official Representative

Toks Omishakin
Director, Caltrans

**ATTACHMENT A
STATEMENT OF WORK**

The Project will widen the Calexico East Port of Entry bridge along the US-Mexico border to accommodate two additional northbound commercial truck lanes and two additional northbound passenger vehicle lanes. The Project also includes improvements to the bicycle and pedestrian facilities at the border crossing.

Major Project Activities

Preliminary Engineering – Consists of design engineering to complete the Request for Proposal (RFP) package.

Environmental – Consists of evaluations and development to studies to complete the review of the project under the NEPA.

Bridge Design & Construction – consists the removal of the existing bridge deck edge and construction of new bridge deck to accommodate two additional northbound commercial truck lanes and two additional northbound passenger vehicle lanes. The work will also include the necessary slope protection around bridge abutments and the reconfiguration of the roadway approaches to the bridge.

Bicycle & Pedestrian Improvements – Consists of replacing existing pedestrian and bicycle path on the bridge.

Construction Engineering – On-site Construction Management services on behalf of ICTC.

**ATTACHMENT B
ESTIMATED PROJECT SCHEDULE**

Actual Start of Preliminary Engineering: November 1, 2018
Actual End of Preliminary Engineering: May 26, 2020
Actual Completion of NEPA: April 13, 2020
Planned RFP Approval: July 14, 2020
Planned Design/Build Advertisement: August 2, 2020
Planned Design/Build Contract Award Date: February 2, 2021
Planned Design/Build Start Date: February 3, 2021
Planned Construction Start Date: February 3, 2021

Major Project Activity	Planned Start Date	Planned End Date
Bridge Design & Construction	February 3, 2021	October 7, 2022
Bicycle & Pedestrian Improvements	February 3, 2022	October 7, 2022
Construction Engineering	February 3, 2021	April 7, 2024

Planned Construction Substantial Completion
and Open to Traffic Date: October 7, 2022
Period of Performance End Date: April 7, 2024
Planned Project Closeout Date: July 7, 2025

ATTACHMENT C
ESTIMATED PROJECT BUDGET

Activity	FY 2018 BUILD Transportation Discretionary Grant Funds	Other Federal Funds	Match to Other Federal Funds	Local Funds ¹	State Funds ²	Other Funds	Project Cost
Preliminary Engineering & Environmental					\$2,250,000		\$2,250,000
Bridge Design & Construction	\$14,035,714			\$1,600,000			\$15,635,714
Bicycle & Pedestrian Improvements	\$250,000						\$250,000
Construction Engineering	\$5,714,286			\$457,000			\$6,171,286
Total	\$20,000,000	\$0	\$0	\$2,057,000	\$2,250,000	\$0	\$24,307,000

¹ Imperial County Measure D Half-Cent Sales Tax

² Trade Corridor Enhancement Program – SB State Funds

**ATTACHMENT D
PERFORMANCE MEASUREMENT TABLE**

Study Area: Calexico East Port of Entry Bridge, Imperial County, CA

Pre-project Measurement Date: January 3, 2021

Pre-project Report Date: April 3, 2021

Project Outcomes Report Date: October 7, 2026

Table 1: Performance Measurement Table

Measure	Description and Category of Measure	Measurement Period	Reporting Period
Average Daily Traffic (ADT)	Economic Competitiveness The total volume of vehicle traffic on a highway or road segment per day as defined by the project study area.	Baseline Measurement: Annual average, accurate as of the Pre-project Measurement Date Interim Performance Measures: Accurate as of October 7, 2023 October 7, 2024 October 7, 2025	Baseline Measurement: Pre-project Report Date Interim Performance Measures: For a period of 3 years, beginning December 7, 2023 December 7, 2024 December 7, 2025
Average Daily Truck Traffic (ADTT)	Economic Competitiveness ADTT measures the total volume of truck traffic per day as defined by the project study area.	Baseline Measurement: Annual average, accurate as of the Pre-project Measurement Date Interim Performance Measures: Accurate as of October 7, 2023 October 7, 2024 October 7, 2025	Baseline Measurement: Pre-project Report Date Interim Performance Measures: For a period of 3 years, beginning December 7, 2023 December 7, 2024 December 7, 2025

ATTACHMENT E
MATERIAL CHANGES FROM APPLICATION

Scope: The BUILD application contemplated a bridge width that included an 8-foot shoulder on both sides of the bridge. However, due to budget constraints, the 8-foot wide shoulders have been reduced to 2-foot wide shoulders. This minor modification to the bridge width will not impact the benefits of the project, including the planned bicycle and pedestrian improvements. The bicycle and pedestrian improvements will be located in the bridge median.

Schedule: Schedule has been modified to accommodate delivering the project via Design-Build instead of Design-Bid-Build.

The schedule contains an approximate seven-month period between the approval of the RFP package and the design-build project award date. The process to evaluate the RFP proposals takes about six months and includes the time necessary to review the proposals, make a selection, and award the design-build contract.

The schedule has also been adjusted to allow for a period of performance end date that is 18 months after the construction substantial completion and open to traffic date. FHWA and Caltrans have agreed to allow the period of performance end date to be 12 months after the construction substantial completion date; however, the ICTC and Caltrans have requested an additional six months to allow for sufficient time to coordinate final construction tasks with the selected design-build team and GSA. Therefore, the ICTC requests OST's approval of the extended period of performance to complete this grant project.

Budget: The recipient requested \$25,000,000 in BUILD funds, but received \$20,000,000. The recipient also incurred \$750,000 during the environmental phase before OST's approval of the AC with tapered match request. The reduction of the shoulder width reduced the estimated project costs to within the reasonable range of the available funding and additional non-Federal funds were used to complete the project funding package. The table below provides a summary comparison of the project budget.

[See table on following page]

Budget Item	2018 BUILD Application		Current Budget	
	Dollars	Percentage	Dollars	Percentage
Total Project Cost	\$29,844,000	100%	\$24,307,000	100%
Previously Incurred Cost (PE & Environmental Phase)	N/A	N/A	\$750,000	N/A
Eligible Costs (PE & Environmental Phase)	\$3,000,000	10.05%	\$2,250,000	9.26%
Total Design & Construction Cost	\$26,844,000	N/A	\$22,057,000	N/A
BUILD funds	\$25,000,000	83.77%	\$20,000,000	82.28%
Non-Federal funds	\$1,844,000	6.18%	\$2,057,000	8.46%
Other Federal funds	N/A	N/A	N/A	N/A
Match to Other Federal funds	N/A	N/A	N/A	N/A

ATTACHMENT F
APPROVED PRE-AWARD COSTS

On May 29, 2019, the California Department of Transportation (Caltrans) in partnership with Imperial County Transportation Commission (ICTC), sent a written request to the [FHWA](#) California (CA) Division Office for advance construction and tapered match authorization to allow ICTC to apply non-Federal funds expended for NEPA as a non-Federal match to the BUID grant funds.

On June 3, 2019, the FHWA CA Division approved the request and on July 2, 2019 a follow-up letter was provided to Caltrans indicating that OST had also approved the request. The advanced construction and tapered match authorization was finalized in the Financial Management Information System on August 13, 2019.

Exhibit Q Donation Acceptance Agreement by and Between the United States of America, Acting by and through the U.S. General Services Administration, Public Building Service and the Imperial County Transportation Commission

The Draft Donation Acceptance Agreement follows. The final, fully executed Donation Acceptance Agreement will be incorporated by Amendment.

**DONATION ACCEPTANCE AGREEMENT
BY AND BETWEEN
THE UNITED STATES OF AMERICA,
ACTING BY AND THROUGH
THE U.S. GENERAL SERVICES ADMINISTRATION,
PUBLIC BUILDING SERVICE
AND
THE IMPERIAL COUNTY TRANSPORTATION COMMISSION**

1. PARTIES

The United States of America, acting by and through the Administrator of the General Services Administration ("GSA"), is entering into this Donation Acceptance Agreement with the Imperial County Transportation Commission ("Donor" or ICTC) to facilitate the proposed donation of 4 additional lanes (described in Appendix A), and if Donor's funding permits, the optional work described in Appendix A-1, to the existing GSA bridge crossing the All American Canal at the Calexico East Land Port of Entry ("Calexico East LPOE") in Calexico, California. GSA and Donor are collectively referred to herein as the "Parties" and each individually as a "Party."

2. PURPOSE

The purpose of this Agreement is to memorialize the mutual understanding of the Parties regarding the proposed donation to the United States of America (the "United States") and the terms and conditions of that donation.

As described in the Donor's July , 2020 donation letter and the Donor's Request for Qualifications ("RFQ"), a copy of both which are attached hereto as Exhibits A and A-1, Donor seeks to donate through an unconditional gift 4 additional lanes and re-align the pedestrian path to the existing GSA bridge traversing the All American Canal (including construction of permanent fencing and entrance gate as necessary to replace temporary fencing) at the Calexico East LPOE, and should funds be available to Donor, Donor seeks to donate an 8-ft shoulder, rehabilitation of existing structures, and a bridge canopy. The work is described as base and optional work in Exhibits A and A-1, respectively. As part of the pedestrian path re-alignment and related improvements, the Donor will construct permanent fencing and entrance gate as necessary to replace temporary fencing.

Donor has submitted the following documentation to GSA to facilitate acceptance and approval of the project:

- Request for Qualifications which explains all base work to be performed, including potential optional work consisting of an 8-ft shoulder for commercial vehicles, rehabilitation work on the existing structures & tunnels, and a bridge canopy along the northbound pedestrian walkway.

- Base contract design-build work of 4 northbound lanes is estimated to be \$18,444,000. Optional work is estimated to be \$7,500,000, as stated in the RFQ issued by ICTC dated May 20, 2020.
- Estimated construction schedule includes,
 - o Notice of Award on February 3, 2021
 - o Notice to Proceed on February 10, 2021
 - o Project Completion in October of 2022
- July 7, 2020 letter stating that the proposed donation is an unconditional gift to the United States of America through GSA

This Agreement outlines the principles, terms and conditions that will govern the proposed donation to GSA of the base and optional work described in the July 7, 2020 donation letter, the RFQ and Exhibits A and A-1 attached hereto, and defines and establishes the joint project management framework, membership, roles, and responsibilities of the GSA and Donor project teams. Upon completion of the work described in Exhibits A, and potentially A-1, by Donor, and acceptance by Donor and the United States in accordance with the procedures set forth in Donor's RFQ, Caltrans' Standard Specifications, GSA's Facilities Standards for the Public Buildings Service P100 (Current Version), Customs and Border Protection (CBP) Land Port of Entry Design Guide, all attached hereto as Exhibit B and incorporated herein by reference, the entirety of the donation, including any improvements constructed on federal property, will become the property of the United States and will be maintained by GSA.

3. AUTHORITY

Acceptance of unconditional gifts of property, 40 U.S.C. § 3175.

4. CONSIDERATION AND MUTUALITY OF OBLIGATIONS

It is the agreement of the Parties and the intention and wish of Donor that the donation under this Agreement will constitute Donor's binding obligation and will be enforceable at law and equity, including against Donor and Donor's successors and assigns. Donor acknowledges that GSA is relying, and will continue to rely, on Donor's donation subject to the terms and conditions set forth in this Agreement. In consideration for the donation, GSA will enter into a site access or other similar agreement with Donor authorizing Donor to enter onto the Calexico East LPOE property to carry out its responsibilities under this Agreement. The United States further agrees to accept the carry out the responsibilities under this Agreement. The United States further agrees to accept the donation upon completion, provided it is constructed in accordance with the terms and conditions of this Agreement.

5. SCOPE OF WORK

The agreed-upon scope of the project is described in the attached Exhibit A, and optional work if Donor has sufficient funds are described in Exhibit A-1. Donor agrees

not to deviate from the work described in Exhibits A and A-1 without prior notice to the GSA primary point of contact identified in this Agreement, which notice may be delivered either orally or in writing. If the notice is delivered orally, it must be followed up in writing, which writing may be in an e-mail. Any change to the work described in Exhibits A and A-1 that does not meet or that exceeds industry established acceptable tolerances, variances and standards of workmanship for road and bridge construction on federal or State of California projects, whichever is more strict, and any change that requires funding from GSA will require express written consent from GSA. GSA will communicate to Donor its approval or disapproval of the proposed change as soon as possible, taking into consideration the magnitude and complexity of the change. Before commencing to implement any of the proposed changes that require prior approval, Donor must obtain the written approval of GSA. GSA will only accept the donation once all terms and conditions of this Agreement are satisfied and they have verified that the property and the improvements constructed thereon meet all the terms and conditions set forth in Exhibits A and A-1.

6. ROLES AND RESPONSIBILITIES

GSA and Donor will each appoint a primary point of contact within one week after full execution of this Agreement. These points of contact will be responsible for delivery, receiving, and reviewing as applicable, verbal or written notification of any change to the work described in Exhibits A and A-1, and coordinating and facilitating the written approval of any changes, if necessary.

