



# MEETING AGENDA

## Budget and Implementation Committee

**Time:** 9:30 a.m.  
**Date:** February 24, 2020  
**Location:** BOARD ROOM  
County of Riverside Administration Center  
4080 Lemon St, First Floor, Riverside CA 92501

### COMMITTEE MEMBERS

Linda Krupa, **Chair** / Russ Brown, City of Hemet  
Lloyd White, **Vice Chair** / Julio Martinez, City of Beaumont  
Larry Smith / Linda Molina, City of Calimesa  
Randall Bonner / Jeremy Smith, City of Canyon Lake  
Raymond Gregory / Mark Carnevale, City of Cathedral City  
Steven Hernandez / Megan Beaman Jacinto, City of Coachella  
Scott Matas / Russell Betts, City of Desert Hot Springs

Bob Magee / Natasha Johnson, City of Lake Elsinore  
Lisa Middleton / Jon R. Roberts, City of Palm Springs  
Rusty Bailey, / Andy Melendrez, City of Riverside  
Ben J. Benoit / Joseph Morabito, City of Wildomar  
Karen Spiegel, County of Riverside, District II  
Chuck Washington, County of Riverside, District III

### STAFF

Anne Mayer, Executive Director  
Theresa Trevino, Chief Financial Officer

### AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight  
Competitive Federal and State Grant Programs  
Countywide Communications and Outreach Programs  
Countywide Strategic Plan  
Legislation  
Public Communications and Outreach Programs  
Short Range Transit Plans

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
BUDGET AND IMPLEMENTATION COMMITTEE**

[www.rctc.org](http://www.rctc.org)

**AGENDA\***

*\*Actions may be taken on any item listed on the agenda*

**9:30 a.m.**

**Monday, February 24, 2020**

**BOARD ROOM**

**County of Riverside Administrative Center  
4080 Lemon Street, First Floor  
Riverside, California**

*In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, [www.rctc.org](http://www.rctc.org).*

*In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.*

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENTS** – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Committee may, either at the direction of the Chair or by majority vote of the Committee, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. Also, the Committee may terminate public comments if such comments become repetitious. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Committee shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

*Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.*

5. **ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*

6. **APPROVAL OF MINUTES – NOVEMBER 25, 2019**

7. **CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

7A. **QUARTERLY SALES TAX ANALYSIS**

**Page 1**

**Overview**

This item is for the Committee to:

- 1) Receive and file the sales tax analysis for Quarter 2, 2019; and
- 2) Forward to the Commission for final action.

7B. **SINGLE SIGNATURE AUTHORITY REPORT**

**Page 10**

**Overview**

This item is for the Committee to:

- 1) Receive and file the Single Signature Authority report for the second quarter ended December 31, 2019; and
- 2) Forward to the Commission for final action.

8. **REFINANCING OF 91 EXPRESS LANES TOLL DEBT**

**Page 12**

**Overview**

This item is for the Committee to:

- 1) Receive and file the presentation regarding the refinancing of the Commission's Toll Revenue Senior Lien Bonds, 2013 Series A (2013A Bonds) and 2013 Transportation Infrastructure Financing and Innovation Act (TIFIA) Loan (2013 TIFIA Loan) related to the State Route 91 Corridor Improvement Project (91 Project) with the issuance of taxable and tax-exempt senior lien and second lien toll revenue refunding bonds (2020 Refunding Toll Bonds);