7. PROJECT FUNDING

Donor will be responsible for all costs and expenses to acquire, design, construct, and deliver the completed project, and all other costs and expenses associated with the project, including repair or replacement of any federal property damaged during the course of project delivery and construction and the correction of any defective or noncompliant work, until acceptance of the final project by the United States. The estimated and anticipated costs of acquiring, designing and constructing the donated property, for both base and optional work, are set forth in Exhibit C.

8. PROJECT EXECUTION

All work must be performed in a manner that either avoids or minimizes, to the extent reasonably possible, operational disruptions to the Calexico East LPOE and in a manner that will safeguard the public and Federal Government personnel and property. Donor agrees to coordinate project activities with the GSA primary points of contact to ensure that operational disruptions, if any, are mitigated and managed appropriately. GSA acknowledges that Donor intends to award a Design Build construction contract for the work described in Exhibit A and potentially Exhibit A-1 to the firm that offers the best value proposal. To ensure quality workmanship and the proper execution and timely completion of the work, Donor will require that its Design Build contractor or contractors and each of their subcontractors only employ qualified personnel to perform the work.

The Project is complete only when Donor has corrected all punch list items and noted deficiencies and has complied with all conditions in this Agreement.

Upon project completion and final acceptance by the United States, Donor agrees to provide GSA with final as-built drawings and plans of the work described in Exhibits A and, if done, A-1, and all documents necessary to effect the transfer of ownership (such as a bill of sale, American Land Title Association ("ALTA") survey and final total and itemized costs for the project), as well as a minimum of a one-year warranty of construction to be proved to GSA in the form prescribed in 48 C.F.R. § 52.246-21, and any other reasonable request for documentation related to the project.

9. SATISFACTORY TITLE AND TITLE EVIDENCE

~~FBD~~ Donor shall provide to GSA prior to acceptance of the donation an ALTA U.S. Policy 9-28-91 (Revised 12-3-12) evidencing no mechanic's or materialmen's liens or any other interest in the proposed donation that have not been specifically approved by GSA. Any interests approved by GSA are found at Exhibit D to this Agreement. The title policy shall be supplemented by Donor's declaration attesting that there are no mechanic's or materialmen's liens or any other interests in the proposed donation that have not been specifically approved by GSA.

10. BILL OF SALE AND WARRANTY DEED

Donor shall provide to GSA a Bill of Sale for the proposed donation in the form attached at Exhibit E to this Agreement.

11. MEETINGS

GSA shall have the right, but not the obligation to attend all pre-design, design and construction meetings for this project. GSA's, or its agents' or representatives', attendance at such meetings is for the sole benefit of the United States and do not relieve Donor of responsibility for providing adequate quality control measures and do not constitute or imply acceptance of any part of the work

12. INSPECTION OF CONSTRUCTION

With regard to the entirety of the property to be donated, Donor must maintain an adequate inspection system and perform such inspections as will ensure that the work performed under this Agreement conforms to the requirements set forth herein. Donor must maintain complete inspection records and make them available to GSA upon request.

GSA reserves the right, but not the obligation, to review, test or inspect the development of the design and the prosecution of Donor's work to verify compliance with the terms of

the Agreement. Donor must allow GSA and its agents and representatives access to the construction site and Donor's work for such reviews, provided such access and reviews do not unreasonably interfere with or unreasonably delay the performance of Donor's work. GSA's reviews, inspections and tests are for the sole benefit of the United States and do not relieve Donor of responsibility for providing adequate quality control measures and do not constitute or imply acceptance of any part of the work.

Donor must, without charge to the United States, replace or convert work found by GSA not to conform to contract requirements. If Donor does not promptly replace or correct rejected work, the United States may terminate this Agreement without liability to the United States and seek any other remedies permitted by this Agreement or by law.

13. SPECIFICATION AND DRAWINGS FOR CONSTRUCTION

Donor must allow GSA and its agents and representatives access to the construction documents, plans, drawings, specifications, reports and any other document during all phases of pre-design, design development and construction. Because Donor contemplates construction using the Design Build method, GSA shall have the right, but not the obligation to review the design documents at various stages of design submittals, including 30%, 60%, 90% and 100%.

Donor must keep on the work site a copy of the drawings and specifications and must at all times give GSA access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, must be of like effect as if shown or mentioned in both. In case of differences between plans, drawings and specifications, the specifications will identify which construction document governs.

Donor must, without charge to the United States, correct design found by GSA not to conform to contract requirements. If Donor does not promptly correct the rejected design, the United States may terminate this Agreement without liability to the United States and seek any other remedies permitted by this Agreement or by law.

14. CONTRACTORS AND SUBCONTRACTORS

Nothing contained in this Agreement will be construed as creating any contractual relationship between any third party (e.g., contractor, subcontractor or supplier) and the United States. Donor will be responsible to the United States for the acts and omissions of its own employees and, to the maximum extent provided by law, those of its contractors, subcontractors, suppliers, and their employees. The United States reserves the right to exclude or remove from the site or any buildings at the site any person who violates rules and regulations concerning conduct on federal property or whose continued presence on site is otherwise determined by the Government to be contrary to the public interest.

15. ENVIRONMENTAL REPRESENTATIONS

Donor represents that it has completed all required environmental analysis and determined that a categorical exclusion applied.

16. ENVIRONMENTAL RESPONSIBILITIES AND OBLIGATIONS

- A. Responsibilities and Obligations of Donor: Donor will comply with all rules, laws, regulations, ordinances and licensing or permit requirements and guidance applicable and will take all response actions necessary to protect human health and the environment. Donor provides assurances that, in accordance with and to the extent required at the location of the project by applicable federal, state and local laws, Donor will timely:
- Assess, inspect, investigate, study and remove or remediate, as appropriate, the release or threatened release of a Hazardous Substance, released due to its project work from environmental media, such as soil, subsurface soil, air, groundwater, surface water, or subsurface geological formations at levels above background; and
 - Settle or defend any claim, demand or order made by federal, state or local regulators or third parties against Donor in connection with any release or threatened release of a Hazardous Substance due to its activities.
- B. Responsibilities and Obligations of the United States: The United States will comply with all rules, laws, regulations, ordinances, and licensing or permit requirements and guidance applicable to the United States.

17. LIABILITY AND INDEMNITY

Donor is responsible for all damages to persons or property that occur as a result of its activities and the activities of its agents, representatives, contractors and subcontractors under this Agreement or otherwise in completing the work that is the subject of this Agreement, whether caused by intentional conduct, recklessness, fault, negligence or otherwise.

Donor agrees to indemnify and save harmless the United States, its agents and employees, to the maximum extent provided by law, against any and all loss, damage, claim or liability whatsoever, due to personal injury or death, or damage to property of others, directly or indirectly, arising out of or related to the privileges granted under this Agreement to Donor, including failure to comply with the obligations of this Agreement.

18. INSURANCE AND BONDS

Donor shall cause and ensure that all of its contractors obtain an endorsement naming the United States as an additional insured on all insurance required for the work that is

the subject of this Agreement. Donor shall provide to GSA a copy of the policy certificate which shows the policy coverage amount(s) and the endorsement page that documents and confirms that the United States of America has been added as an additional insured on the aforementioned policies. The insurance carrier is required to waive all subrogation rights against any of the named insured.

Additionally, Donor shall cause and ensure that all of its contractors name the United States as a co-obligee on all bonds (e.g. performance bond, payment bond) each equal to 100% of the total project cost. Donor shall provide to GSA a copy of the bonds evidencing such.

19. SITE CONDITIONS

Neither GSA nor any other agency or instrumentality of the United States shall be responsible for any unknown or unexpected site conditions encountered on its site. Also, any costs caused by any changed conditions shall be the responsibility of Donor and neither GSA nor the United States will be liable or responsible for any costs or claims for costs due to any changed conditions. If Donor elects not to modify this Agreement and bear such increased costs, this Agreement may be terminated subject to the termination and restoration provisions set out herein.

20. ACCESS TO CONTROLLED UNCLASSIFIED INFORMATION

Donor acknowledges that as a part of its project planning and execution activities, GSA may need to provide Donor with confidential sensitive information. Donor agrees to maintain the confidentiality of information designated by the Federal Government as Controlled Unclassified Information (CUI) and will sign a Non-Disclosure Agreement (NDA) (as attached in Exhibit F) to that effect, and cause its agents, representatives, contractors, subcontractors and suppliers to do so, as well.

This Agreement must be executed by all the Parties and the NDA must be executed by any individual requesting access to CUI.

The provisions in this Agreement relating to CUI will survive the termination or expiration of this Agreement.

- A. Responding to Requests for CUI. If Donor receives a request for documents related to this Agreement from a party who is not a signatory to this Agreement, Donor will assert any and all applicable defenses, privileges, exceptions and exemptions from disclosure under the California Public Records Act or any other law and to maintain the confidentiality of the information to the maximum extent permissible under law. Donor will immediately notify GSA of any such request and will draft a response, in consultation with GSA.

- B. Donor Generated Documents. Donor generated documents, including those of Donor's agents, representatives, contractors, subcontractors, and suppliers that contain controlled unclassified information must be marked as CUI on the original documents and all copies before any dissemination.
- C. Legitimate Need to Know. CUI must be protected with access strictly controlled and limited to those individuals having a legitimate business need to know such information. Any contractors or subcontractors having a legitimate business need to know such information must be registered as "active" in the System for Award Management (SAM) database at www.sam.gov. If they are not registered, they must provide to Donor their DUNS number or tax ID number and a copy of its business license and Donor shall keep this information for the duration of the contract.
- D. Public Safety Entities. Public safety entities such as fire and utility departments may require access to CUI on a need to know basis. This clause does not prevent or encumber the dissemination of CUI to public safety entities.
- E. Electronic submission of CUI: Electronic submission of CUI outside of the GSA network must use session encryption (or alternatively, file encryption). Encryption must be via an approved NIST algorithm with a valid certification, such as Advanced Encryption Standard (AES) or Triple Data Encryption Standard (3DES). In accordance with Federal Information Processing standards Publication (FIPS PUB) 140-2, Security Requirements for Cryptographic Modules per GSA policy.
- F. Non-electronic form (including paper documents among other formats) or on portable electronic data storage devices (including, but not limited to, CDs, DVDs and USB drives):
- A. By mail, Donor must utilize only methods of shipping that provide services for monitoring receipt such as track and confirm proof of delivery, signature confirmation or return receipt.
 - B. In person, Donor must provide SBU building information only to authorized recipients with a need to know such information.
- G. List of CUI Recipients. Donor must maintain a list of all entities to CUI disseminated. This list must include at a minimum: (1) name of entity, utility, firm; (2) name of the individual at the entity or firm who is responsible for protecting the CUI, with access strictly controlled and limited to those individuals having a legitimate business need to know such information; (3) contact information for the named individual; and (4) a description of the CUI provided. Once "as built" drawings are submitted, Donor must collect all lists maintained in accordance with this clause, including those maintained by any contractors/suppliers and submit them to the GSA Project Manager.

- H. Limitation on Physical Location of CUI. Donor and its agents, representatives, and contractors may not take CUI outside of GSA or their own facilities or network, except as necessary for the performance of that contract.
- I. Disposal. When no longer needed all CUI must be returned to the GSA Project Manager with along with a signed statement stating that all CUI has been returned.
- J. Improper Disclosures. All improper disclosures of CUI must be immediately reported to the GSA Project Manager and Donor will provide a corrective action plan explaining how it will rectify any noncompliance and comply with the clause in the future.
- K. Flow Down Requirement. Donor must insert the substance of the SBU clause in all of its contracts and require it be included in all sub and supplier contracts.

21. SECURITY CONSIDERATIONS

Each employee, worker and supplier will be subject to a background investigation prior to being authorized to commence work on any aspect of the Project at the discretion of GSA.

The project will incorporate and comply with all applicable changes and updates to security regulations and requirements as promulgated by the U.S. Department of Homeland Security.

Donor must comply with the following requirements pertaining to security clearances:

- A. All personnel performing work under the Contract on the Project site must obtain an Enter on Duty (EOD) determination before they will be granted access to the site.
- B. To obtain an EDO determination, donor shall submit for all such personnel fingerprints on Form SF87 and a completed Information Worksheet (CIW). Detailed information is available at <http://www/gsa.gov/portal/category/107203>. USAccess Credentialing Centers can be located at <http://www/fedidcard.gov/ceterlist.aspx>.
- C. In addition, all such personnel who will be on site 6 months or longer must apply for and receive clearance in accordance with Homeland Security Presidential Directive 12 (HSPD-12).

22. ACCESS GOVERNMENT PROPERTY

Donor, its agents and representatives, including all contractors, subcontractors, and suppliers must comply with Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and Federal Information Processing Standards Publication (FIPS PUB) Number 201.

Donor shall account for all forms of Government provided identification issued to Donor employees, agents, representatives, contractors, subcontractors and suppliers in connection with the work that is the subject of this Agreement. Donor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by the Government:

- A. When no longer needed for project performance.
- B. Upon completion of an employee's employment.
- C. Upon contract completion or termination.

23. SAFEGUARDING SENSITIVE DATA AND INFORMATION TECHNOLOGY RESOURCES

This section applies to all users of sensitive data and information technology (IT) resources, including Donor, its agents, representatives, contractors, subcontractors, suppliers and manufacturers. The following GSA policies must be followed. They can be found at <https://www.gsa.gov/directives-library>:

- CIO 1878.3 Developing and Maintaining Privacy Threshold Assessments, Privacy Impact Assessments, Privacy Act Notices, and System of Records Notices
- CIO 2100.1 GSA Information Technology (IT) Security Policy
- CIO 2100.3C Mandatory Information Technology (IT) Security Training Requirements for Agency and Contractor employees with significant security responsibilities
- CIO 2104.1B GSA Information Technology IT General Rules of Behavior
- CIO 2180.2 GSA Rules of Behavior for Handling Personally Identifiable Information (PII)
- CIO 2182.2 Mandatory Use of Personal Identity Verification (PIV) Credentials
- CIO 2231.1 GSA Data Release Policy
- CIO 9297.2C CHGE 1 GSA Information Breach Notification Policy
- ADM P 9732.1 D Suitability and Personnel Security
- OSC 2106.2 GSA Social Media Policy

24. LIMITATIONS

Nothing in this Agreement is intended to conflict with current law, regulation, directives, or policy of the United States or GSA. If any provision of this Agreement is inconsistent with any such authority, then that provision is deemed to be invalid and subject to modification upon concurrence of the Parties, and the remaining terms and conditions of this Agreement will continue in full force and effect.

The Parties acknowledge that this Agreement is not a commitment to future funding, staffing or other resources. Nothing in this Agreement may be construed or interpreted to obligate the United States to any current or future expenditure of funds in advance of, or in excess of, the availability of appropriations, nor does this Agreement obligate the United States to spend available funds for any particular purpose.

Nothing in this Agreement constitutes or can be construed as a waiver of the sovereign immunity of the United States.

25. NOTICES

All notices and other communications arising under this Agreement must be in writing and must be furnished by (i) hand delivery; (ii) United States certified mail, postage prepaid, return receipt required; or (iii) nationally available overnight next business day courier, charges prepaid, signature or recipient required, in each instance if to GA, to the GSA Project Team Manager, and if to Donor, to the Donor Project Manager, at the addresses set forth immediately below. Any Party may change the notice address set forth below by serving five (5) days prior written notice upon the other Parties. Any such notice will be duly given upon the date it is delivered to the address (or, if delivery is refused, the date when delivery was first attempted) shown below.

GSA:
Anthony Kleppe
U.S. General Services Administration
Public Building Service (9)
50 United Nations Plaza
Mailbox 9
San Francisco, CA 94102

with a copy to:

Margaret Haggerty, Regional Counsel
U.S. General Services Administration
Office of Regional Counsel (LD9)
50 United Nations Plaza
XXXXXX
San Francisco, CA 94102

Donor:
Mark Baza, Executive Director
Imperial County Transportation Commission
1503 N. Imperial Ave., Suite 104
El Centro, CA 92243

26. EXAMINATION OF RECORDS

Donor agrees that GSA or its duly authorized representative will, until the expiration of three (3) years after the date of acceptance of the donation by the United States, have access to and the right to examine any books, documents, papers, and records of Donor involving transactions related to this Agreement or compliance with any clause thereunder.

27. UNITED STATES RIGHTS TO DATA

The United States will have unlimited rights in all the Project Documents. Donor, for a period of three (3) years after the date the United States accepts the donation, agrees to furnish the original or copies of all such Project Documents on the requests of GSA.

28. MODIFICATION

This Agreement may be modified or amended only by written, mutual agreement of the parties. Any Party can imitate the amendment process by providing written notice describing the proposed amendment to the other Parties. During the ensuing 30-day period, the Parties will actively coordinate to try to reach a consensus on the proposed amendment.

29. DISPUTE RESOLUTION

All disputes arising under or relating to this Agreement will be resolved following the procedures set for in this section 21 and the Contract Disputes Act, 41 U.S.C. §§ 7101-7109. The Parties agree to make good faith efforts to resolve informally disputes that may arise out of or relate to this Agreement, or the breach thereof, that affects the Parties' obligations and responsibilities under this Agreement. In the event that such a dispute arises between Donor and the United States, Donor may file a claim (a "Donor Claim") with GSA or the United States may file a claim (a "United States Claim") against Donor. A "Claim" is a United States Claim or a Donor Claim. If the disputes cannot be settled through negotiation, the parties will first try in good faith to settle the dispute by mediation, before resorting to litigation. The United States agrees that GSA will not issue any final determination regarding any Claim by either party until and unless such mediation has been concluded or either Party advises the other that a resolution of the disputes by mediation does not appear likely within a reasonable time.

30. NONCOMPLIANCE AND DEFAULT

In the event Donor, after receiving written notice from the GSA primary point of contact of non-compliance with any requirement of this Agreement, fails to imitate promptly such action as may be appropriate to comply with the specified requirement within a reasonable period of time, GSA will have the right to not accept the donation until Donor has complied or has initiated such action as may be appropriate to comply within a reasonable period of time.

If Donor refuses or fails to prosecute the work or any severable part with the diligence that will ensure its completion within the time specified in this Agreement including any extension, fails to complete the work within this time, fails to complete the work in the manner or to the specifications required by this Agreement, or fails to make required payment to contractors and subcontractors (which includes laborers and suppliers), GSA will, by written notice, provide Donor a reasonable time to cure performance, which will not be less than 30 days. If Donor does not cure within the reasonable time, Donor will be in default under this Agreement.

In the event of a default by Donor, the United States may pursue any available remedy, including on or a combination of the following: not accepting the donation, seeking reimbursement for costs and expenses the United States incurred to the date of the termination or incurs for completing the work or requiring donor to restore any altered federal property to its pre-construction conditions. Upon default, the United States may take possession of and use any tools, materials, equipment or appliances on the work site necessary for completing the work. Donor and its sureties will be liable for any damage sustained by the United States resulting from Donor's default under this Agreement, whether or not Donor's right to proceed with the work is terminated.

31. TERMINATION

Any Party may terminate its participation in this Agreement by providing written notice to the other Parties at least 30 days prior to commencement of construction activities, in which case the United States will be under no obligation to accept the donation and the Parties will thereafter have no further rights, obligations or liabilities under this Agreement other than those that expressly survive termination or expiration of this Agreement. In the event Donor has altered federal property prior to termination of this Agreement, Donor agrees, subject to the discretion of the United States, to restore the property to its prior condition. In the event Donor has received any sensitive or confidential information from GSA pertaining to the proposed donation and the donation is not consummated for any reason, Donor must promptly return all such materials. This provision survives the expiration or earlier termination of the Agreement.

32. SIGNATORIES

The GSA Commissioner of Public Buildings, or another agency official with the appropriate delegated authority, must execute this Agreement to be effective. Donor's signatory to this Agreement must have full authority to bind Donor with regard to all matters relating to this Agreement.

33. COUNTERPARTS

This Agreement may be executed in counterparts, each of which will be deemed to be a duplicate original, and which together will constitute one and the same instrument.

34. INTEGRATION AND MERGER

This Agreement sets out all of the terms, conditions and agreements of the Parties and supersedes any previous understandings or agreement regarding the donation, whether oral or written. No modification or amendment of this Agreement will be effective unless in writing and signed by all Parties.

35. VALIDITY OF PARTS

If any provision of this Agreement is declared to be invalid by a court of competent jurisdiction, the remaining provisions will continue in full force.

36. NO PUBLIC OFFICIALS TO PARTICPATE OR BENEFIT

No member or delegate to the United States Congress, or offerors of employees of the United States or the Government of the State of California, may be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; provided, however, that this provision will not be construed as extending to any person who may be a shareholder, or other beneficial owner of any publicly held corporation or other entity, if this Agreement is for the general befit of such corporation or other entity.

37. NO PRECEDENT

The terms of this Agreement will not establish any precedent, nor will this Agreement be used as a basis to seek or justify similar terms in any subsequent situation involving the Parties.

38. EFFECTIVE DATE

This Agreement will become effective when all the Parties have signed it. The date this Agreement is signed by the last Party to sign it (as indicated by the date stated opposite that Party's signature) will be deemed to be the effective date of this Agreement. This Agreement will remain in effect until it is terminated as provided in sections 23 and 24, or the property is accepted by the United States.

[Remainder of page intentionally left blank. Signature page to follow.]

Exhibit A

Base Scope of Work

DRAFT 8-17-20

Exhibit A-1

Optional Scope of Work Subject to Funding Availability

DRAFT 8-17-20

Exhibit B

Construction Standards

DRAFT 8-17-20

Exhibit C

Costs for Base and Optional Work

DRAFT 8-17-20

Exhibit D

Property Interests Approved by GSA

NONE

Exhibit E

Bill of Sale

BILL OF SALE

The Imperial County Transportation Commission, a _____, whose address is _____, and its successors and assigns ("Donor"), pursuant to a Donation Acceptance Agreement dated _____ ("Agreement") will transfer 4 additional lanes (described in Exhibit A to the Bill of Sale), and if Donor's funding permits, the optional work described in Exhibit A-1 to the Bill of Sale, to the existing GSA bridge crossing the All American Canal at the Calexico East Land Port of Entry ("Calexico East LPOE") in Calexico, California to the United States of America, acting by and through the General Services Administration, whose address is 50 United States Plaza, _____, San Francisco, CA 93102 ("GSA"). In consideration of the covenants contained in this Bill of Sale and in the Agreement AND IN CONSIDERATION of the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Donor hereby transfers, conveys, and delivers to the GSA the property described as follows:

Four additional lanes and re-alignment of the pedestrian path to the existing GSA bridge traversing the All American Canal (including construction of permanent fencing and entrance gate as necessary to replace temporary fencing) at the Calexico East LPOE, and should funds be available to Donor, an 8-ft shoulder, rehabilitation of existing structures, and a bridge canopy, all of which are described as base and optional work in Exhibits A and A-1, respectively. ~~As part of the pedestrian path re-alignment and related improvements, the Donor will construct permanent fencing and entrance gate as necessary to replace temporary fencing.~~

The property described above and in Exhibits A and A-1 are transferred with all applicable warranties and representations, including a minimum of a one-year warranty of construction to be proved to GSA in the form prescribed in 48 C.F.R. § 52.246-21.

This Bill of Sale shall be governed by and construed in accordance with the laws of the United States.

This Bill of Sale shall become effective between Donor and GSA on the date executed by both parties below.

This Bill of Sale shall bind and insure to the benefit of Donor and GSA and their respective successors and assigns.

IN WITNESS WHEREOF, this Bill of Sale is signed by its duly authorized [insert title],
this ____ day of ____ 2020.

Imperial County Transportation Commission

By: _____
Printed Name and Title

Acknowledgement

State of California County of _____) On
_____ before me,
_____ (insert name and title of the officer)
personally appeared

_____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY
under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal. Signature _____
(Seal).

United States of America,
Acting by and through the Administrator
Of the General Services Administration

By: _____
Name and Title

**Exhibit R Caltrans Local Assistance Procedures Manual (LAPM)
Exhibit 10-01: Consultant Proposal DBE Commitment**

The following document is available for the Design-builder to download and complete on the Caltrans website at:

[EXHIBIT 10-01 CONSULTANT PROPOSAL DBE COMMITMENT \(ca.gov\)](#)

Local Assistance Procedures Manual

Exhibit 10-01
Consultant Proposal DBE Commitment

Reset Form

EXHIBIT 10-01 CONSULTANT PROPOSAL DBE COMMITMENT

1. Local Agency: _____ 2. Contract DBE Goal: _____
 3. Project Description: _____
 4. Project Location: _____
 5. Consultant's Name: _____ 6. Prime Certified DBE:

7. Description of Work, Service, or Materials Supplied	8. DBE Certification Number	9. DBE Contact Information	10. DBE %
Local Agency to Complete this Section			
17. Local Agency Contract Number: _____ 18. Federal-Aid Project Number: _____ 19. Proposed Contract Execution Date: _____ 20. Consultant's Ranking after Evaluation: _____	11. TOTAL CLAIMED DBE PARTICIPATION		%
IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Written confirmation of each listed DBE is required.			
Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate.		12. Preparer's Signature _____	13. Date _____
_____ _____		14. Preparer's Name _____	15. Phone _____
_____		16. Preparer's Title _____	

DISTRIBUTION: Original – Included with consultant's proposal to local agency.