- 2) Approve the refinancing plan to refund all or a portion of the 2013A Bonds, currently outstanding in the amount of \$123.8 million, and prepay all or a portion of the 2013 TIFIA Loan, currently outstanding in the amount of approximately \$481 million;
- 3) Adopt Resolution No. 20-001, *“Resolution Authorizing the Issuance and Sale of Not to Exceed \$725,000,000 Aggregate Principal Amount of Riverside County Transportation Commission Toll Revenue Refunding Bonds in One or More Series, the Refunding of Outstanding Bonds, the Execution and Delivery of One or More Supplemental Indentures, One or More Purchase Contracts, One or More Official Statements, One or More Continuing Disclosure Agreements and One or More Escrow Agreements, the Adoption of a Restated Debt Management Policy, and the Taking of All Other Actions Necessary in Connection Therewith”*;
- 4) Approve the proposed form of the Preliminary Official Statement for the issuance of not to exceed \$725 million in 2020 Refunding Toll Bonds and authorize the Executive Director to approve and execute the printing and distribution of the final form of the Official Statement;
- 5) Approve the proposed form of the Continuing Disclosure Agreement related to the 2020 Refunding Toll Bonds, by and between the Riverside County Transportation Commission and Digital Assurance Certification, L.L.C., as dissemination agent, and authorize the Executive Director to approve and execute the final form of the Continuing Disclosure Agreement;
- 6) Approve the proposed forms of the Third Supplemental Indenture and Fourth Supplemental Indenture for the 2020 Refunding Toll Bonds, each by and between the Riverside County Transportation Commission and U.S. Bank National Association (US Bank), as Trustee, and authorize the Executive Director to approve and execute the final forms of the Third Supplemental Indenture and Fourth Supplemental Indenture;
- 7) Approve the proposed form of the Bond Purchase Agreement(s), also referred to as Purchase Contract(s), between the Riverside County Transportation Commission and Bank of America Securities, Inc. (BofA), as Underwriter Representative acting on behalf of itself and Goldman, Sachs & Co. (Goldman), Wells Fargo Securities (Wells Fargo), J.P. Morgan (JPM), and Siebert Cisneros Shank & Co., LLC (Siebert), (collectively the Underwriters), for the 2020 Refunding Toll Bonds and authorize the Chief Financial Officer to approve and execute the final form of the Bond Purchase Agreement;
- 8) Approve the proposed form of the Escrow Agreement, by and between the Commission and US Bank, as Escrow Agent, and authorize the Executive Director to approve and execute the final Escrow Agreement;
- 9) Approve the estimated costs of issuance, including estimated underwriter’s discount, of \$4,477,065 to be paid from the proceeds of the 2020 Refunding Toll Bonds;
- 10) Approve Agreement No. 05-19-510-17, Amendment No. 17 to Agreement No. 05-19-510-00, with Orrick, Herrington, & Sutcliffe LLP (Orrick) for bond counsel services related to the issuance of the 2020 Refunding Toll Bonds for an additional amount of \$325,000 and a total amount not to exceed \$3,330,000

- 11) Approve Agreement No. 09-19-072-15, Amendment No. 15 to Agreement No. 09-19-072-00, with Norton Rose Fulbright US LLP (Norton Rose) for disclosure counsel services related to the issuance of the 2020 Refunding Toll Bonds for an additional amount of \$155,000 and a total amount not to exceed \$1,022,600;
- 12) Approve adjustments to the Fiscal Year 2019/20 budget in the amounts of \$672,951,600 to increase sources related to the issuance of the 2020 Refunding Toll Bonds and \$631,984,300 to increase uses related to the use of the proceeds of the 2020 Refunding Toll Bonds; and
- 13) Forward to the Commission for final action.

**9. AGREEMENT WITH EIDE BAILLY FOR AUDIT SERVICES**

***Page 309***

***Overview***

This item is for the Committee to:

- 1) Award Agreement No. 20-19-021-00 to Eide Bailly LLP (Eide Bailly) for audit services for a three-year term, with three one-year options to extend the agreement, for \$1,461,198, plus a contingency in the amount of \$138,802, for a total amount not to exceed \$1.6 million;
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, including options years, on behalf of the Commission;
- 3) Authorize the Executive Director or designee to approve contingency work up to the total not to exceed amount as required for these audit services; and
- 4) Forward to the Commission for final action.

**10. FISCAL YEAR 2019/20 MID-YEAR BUDGET ADJUSTMENTS**

***Page 341***

***Overview***

This item is for the Committee to:

- 1) Approve Fiscal Year 2019/20 mid-year budget adjustments for a net increase of \$22,041,000 and \$21,506,000 in revenues and expenditures/expenses, respectively; and
- 2) Forward to the Commission for final action.

**11. PROPOSED POLICY GOALS AND OBJECTIVES FOR FISCAL YEAR 2020/21 BUDGET**

***Page 344***

***Overview***

This item is for the Committee to:

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year 2020/21 Budget;

- 2) Review and approve the Fiscal Accountability Policies for the FY 2020/21 Budget; and
- 3) Forward to the Commission for final action.

**12. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, OCTOBER-DECEMBER 2019**

***Page 351***

***Overview***

This item is for the Committee to:

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October – December 2019; and
- 2) Forward to Commission for final action.

**13. STATE AND FEDERAL LEGISLATIVE UPDATE**

***Page 357***

***Overview***

This item is for the Committee to:

- 1) Receive and file an update on state and federal legislation; and
- 2) Forward to Commission for final action.

**14. RIVERSIDE COUNTY 2020 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM FINANCIAL RESOLUTION**

***Page 361***

***Overview***

This item is for the Committee to:

- 1) Approve Resolution No. 20-002, “Resolution of the Riverside County Transportation Commission Certifying Riverside County Has Resources to Fund Projects in the Federal Fiscal Years 2020/21 Through 2025/26 Transportation Improvement Program and Affirming Commitment to Implement All Projects in the Program”; and
- 2) Forward to Commission for final action.