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

INSTRUCTIONS – CONSULTANT PROPOSAL DBE COMMITMENT

CONSULTANT SECTION

- 1. Local Agency** - Enter the name of the local or regional agency that is funding the contract.
- 2. Contract DBE Goal** - Enter the contract DBE goal percentage as it appears on the project advertisement.
- 3. Project Location** - Enter the project location as it appears on the project advertisement.
- 4. Project Description** - Enter the project description as it appears on the project advertisement (Bridge Rehab, Seismic Rehab, Overlay, Widening, etc.).
- 5. Consultant's Name** - Enter the consultant's firm name.
- 6. Prime Certified DBE** - Check box if prime contractor is a certified DBE.
- 7. Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials to be provided. Indicate all work to be performed by DBEs including work performed by the prime consultant's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
- 8. DBE Certification Number** - Enter the DBE's Certification Identification Number. All DBEs must be certified on the date bids are opened.
- 9. DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted consultants. Also, enter the prime consultant's name and phone number, if the prime is a DBE.
- 10. DBE %** - Percent participation of work to be performed or service provided by a DBE. Include the prime consultant if the prime is a DBE. See LAPM Chapter 9 for how to count full/partial participation.
- 11. Total Claimed DBE Participation %** - Enter the total DBE participation claimed. If the total % claimed is less than item "Contract DBE Goal," an adequately documented Good Faith Effort (GFE) is required (see Exhibit 15-H DBE Information - Good Faith Efforts of the LAPM).
- 12. Preparer's Signature** - The person completing the DBE commitment form on behalf of the consultant's firm must sign their name.
- 13. Date** - Enter the date the DBE commitment form is signed by the consultant's preparer.
- 14. Preparer's Name** - Enter the name of the person preparing and signing the consultant's DBE commitment form.
- 15. Phone** - Enter the area code and phone number of the person signing the consultant's DBE commitment form.
- 16. Preparer's Title** - Enter the position/title of the person signing the consultant's DBE commitment form.

LOCAL AGENCY SECTION

- 17. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
- 18. Federal-Aid Project Number** - Enter the Federal-Aid Project Number.
- 19. Proposed Contract Execution Date** - Enter the proposed contract execution date.
- 20. Consultant's Ranking after Evaluation** - Enter consultant's ranking after all submittals/consultants are evaluated. Use this as a quick comparison for evaluating most qualified consultant.
- 21. Local Agency Representative's Signature** - The person completing this section of the form for the Local Agency must sign their name to certify that the information in this and the Consultant Section of this form is complete and accurate.
- 22. Date** - Enter the date the DBE commitment form is signed by the Local Agency Representative.
- 23. Local Agency Representative's Name** - Enter the name of the Local Agency Representative certifying the consultant's DBE commitment form.
- 24. Phone** - Enter the area code and phone number of the person signing the consultant's DBE commitment form.
- 25. Local Agency Representative Title** - Enter the position/title of the Local Agency Representative certifying the consultant's DBE commitment form.

Exhibit S LAPM Exhibit 10-O2: Consultant Contract DBE Commitment

The following document is available for the Design-builder to download and complete on the Caltrans website at:

[EXHIBIT 10-O2 CONSULTANT CONTRACT DBE COMMITMENT \(ca.gov\)](#)

Local Assistance Procedures Manual

Exhibit 10-02
Consultant Contract DBE Commitment

EXHIBIT 10-02 CONSULTANT CONTRACT DBE COMMITMENT

1. Local Agency: _____ 2. Contract DBE Goal: _____
 3. Project Description: _____
 4. Project Location: _____
 5. Consultant's Name: _____ 6. Prime Certified DBE: 7. Total Contract Award Amount: _____
 8. Total Dollar Amount for **ALL** Subconsultants: _____ 9. Total Number of **ALL** Subconsultants: _____

10. Description of Work, Service, or Materials Supplied	11. DBE Certification Number	12. DBE Contact Information	13. DBE Dollar Amount
Local Agency to Complete this Section			
20. Local Agency Contract Number: _____ 21. Federal-Aid Project Number: _____ 22. Contract Execution Date: _____		14. TOTAL CLAIMED DBE PARTICIPATION	\$
Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate.			%
23. Local Agency Representative's Signature _____ 24. Date _____ 25. Local Agency Representative's Name _____ 26. Phone _____ 27. Local Agency Representative's Title _____		IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Written confirmation of each listed DBE is required. 15. Preparer's Signature _____ 16. Date _____ 17. Preparer's Name _____ 18. Phone _____ 19. Preparer's Title _____	

DISTRIBUTION: 1. Original – Local Agency
 2. Copy – Caltrans District Local Assistance Engineer (DLAE). Failure to submit to DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract.

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

INSTRUCTIONS – CONSULTANT CONTRACT DBE COMMITMENT

CONSULTANT SECTION

1. **Local Agency** - Enter the name of the local or regional agency that is funding the contract.
2. **Contract DBE Goal** - Enter the contract DBE goal percentage as it appears on the project advertisement.
3. **Project Description** - Enter the project description as it appears on the project advertisement (Bridge Rehab, Seismic Rehab, Overlay, Widening, etc).
4. **Project Location** - Enter the project location as it appears on the project advertisement.
5. **Consultant's Name** - Enter the consultant's firm name.
6. **Prime Certified DBE** - Check box if prime contractor is a certified DBE.
7. **Total Contract Award Amount** - Enter the total contract award dollar amount for the prime consultant.
8. **Total Dollar Amount for ALL Subconsultants** - Enter the total dollar amount for all subcontracted consultants. SUM = (DBEs + all Non-DBEs). Do not include the prime consultant information in this count.
9. **Total number of ALL subconsultants** - Enter the total number of all subcontracted consultants. SUM = (DBEs + all Non-DBEs). Do not include the prime consultant information in this count.
10. **Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials to be provided. Indicate all work to be performed by DBEs including work performed by the prime consultant's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
11. **DBE Certification Number** - Enter the DBE's Certification Identification Number. All DBEs must be certified on the date bids are opened.
12. **DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted consultants. Also, enter the prime consultant's name and phone number, if the prime is a DBE.
13. **DBE Dollar Amount** - Enter the subcontracted dollar amount of the work to be performed or service to be provided. Include the prime consultant if the prime is a DBE. See LAPM Chapter 9 for how to count full/partial participation.
14. **Total Claimed DBE Participation - \$:** Enter the total dollar amounts entered in the "DBE Dollar Amount" column. **%:** Enter the total DBE participation claimed ("Total Participation Dollars Claimed" divided by item "Total Contract Award Amount"). If the total % claimed is less than item "Contract DBE Goal," an adequately documented Good Faith Effort (GFE) is required (see Exhibit 15-H DBE Information - Good Faith Efforts of the LAPM).
15. **Preparer's Signature** - The person completing the DBE commitment form on behalf of the consultant's firm must sign their name.
16. **Date** - Enter the date the DBE commitment form is signed by the consultant's preparer.
17. **Preparer's Name** - Enter the name of the person preparing and signing the consultant's DBE commitment form.
18. **Phone** - Enter the area code and phone number of the person signing the consultant's DBE commitment form.
19. **Preparer's Title** - Enter the position/title of the person signing the consultant's DBE commitment form.

LOCAL AGENCY SECTION

20. **Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
21. **Federal-Aid Project Number** - Enter the Federal-Aid Project Number.
22. **Contract Execution Date** - Enter the date the contract was executed.
23. **Local Agency Representative's Signature** - The person completing this section of the form for the Local Agency must sign their name to certify that the information in this and the Consultant Section of this form is complete and accurate.
24. **Date** - Enter the date the DBE commitment form is signed by the Local Agency Representative.
25. **Local Agency Representative's Name** - Enter the name of the Local Agency Representative certifying the consultant's DBE commitment form.
26. **Phone** - Enter the area code and phone number of the person signing the consultant's DBE commitment form.
27. **Local Agency Representative Title** - Enter the position/title of the Local Agency Representative certifying the consultant's DBE commitment form.

Exhibit T LAPM Exhibit 15-G: Construction Contract DBE Commitment

The following document is available for the Design-builder to download and complete on the Caltrans website at:

[LAPM EXHIBIT 15-G CONSTRUCTION CONTRACT DBE COMMITMENT \(ca.gov\)](#)

Local Assistance Procedures Manual

Exhibit 15-G
Construction Contract DBE Commitment

EXHIBIT 15-G CONSTRUCTION CONTRACT DBE COMMITMENT

1. Local Agency: _____ 2. Contract DBE Goal: _____
 3. Project Description: _____
 4. Project Location: _____
 5. Bidder's Name: _____ 6. Prime Certified DBE: 7. Bid Amount: _____
 8. Total Dollar Amount for ALL Subcontractors: _____ 9. Total Number of ALL Subcontractors: _____

10. Bid Item Number	11. Description of Work, Service, or Materials Supplied	12. DBE Certification Number	13. DBE Contact Information (Must be certified on the date bids are opened)	14. DBE Dollar Amount

Local Agency to Complete this Section upon Execution of Award		15. TOTAL CLAIMED DBE PARTICIPATION	\$ 0.00
21. Local Agency Contract Number: _____ 22. Federal-Aid Project Number: _____ 23. Bid Opening Date: _____ 24. Contract Award Date: _____ 25. Award Amount: _____			\$ 0.00 %
Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate. 26. Local Agency Representative's Signature _____ 27. Date _____ 28. Local Agency Representative's Name _____ 29. Phone _____ 30. Local Agency Representative's Title _____		IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Names of the First Tier DBE Subcontractors and their respective item(s) of work listed above must be consistent, where applicable with the names and items of the work in the "Subcontractor List" submitted with your bid. Written confirmation of each listed DBE is required. 16. Preparer's Signature _____ 17. Date _____ 18. Preparer's Name _____ 19. Phone _____ 20. Preparer's Title _____	

DISTRIBUTION: 1. Original – Local Agency
 2. Copy – Caltrans District Local Assistance Engineer (DLAE). Failure to submit to DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract.
 3. Include additional copy with award package.

Local Assistance Procedures Manual

Exhibit 15-G
Construction Contract DBE Commitment

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

INSTRUCTIONS – CONSTRUCTION CONTRACT DBE COMMITMENT

CONTRACTOR SECTION

1. **Local Agency** - Enter the name of the local agency that is administering the contract.
2. **Contract DBE Goal** - Enter the contract DBE goal percentage as it appears on the project advertisement.
3. **Project Location** - Enter the project location(s) as it appears on the project advertisement.
4. **Project Description** - Enter the project description as it appears on the project advertisement (Bridge Rehab, Seismic Rehab, Overlay, Widening, etc).
5. **Bidder's Name** - Enter the contractor's firm name.
6. **Prime Certified DBE** - Check box if prime contractor is a certified DBE.
7. **Bid Amount** - Enter the total contract bid dollar amount for the prime contractor.
8. **Total Dollar Amount for ALL Subcontractors** - Enter the total dollar amount for all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
9. **Total number of ALL subcontractors** - Enter the total number of all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
10. **Bid Item Number** - Enter bid item number for work, services, or materials supplied to be provided.
11. **Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials to be provided. Indicate all work to be performed by DBEs including work performed by the prime contractor's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
12. **DBE Certification Number** - Enter the DBE's Certification Identification Number. All DBEs must be certified on the date bids are opened.
13. **DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted contractors. Also, enter the prime contractor's name and phone number, if the prime is a DBE.
14. **DBE Dollar Amount** - Enter the subcontracted dollar amount of the work to be performed or service to be provided. Include the prime contractor if the prime is a DBE. See LAPM Chapter 9 for how to count full/partial participation.
15. **Total Claimed DBE Participation - \$**: Enter the total dollar amounts entered in the "DBE Dollar Amount" column. **%**: Enter the total DBE participation claimed ("Total Claimed DBE Participation Dollars" divided by item "Bid Amount"). If the total % claimed is less than item "Contract DBE Goal," an adequately documented Good Faith Effort (GFE) is required (see Exhibit 15-H DBE Information - Good Faith Efforts of the LAPM).
16. **Preparer's Signature** - The person completing the DBE commitment form on behalf of the contractor's firm must sign their name.
17. **Date** - Enter the date the DBE commitment form is signed by the contractor's preparer.
18. **Preparer's Name** - Enter the name of the person preparing and signing the contractor's DBE commitment form.
19. **Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.
20. **Preparer's Title** - Enter the position/title of the person signing the contractor's DBE commitment form.

LOCAL AGENCY SECTION

21. **Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
22. **Federal-Aid Project Number** - Enter the Federal-Aid Project Number(s).
23. **Bid Opening Date** - Enter the date contract bids were opened.
24. **Contract Award Date** - Enter the date the contract was executed.
25. **Award Amount** - Enter the contract award amount as stated in the executed contract.
26. **Local Agency Representative's Signature** - The person completing this section of the form for the Local Agency must sign their name to certify that the information in this and the Contractor Section of this form is complete and accurate.
27. **Date** - Enter the date the DBE commitment form is signed by the Local Agency Representative.
28. **Local Agency Representative's Name** - Enter the name of the Local Agency Representative certifying the contractor's DBE commitment form.
29. **Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.

Local Assistance Procedures Manual

Exhibit 15-G
Construction Contract DBE Commitment

30. Local Agency Representative Title - Enter the position/title of the Local Agency Representative certifying the contractor's DBE commitment form.

VII. LTA ACTION CALENDAR

A. IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY – SALES TAX REFUNDING REVENUE REFUNDING BONDS (LIMITED TAX BONDS), SERIES 2020 A, B, C, D & E.

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

VII. LTA ACTION CALENDAR

VII. LTA ACTION CALENDAR

3. Authorizing Official Actions and Executions of Documents Related Thereto

March 18, 2021

ICTC Management Committee
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 Committee Members:

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

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. 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.

<u>Redemption Date</u> <u>(June 1)</u>	<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)	Principal
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)	Principal
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 CDTFAs 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> (City of Brawley)	<u>2022B</u> (City of Calexico)	<u>2022C</u> (City of Calipatria)	<u>2022D</u> (City of Imperial)	<u>2022E</u> (County of Imperial)
<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)			Total
	<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 be 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)			Total
			Principal	Interest⁽²⁾	Annual Debt Service⁽²⁾	
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
Total						

⁽¹⁾ Includes amounts expected to be 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)			Total
			Principal	Interest⁽²⁾	Annual Debt Service⁽²⁾	
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
Total						

⁽¹⁾ Includes amounts expected to be 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 Debt Service</u> ⁽¹⁾	<u>Principal</u>	<u>Interest</u> ⁽²⁾	<u>Annual Debt Service</u> ⁽²⁾	
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
Total	<hr/>				

⁽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 <u>June 30</u>	Series 2012E Bonds	Series 2022E (County of Imperial)		<u>Total</u>
	<u>Annual Debt Service</u> ⁽¹⁾	<u>Principal</u>	<u>Interest</u> ⁽²⁾	
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>	<u>(A) Revenue Received from CDTFA</u>	<u>(B) 1% Maximum Administration Fee</u>	<u>(C) 2% Transit Reserve</u>	<u>(D) Up to 5% Maximum for Imperial County State Highways</u>	<u>(A)-(B)-(C)-(D) = (E) Total Distribution including Flat Amount to Each Local Agency</u>
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)	(A)+(B) = (C)
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	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.

[Remainder of page intentionally left blank.]

**Calexico
Pledged Allocable
Sales Tax Revenues**

<u>Fiscal Year</u>	<u>(A) Flat Allocation</u> ⁽¹⁾	<u>Total Population</u> ⁽²⁾	<u>Maintained Mileage</u>	<u>(B)</u> <u>Allocation Based on Population and Maintained Street and Road Mileage</u> ⁽³⁾	<u>(A)+(B) = (C)</u> <u>Calexico Pledged Allocable Sales Tax Revenues</u>
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>	<u>(A) Flat Allocation⁽¹⁾</u>	<u>Total Population⁽²⁾</u>	<u>Maintained Mileage</u>	<u>(B) Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾</u>	<u>(A)+(B) = (C) Calipatria Pledged Allocable Sales Tax Revenues</u>
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)	(A)+(B) = (C)
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	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>	<u>(A) Flat Allocation⁽¹⁾</u>	<u>Total Population⁽²⁾</u>	<u>Maintained Mileage</u>	(B)	(A)+(B) = (C) County Pledged Allocable Sales Tax Revenues
				Allocation Based on Population and Maintained Street and Road Mileage⁽³⁾	
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 CDTFAs.

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 CDTFAs. 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	2,900	2,900	3,000	3,000	3,100	3,100
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 Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable 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 Res.	9,582.3	20,797.8	7,761.8	773.7	10,626.7	36,793.8
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 Com.	3,971.0	13,405.1	48,814.3	94,446.4	73,121.1	23,516.7
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

\$ _____
**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 Series 2022E
(City of Imperial) (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 Garchitorena.

(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.

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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:

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)

<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
2022C
(City of Calipatria)

<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>
---	---	--	---	---------------------	---------------------

* [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>
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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
2022E
(County of Imperial)

<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]

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]

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”).

WITNESSETH:

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:

Maturity Date (June 1)	Principal Amount	Interest Rate	CUSIP Number⁽¹⁾ (45272E)	Bond Number
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:

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 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:

Maturity Date (June 1)	Principal Amount	Interest Rate	CUSIP Number⁽¹⁾ (45272E)	Bond Number
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:

<i><u>If by First Class/Registered/Certified Mail:</u></i>	<i><u>Express Delivery Only:</u></i>	<i><u>By Hand Only:</u></i>
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 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:

Maturity Date (June 1)	Principal Amount	Interest Rate	CUSIP Number⁽¹⁾ (45272E)	Bond Number
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:

<i><u>If by First Class/Registered/Certified Mail:</u></i>	<i><u>Express Delivery Only:</u></i>	<i><u>By Hand Only:</u></i>
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 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

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”);

WITNESSETH:

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> (June 1)	<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 Calexico 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> (June 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
----------------------------------	-----------------------------------	--------------------------------

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,

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 “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> (June 1)	<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,

WITNESSETH:

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

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

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

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

WHEREAS, the Authority 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> (June 1)	<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,

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 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> (June 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
----------------------------------	-----------------------------------	--------------------------------

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
			\$

VII. LTA ACTION CALENDAR

B. ADOPTION OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY ANNUAL FINANCIAL AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2020

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 ICTLA.

March 19, 2021

ICTC Management Committee
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 Committee Members:

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 30, 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

Imperial County Local Transportation Authority

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2020

March 24, 2021

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- 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 County	Total	
	Brawley	Calexico	Calipatria	El Centro	Holtville	Imperial			Westmorland
Revenues:									
Sales tax	\$ 1,096,268	\$ 724,625	\$ 149,679	\$ 2,745,303	\$ 320,239	\$ 816,992	\$ 287,436	\$ 2,621,410	\$ 8,761,952
Interest	101,086	157,764	40,905	51,761	3,436	16,638	3,672	149,548	524,810
Other	-	-	-	-	-	217,665	-	-	217,665
Total revenues	1,197,354	882,389	190,584	2,797,064	323,675	1,051,295	291,108	2,770,958	9,504,427
Expenditures:									
Road repairs and maintenance	413,768	-	-	-	1,674	1,219,177	16,637	920,787	2,572,043
Capital outlays	-	329,343	257,971	967,768	-	-	-	-	1,555,082
Total expenditures	413,768	329,343	257,971	967,768	1,674	1,219,177	16,637	920,787	4,127,125
Revenues Over (Under) Expenditures	783,586	553,046	(67,387)	1,829,296	322,001	(167,882)	274,471	1,850,171	5,377,302
Other Financing Sources (Uses)									
Transfers out	-	-	-	(1,369,875)	(568,939)	(395,111)	-	(487,658)	(2,821,583)
Total other financing sources (uses)	-	-	-	(1,369,875)	(568,939)	(395,111)	-	(487,658)	(2,821,583)
Changes in Fund Balances	783,586	553,046	(67,387)	459,421	(246,938)	(562,993)	274,471	1,362,513	2,555,719
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	34,034,500
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	\$ 36,590,219

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 – None
 - 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



THE
PUN GROUP
ACCOUNTANTS & ADVISORS



HQ - ORANGE COUNTY

200 E. Sandpointe Avenue
Suite 600
Santa Ana, CA 92707

SAN DIEGO

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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)

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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	16,056,006	16,229,958
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	21,955,280	17,765,045
Change in net position	(5,899,274)	(1,535,087)
Net position (deficit) - beginning of year	(22,019,320)	(20,484,233)
Net position (deficit) - end of year	\$ (27,918,594)	\$ (22,019,320)

(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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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Statement of Net Position
June 30, 2020

	Governmental Activities
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	29,701,317
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	57,619,911
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	\$ (27,918,594)

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
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	21,955,280	(21,955,280)
	General revenues:	
	Measure D sales tax	15,392,144
	Interest	663,862
	Total general revenues	16,056,006
	Change in net position	(5,899,274)
	Net position (deficit):	
	Beginning of year	(22,019,320)
	End of year	\$ (27,918,594)

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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)

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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	<u>\$ 16,080,000</u>	<u>\$ 8,704,619</u>	<u>\$ 24,784,619</u>

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)
June 30, 2020

	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	\$ 345,721
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	\$ 11,394,977
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	\$ 2,625,000
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	\$ 2,315,276

Imperial County Local Transportation Authority
City of Brawley
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

Imperial County Local Transportation Authority
City of Brawley
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

Imperial County Local Transportation Authority
City of Brawley
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

Imperial County Local Transportation Authority
City of Brawley
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

Imperial County Local Transportation Authority
City of Brawley
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

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
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(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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
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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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
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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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
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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
Linholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Frontera Drive	Rancho Frontera 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
Vereda Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
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)
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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)
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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)
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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)
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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)
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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	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	

Imperial County Local Transportation Authority
City of Imperial
Five Year Program of Projects (Continued)
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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)	Humberg 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
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 (9D08)	Hot Mineral Spa Road	Coachella Canal Road (7G03)	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Bridges in Imperial			Maintenance/Miscellaneous
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay
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



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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

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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	101,086
Total revenues	<u>1,197,354</u>

Expenditures:

Current:	
Road repairs and maintenance	413,768
Total expenditures	<u>413,768</u>

Change in Fund Balance

\$ 783,586

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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	\$	<u>1,096,268</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.

**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	\$ 18,490
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>

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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	101,086
Total revenues	<u>2,602,805</u>
 Expenditures:	
Current:	
Road repairs and maintenance	413,768
Total expenditures	<u>413,768</u>
 Change in Fund Balance	 783,586
 Fund Balance:	
Beginning of year	3,808,037
End of year	<u>\$ 4,591,623</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

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
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>	<u>783,586</u>	<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><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

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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		(1,770,065)
Net allocable sales tax		<u><u>\$ 724,625</u></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	9,386,878
Total fund balance	<u>9,386,878</u>
Total liabilities and fund balance	<u><u>\$ 9,455,651</u></u>

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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)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
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		<u>8,833,832</u>	
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
Linholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Frontera Drive	Rancho Frontera 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
Vereda Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
Porton Drive	Rancho Frontera 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><u>190,584</u></u>

Expenditures:

Capital outlay:	
Street Maintenance Construction Project	<u>257,971</u>
Total expenditures	<u><u>257,971</u></u>

Change in Fund Balance

\$ (67,387)

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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

DRAFT 03.22.2021

DRAFT 03.22.2021

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>

DRAFT 03.22.2021

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>\$ 1,675,065</u>

DRAFT 03.22.2021

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)

	<u>Budget</u>	<u>Actual</u>	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		<u>1,742,452</u>	
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



DRAFT 03.22.2021

**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>2,797,064</u>
Expenditures:	
Capital outlay	<u>967,768</u>
Total expenditures	<u>967,768</u>
Revenues Over (Under) Expenditures	<u>1,829,296</u>
Other Financing Sources (Uses):	
Transfers out to City	<u>(1,369,875)</u>
Total other financing sources (uses)	<u>(1,369,875)</u>
Change in Fund Balance	<u><u>\$ 459,421</u></u>

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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	\$	2,745,303

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.

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	251,375
Total assets	<u><u>\$ 3,830,635</u></u>

Fund Balance:

Restricted	\$ 3,830,635
Total fund balance	<u><u>\$ 3,830,635</u></u>

DRAFT 03.22.2021

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>\$ 3,830,635</u>

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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)

	<u>Budget</u>	<u>Actual</u>	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		<u>3,371,214</u>	
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 Synchro Mall Area
CMAQ Signal Light Synchro 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	<u>1,674</u>
Total expenditures	<u>1,674</u>
Revenues In Excess of Expenditures	<u>322,001</u>
Other Financing Sources (Uses):	
Transfer out to City	<u>(568,939)</u>
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)
		320,239
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 is 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	<u><u>\$ 1,055,614</u></u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	\$ 1,055,614
Total fund balance	<u><u>\$ 1,055,614</u></u>

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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		323,675
Expenditures:		
Current:		
Road repairs and maintenance		1,674
Total expenditures		1,674
Excess of revenues over expenditures		322,001
Other Financing Sources (Uses):		
Transfer out to City		(568,939)
Total other financing sources (uses)		(568,939)
Change in Fund Balance		(246,938)
Fund Balance:		
Beginning of year		1,302,552
End of year	\$	1,055,614

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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>1,051,295</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>1,219,177</u>
Total expenditures	<u>1,219,177</u>
Revenues Over (Under) Expenditures	<u>(167,882)</u>
Other Financing Sources (Uses):	
Transfer out to City for Measure D projects	<u>(395,111)</u>
Total Other Financing Sources (Uses)	<u>(395,111)</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)
		816,992
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>

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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>
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		(562,993)
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		<u>4,340,777</u>	
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



DRAFT 03.22.2021

**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><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	<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	\$	<u>287,436</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 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.

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	39,906
Total assets	<u><u>\$ 1,929,300</u></u>

Liabilities and Fund Balance:

Liabilities:

Due to other funds	\$ 203,553
Total liabilities	<u>203,553</u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	1,725,747
Total fund balance	<u>1,725,747</u>
Total liabilities and fund balance	<u><u>\$ 1,929,300</u></u>

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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	3,672
Total revenues	<u>291,108</u>

Expenditures:

Current:	
Road repairs and maintenance	16,637
Total expenditures	<u>16,637</u>

Change in Fund Balance

274,471

Fund Balance:

Beginning of year, as restated	1,451,276
End of year	<u>\$ 1,725,747</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)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
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		<u>1,451,276</u>	
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	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	<u>\$ 1,362,513</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		(1,558,294)
Net allocable sales tax		<u><u>\$ 2,621,410</u></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.

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 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	25,374
Total assets	<u><u>\$ 10,547,524</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ 651
Total liabilities	<u>651</u>

Fund Balance:

Restricted for:	
Road repairs and maintenance	10,546,873
Total fund balance	<u>10,546,873</u>
Total liabilities and fund balance	<u><u>\$ 10,547,524</u></u>

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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>\$ 10,546,873</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)	Titsworth 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)	Humberg 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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VIII. INFORMATION CALENDAR

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A. IMPACTS OF BORDER DELAYS AT THE CALIFORNIA-BAJA CALIFORNIA LAND PORTS OF ENTRY

PRESENTATION BY SANDAG STAFF



IMPACTS OF BORDER DELAYS AT CALIFORNIA – BAJA CALIFORNIA LAND PORTS OF ENTRY

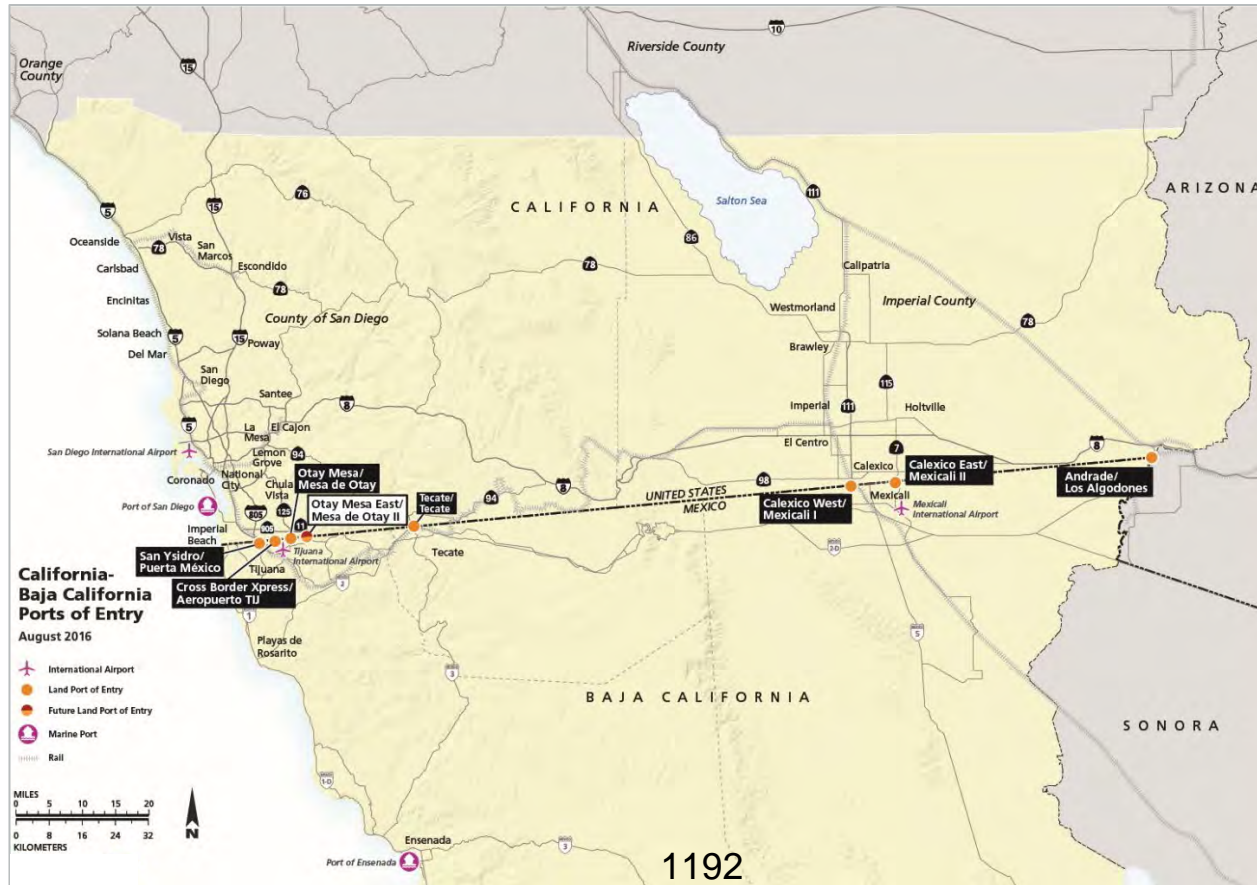
Imperial County Transportation Commission | March 24, 2021

1191

SANDAG



OVERVIEW: CALIFORNIA – BAJA CALIFORNIA LAND PORTS OF ENTRY



CHALLENGE: BORDER CROSSING DELAY



...economic impacts

...air quality impacts

...social impacts



Pedestrian queue at the Calexico West-Mexicali I POE. (Source: U.S. Customs and Border Protection)



Commercial trucks queuing at the Otay Mesa-Mesa de Otay POE. (Source: Caltrans)



*1193
Northbound I-15 lanes at the San Ysidro-Puerta México POE. (Source: wordpress.com)*

BACKGROUND: LEGACY OF STUDIES



Economic Impacts of Wait Times at the San Diego – Baja California Border (2006):

SANDAG and Caltrans study was first to quantify impacts of border delays to economic output and employment. Helped build case for the Otay Mesa East POE.



Imperial Valley – Mexicali Economic Delay Study (2007):

Imperial Valley Association of Governments (IVAG) and Caltrans study estimated economic impacts for Imperial County border crossings.



Goods Movement Border Crossing Study and Analysis (2012):

Southern California Association of Governments (SCAG) study estimated economic impacts for vehicle delay at Imperial County border crossings.

Impacts of Border Delays at California – Baja California Land Ports of Entry (2021):

Addresses need for a technically sound new assessment of **economic impacts** of delays experienced at the California – Baja California land POEs, as well as **effects on regional air quality and greenhouse gas emissions**.

Provides partner agencies, stakeholders, and public with information on the importance of reducing border crossing wait times.



BACKGROUND: WHAT HAS CHANGED SINCE THE PREVIOUS STUDIES?

- 1. 2008—2009 Great Recession and ripple effects on local & regional economies**
- 2. Lower crossing volumes compared to “peak” years immediately prior to Great Recession**
 - » *Crossborder travel still recovering. Fewer affected crossers means less impact.*
- 3. Possible change in profile of border travelers**
 - » *Elasticities (i.e., relative sensitivity to change) to wait times found to be lower than in previous studies, meaning travelers are less likely to forego trips/more likely to take the trip regardless of wait time, resulting in fewer lost expenditures.*
- 4. Increased use of Technology/Trusted Traveler Programs**
 - » *Leads to reduction in average delays overall*
- 5. Introduction of “baseline wait time” and “excess wait time” concept**
 - » *Accounts for time associated with required minimal CBP inspection, resulting in reduced measure of delay and lower adverse economic impact*
- 6. Evolving market conditions**
 - » *For example, economic rebounding after Great Recession, increased trade flows, and integrated supply chains with Mexico under NAFTA, etc.,*

BACKGROUND: WHAT HAS CHANGED SINCE THE PREVIOUS STUDIES? (CONT.)

7. Investments in border infrastructure have improved travel times
 - » *i.e., San Ysidro Reconfiguration and Expansion Project (GSA), introduction of dedicated Ready Lane, opening of Cross Border Xpress (CBX) facility, opening of San Ysidro Ped West, Calexico West Modernization, etc.*



Calexico West-Mexicali I POE – 2018. (Source: GSA)



1196 Northbound POV lanes at San Ysidro-Puerta México POE – 2018. (Source: GSA)

BACKGROUND: ADDITIONAL CONTEXT



The scope/intent of the study is to assess conditions and impacts experienced under a “typical” border dynamic as observed in 2016 (base year). The methodology and major data collection efforts were completed in the 2016-2017 timeframe.

Analysis **does not** account for:

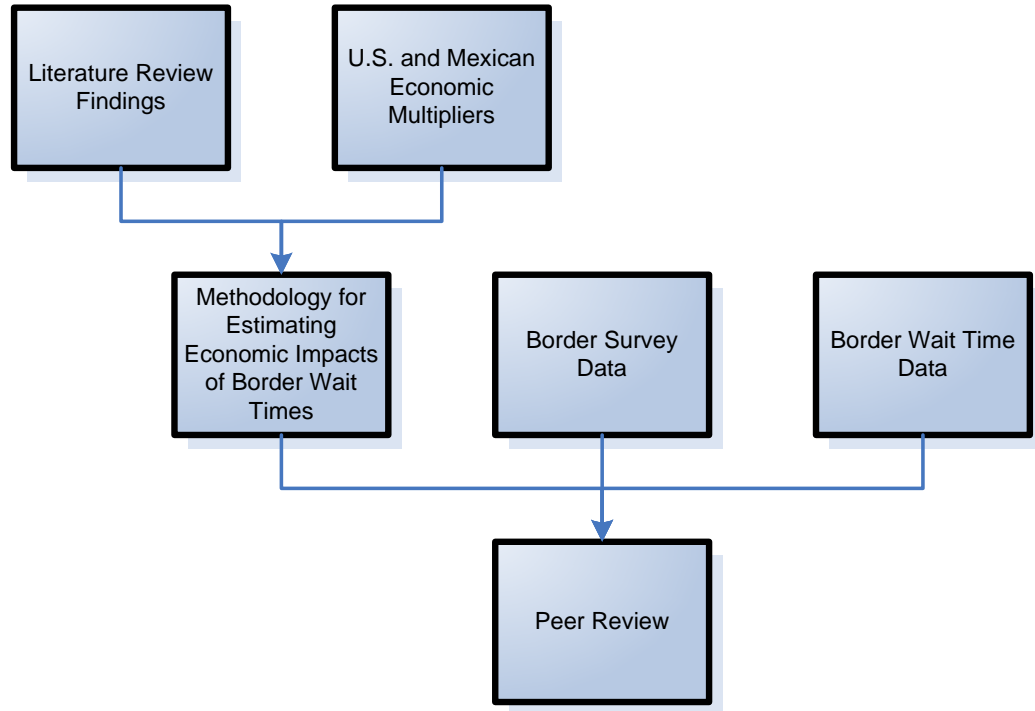
- » Impacts related to COVID-19 travel restrictions on crossing volumes.
- » Impacts of the new United States-Mexico-Canada Agreement (USMCA) on trade.
- » Impacts of recent Governor’s Executive Order (EO N-79-20) for the State of California related to sales of zero-emission personal and medium/heavy-duty vehicles.

1197

ECONOMIC APPROACH:

OVERVIEW OF ECONOMIC IMPACT ANALYSIS (EIA) MODEL

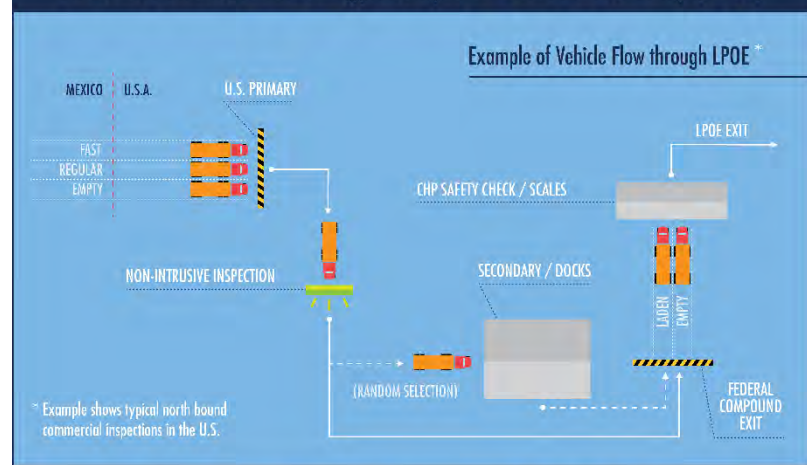
- Estimates the economic impacts on both sides of the border
- Accounts for most recent research findings
- Intensive data collection effort relying primarily on first-hand data (e.g., border survey data)
- Consensus-building and transparent process (expert peer reviews conducted April 2017)
- Uses Input-Output (I-O) Models in the U.S. and Mexico



AIR QUALITY EMISSIONS APPROACH: OVERVIEW

- Emissions analyzed include carbon dioxide (CO₂), reactive organic gases (ROG), oxides of nitrogen (NO_x), particulate matter smaller than 10 microns (PM₁₀) and 2.5 microns (PM_{2.5}), and carbon monoxide (CO)
- Relies on U.S.-Mexico Joint Working Committee (JWC) template and process descriptions based on input from CBP and Aduanas
- Uses queue models for each POE to replicate workflows
- Adjustments to JWC Template – California Implementation for vehicle activity and Emission Factors (EMFAC 2017)
- Binational consensus-building process (peer-review conducted Feb 2017)

Emission Estimate Methodology Example for Land Port-of-Entry (LPOE)



$$\text{EMISSIONS BY LANE TYPE} = \text{VEHICLE FLOW} \times \text{EMISSION FACTORS} \times \text{WEIGHTING FACTORS}$$

VEHICLE FLOW

		SPECIFIC TO INSPECTION STOPS	BETWEEN INSPECTIONS								
Identifying lane types specific to each LPOE, which may include:	Identifying inspection stops specific to each LPOE, which may include:	Based on volumes and processing rates, identify and quantify vehicle behaviors associated with each individual inspection stop:	Identifying vehicle behaviors on roads between inspection stops, and identify queue spill-back with potential to block upcoming inspection stop(s).								
<table border="0"> <tr> <td>COMMERCIAL</td> <td>POV</td> </tr> <tr> <td>• FAST</td> <td>• Regular</td> </tr> <tr> <td>• Regular</td> <td>• Ready</td> </tr> <tr> <td>• Empty</td> <td>• SENTRI</td> </tr> </table>	COMMERCIAL	POV	• FAST	• Regular	• Regular	• Ready	• Empty	• SENTRI	<ul style="list-style-type: none"> • Inspections within Aduanas • U.S. Primary • Non-intrusive inspection • Secondary inspection/docks • CHP safety check/scales • Future toll collection 	<ul style="list-style-type: none"> • Stop and start queue • Creeping queue • Extended idle • Soak and restart • Free-flow driving 	
COMMERCIAL	POV										
• FAST	• Regular										
• Regular	• Ready										
• Empty	• SENTRI										

EMISSION FACTORS

Obtain applicable emission factors specific to each vehicle class, lane type, process, vehicle age, fuel type, inspection and maintenance programs, etc., from MOVES, MOVES Mexico, and/or EMFAC.

WEIGHTING FACTORS

Weighting factors specific to each LPOE such as lane type, processes, vehicle age, fuel type, time of day, etc., derived from surveys, observations, and secondary sources.

PEER-REVIEW PROCESS: BINATIONAL CONSENSUS BUILDING

- Peer-review sessions to elicit feedback from subject matter experts and project stakeholders on the methodologies for estimating economic and emissions impacts of border delays.
- Panels with binational representation of experts from government, industry and academia.
- Emissions Peer-Review Roundtable on February 16, 2017.
- Economic Peer-Review Panel – Risk Analysis Workshops on April 20 and April 27, 2017.



Emissions Peer-Review Roundtable (February 16, 2017)



Economic Peer-Review Panel – Risk Analysis Workshop (April 20, 2017)

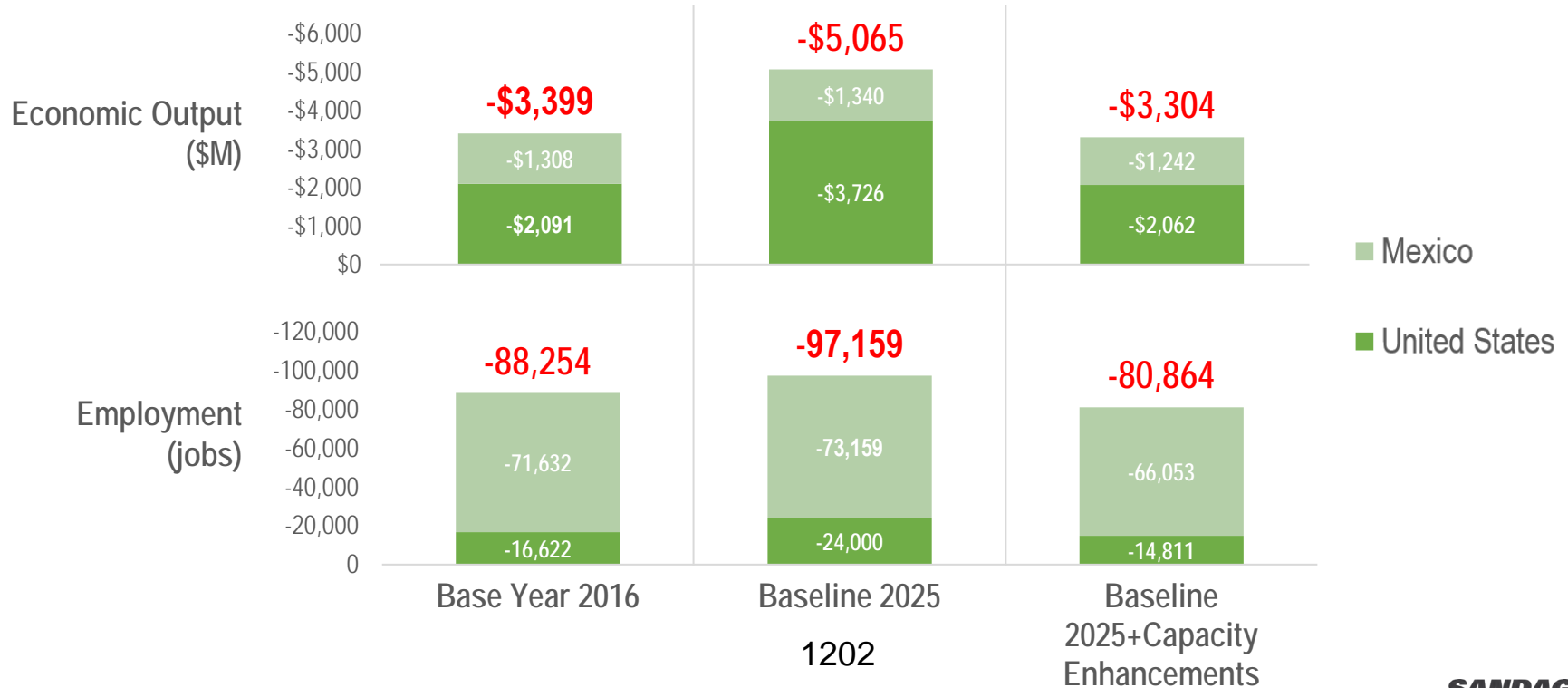
ANALYSIS SCENARIOS:

Base Year 2016 (Economic and Emissions Analyses)	2025 (Economic and Emissions Analyses)		2035 (Emissions Analysis Only)	
	Baseline	Baseline 2025 plus Capacity Enhancements, Transit, and Active Transportation	Baseline 2035 plus Capacity Enhancements, Transit, and Active Transportation	
Existing Conditions	<p>Includes planned improvements completed by 2025, including;</p> <ul style="list-style-type: none"> • Phase 3 improvements at San Ysidro (completed) • Modernization of the cargo and pedestrian facilities at Otay Mesa (underway) • Phase 1 improvements at Calexico West (completed) 	<p>Includes “Baseline 2025” scenario assumptions and additional capacity improvements completed by 2025, including;</p> <ul style="list-style-type: none"> • Otay Mesa East (as 5x5 configuration) • Expansion of All-American Canal bridge (Calexico East) • Various transit and pedestrian access improvements in the vicinity of the POEs 	<p>Includes “Baseline 2025 plus Capacity Enhancements, Transit, and Active Transportation” scenario assumptions</p> <ul style="list-style-type: none"> • Otay Mesa East (as 5x5 configuration) 	<p>Includes “Baseline 2025 plus Capacity Enhancements, Transit, and Active Transportation” scenario assumptions</p> <ul style="list-style-type: none"> • Otay Mesa East (as 10x10 configuration)

Note: The study assumes the future Otay Mesa East POE capacity will be expanded in phases. On opening day it will be in a 5x5 configuration and expanded to a 10x10 configuration at a later date. “5x5” and “10x10” refers to the number of privately owned vehicle and commercial vehicle primary lanes assumed.

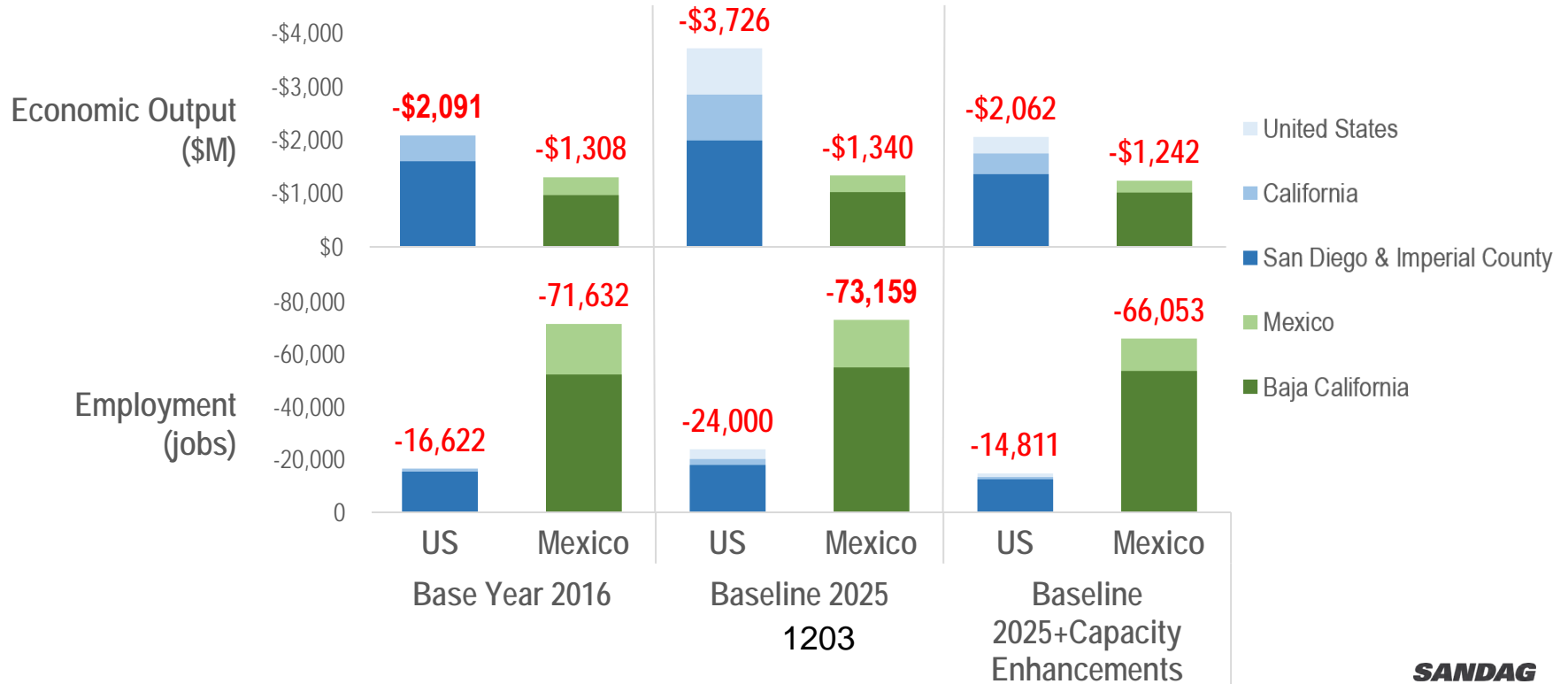
ECONOMIC IMPACTS:

IMPACTS DUE TO DELAYS IN PERSONAL TRIPS AND FREIGHT MOVEMENTS AT ALL CALIFORNIA – BAJA CALIFORNIA POE'S



ECONOMIC IMPACTS:

IMPACTS DUE TO DELAYS IN PERSONAL TRIPS AND FREIGHT MOVEMENTS AT ALL CALIFORNIA – BAJA CALIFORNIA POE'S



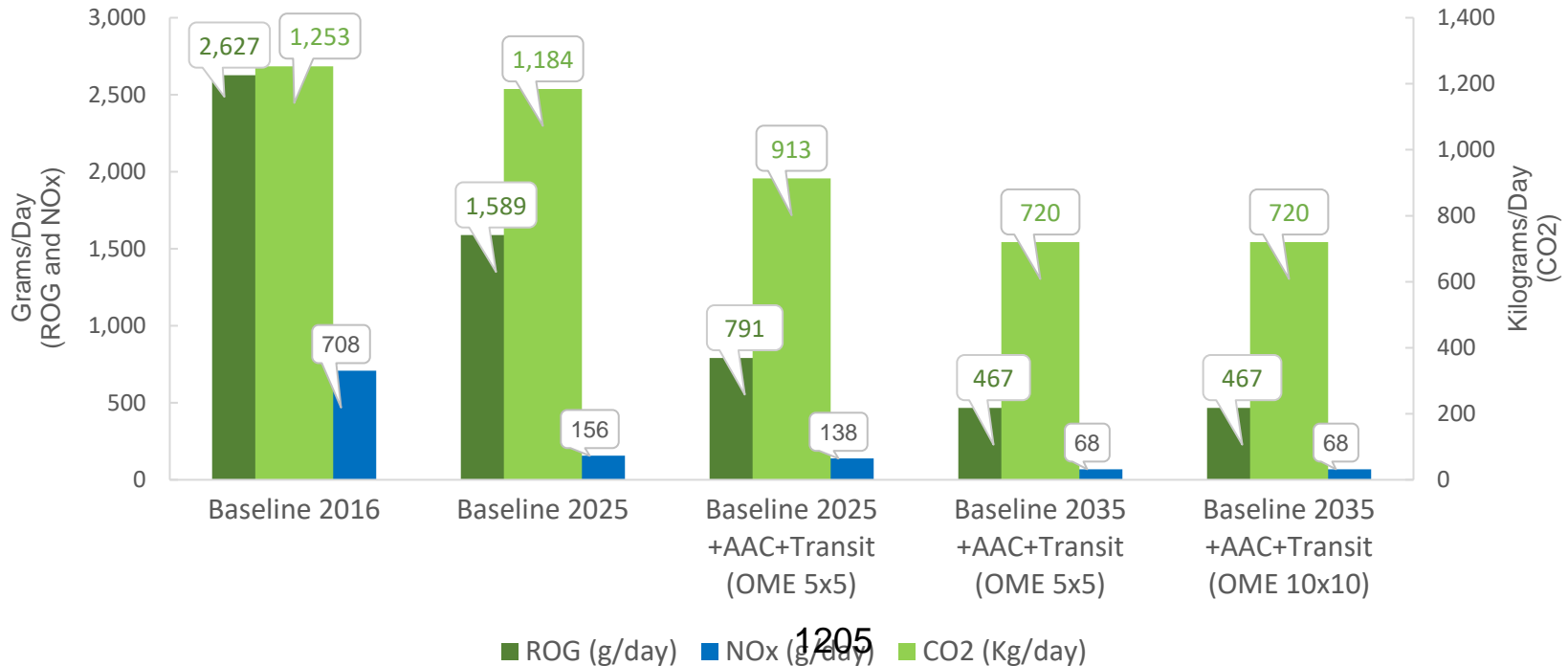
STUDY FINDINGS: ECONOMIC IMPACTS

- Economic impacts in the 2025 Baseline scenario are partially mitigated by already-planned capacity increases. However, **economic losses continue to grow** in the future without additional improvements.
- **Construction of improvements** that represent large capacity increases (i.e., Otay Mesa East POE and All-American Bridge Expansion at Calexico East) **provides significant relief and may fully mitigate** economic losses anticipated in the 2025 Baseline scenario.

Completing planned POE infrastructure improvements by 2025 effectively “buys back” nearly 10 years of anticipated growth in economic loss – back down to slightly below 2016 levels.

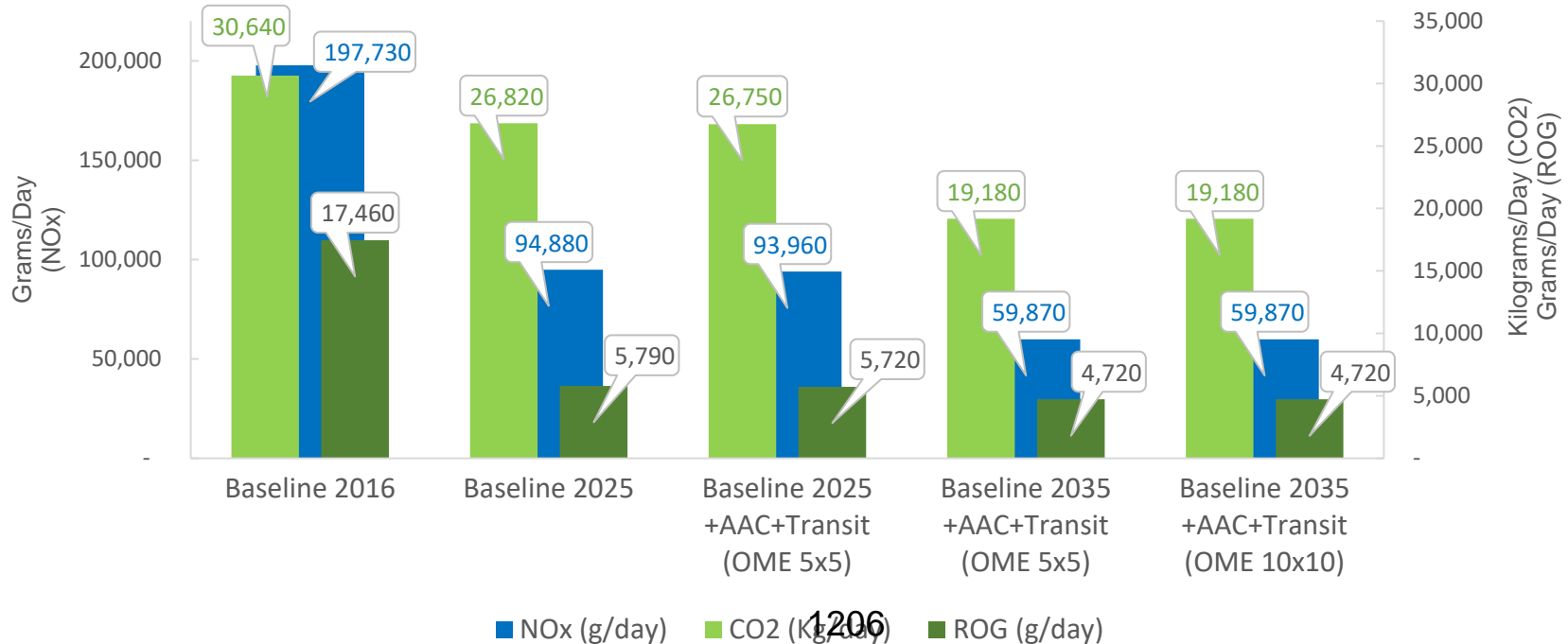
EMISSIONS IMPACTS: FROM POV BORDER CROSSINGS (IMPERIAL COUNTY)

Summer Design Day CO2, ROG, NOx - Imperial County POEs
(Per 1000 POV Border Crossings)



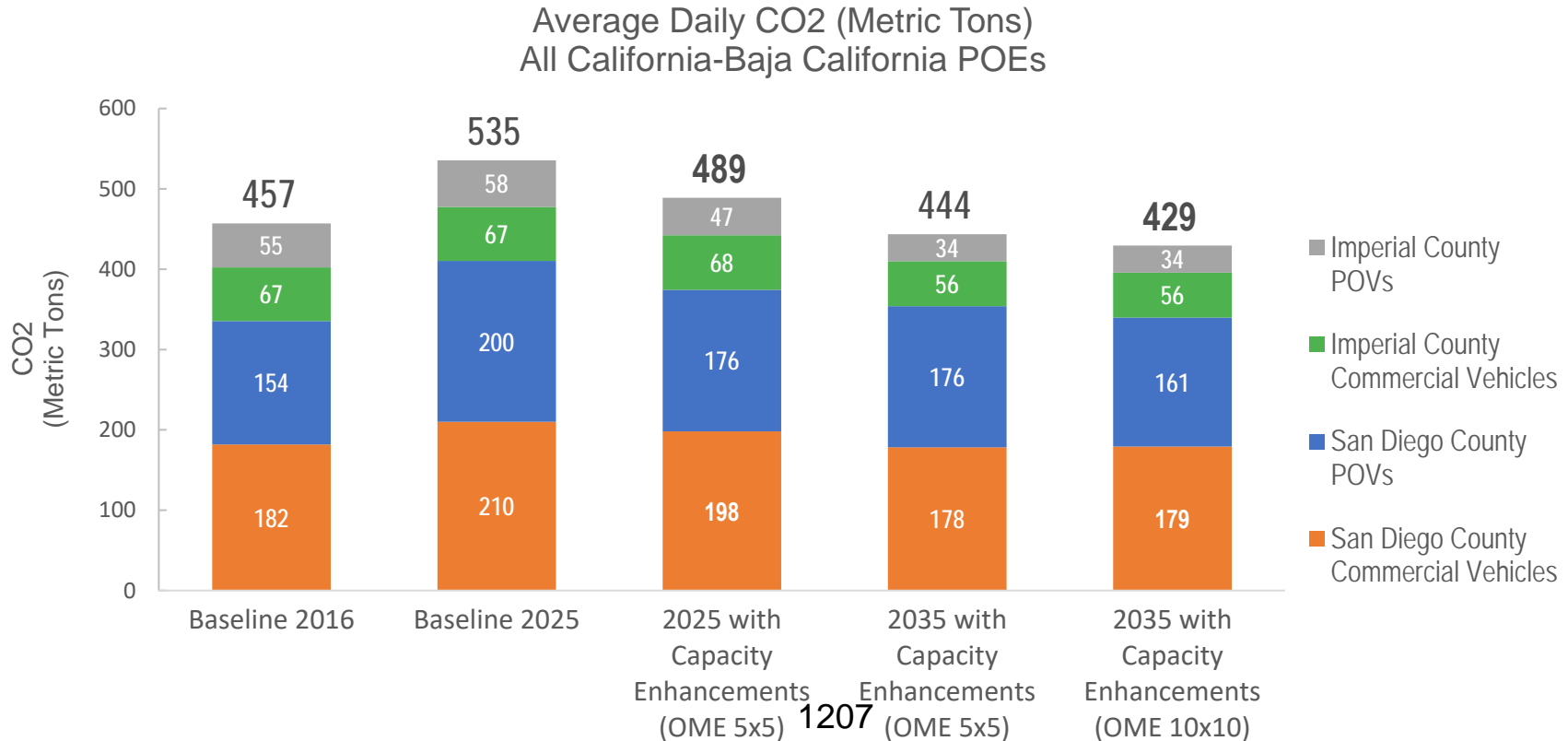
EMISSIONS IMPACTS: FROM COMMERCIAL BORDER CROSSINGS (IMPERIAL COUNTY)

Summer Design Day CO2, ROG, NOx - Imperial County POEs
(Per 1000 Commercial Vehicle Border Crossings)



EMISSIONS IMPACTS:

AVERAGE DAILY CO2 (FROM ALL CALIFORNIA-BAJA CALIFORNIA POE'S)



STUDY FINDINGS: AIR QUALITY/EMISSIONS IMPACTS

- Overall, **emissions drop** rapidly from 2016 to 2035 due to reduced delay resulting from **investments in border infrastructure** capacity and the multimodal transportation system, and **lower polluting/more efficient vehicles**
- The **biggest contributor** to emission reductions per vehicle crossing is ongoing **turnover of the vehicle fleet** – replacing older technology/higher polluting vehicles with newer technology/less polluting vehicles

Infrastructure improvements by 2025 make a noticeable contribution to emission reductions. To maintain the downward trajectory of emissions past 2035, innovations in vehicle technology and clean fuels should be encouraged in addition to capacity enhancements.

STUDY RECOMMENDATIONS: STRATEGIES FOR REDUCING BORDER CROSSING DELAY

- **Investment in POE Infrastructure/ Physical Capacity**
 - » Expand existing infrastructure (Otay Mesa Modernization, Calexico East bridge expansion, etc.)
 - » New facilities (Otay Mesa East-Mesa de Otay II POE)
- **Improve Operations**
 - » Efficiencies for customs (SAT-Aduanas PITA program, Unified Cargo Processing, dynamic lane management, appointment systems, extended hours of operations, etc.)
- **Improve Access to POEs**
 - » Active transportation connections, enhanced transit services (i.e., increased frequencies, Calexico West Intermodal Transit Center), zero/near-zero emission truck prioritization, etc.
- **Corridor-Wide Improvements**
 - » Regional Border Management System
- **Support for Binational Coordination on Long-Term Strategies**
 - » Leverage partnerships to develop crossborder mobility solutions

Recommendations also align with State of California planning goals and objectives in:

-2016 California Sustainable Freight Action Plan (CSFAP)

-2020 California Freight Mobility Plan (CFMP)

-2021 California – Baja California Border Master Plan (BMP)



PROJECT LINKS AND CONTACT INFORMATION

PROJECT WEBPAGE:

<http://sandag.org/borderdelays>

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PedEast northbound pedestrian facility at San Ysidro. (Source: General Services Administration)