**15. ELECTION OF OFFICERS FOR THE BUDGET AND IMPLEMENTATION COMMITTEE**

***Page 367***

***Overview***

This item is for the Budget and Implementation Committee to conduct an election of officers for 2020 – Chair and Vice Chair.

**16. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA**

**17. COMMISSIONERS / STAFF REPORT**

***Overview***

This item provides the opportunity for the Commissioners and staff to report on attended and upcoming meeting/conferences and issues related to Commission activities.

**18. ADJOURNMENT**

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., Monday, March 23, 2020**, Board Chambers, First Floor, County Administrative Center, 4080 Lemon Street, Riverside.

# **AGENDA ITEM 6**

## **MINUTES**



# **RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

## **BUDGET AND IMPLEMENTATION COMMITTEE**

Monday, November 25, 2019

### **MINUTES**

#### **1. CALL TO ORDER**

The meeting of the Budget and Implementation Committee was called to order by Chair Linda Krupa at 9:31 a.m., in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501.

#### **2. ROLL CALL**

##### **Members/Alternates Present**

Rusty Bailey  
Randall Bonner  
Raymond Gregory  
Linda Krupa  
Bob Magee  
Julio Martinez  
Scott Matas  
Larry Smith  
Karen Spiegel  
Chuck Washington

##### **Members Absent**

Steven Hernandez  
Lisa Middleton  
Michael Naggar

#### **3. PLEDGE OF ALLEGIANCE**

Commissioner Karen Spiegel led the Budget and Implementation Committee in a flag salute.

#### **4. PUBLIC COMMENTS**

There were no requests to speak from the public.

#### **5. ADDITIONS / REVISIONS**

There were no additions or revisions to the agenda.

#### **6. APPROVAL OF MINUTES – SEPTEMBER 23, 2019**

**M/S/C (Gregory/Bailey) to approve the minutes of September 23, 2019 meeting as submitted.**

**Abstain: Martinez**

- 7. CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

**M/S/C (Smith/Gregory) to approve the following Consent Calendar item(s):**

**7A. QUARTERLY INVESTMENT REPORT**

- 1) Receive and file the Quarterly Investment Report for the quarter ended September 30, 2019; and
- 2) Forward to the Commission for final action.

**8. APPOINTMENT OF UNDERWRITERS FOR COMMISSION FINANCINGS**

Theresa Trevino, Chief Financial Officer, provided a detailed overview for the appointment of underwriters for Commission financings.

**M/S/C (Smith/Washington) to:**

- 1) **Approve the selection of the following firms to provide underwriting services to the Commission in connection with long-term debt financings for a three-year period, with an option to extend for an additional two one-year periods:**
  - a) **BofA Securities, Inc. (BofA);**
  - b) **Goldman Sachs & Co. LLC (Goldman Sachs);**
  - c) **J.P. Morgan Chase (J.P. Morgan);**
  - d) **Siebert Williams Shank & Co., LLC (Siebert); and**
  - e) **Wells Fargo Securities (Wells Fargo); and**
- 2) **Forward to the Commission for final action.**

**9. COUNTY OF RIVERSIDE REQUEST FOR ADDITIONAL FUNDS FOR THE SALT CREEK TRAIL**

Shirley Medina, Planning and Programming Director, presented the county of Riverside request for additional funds for the Salt Creek Trail.

Commissioner Larry Smith requested the Salt Creek Trail map be displayed and inquired the far right hand corner where Warren Road intersects the trail if there have been any discussions of Warren Road going directly into Domenigoni Parkway.

Chair Krupa replied she is uncertain if the trail would impact that intersection of Warren Road going into Domenigoni Parkway or straightening any of that. She stated Warren Road is on future agenda items for the city and for the Commission, and the County.

Commissioner Smith expressed that Warren Road has been discussed continually and knowing how that affects the people of Hemet and wanted to make certain that it is still a discussion.

**M/S/C (Spiegel/Bonner) to:**

- 1) Approve federal Congestion Mitigation and Air Quality (CMAQ) funds in the additional amount of \$594,203 for a total amount of \$5,684,203 to fully fund construction of the Salt Creek Trail project; and**
- 2) Forward to the Commission for final action.**

**10. LONG RANGE TRANSPORTATION STUDY**

Shirley Medina presented the Riverside County Long Range Transportation Study (LRTS), highlighting the following areas:

- Purpose of LRTS – Recommendation from Strategic Assessment; Develop Commission’s first long-range study; serve as a reference point for various transportation planning efforts; provide information for future policy decisions; and provide input to SCAG’s Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) update
- SCAG Regional population and employment by County for 2015, 2040, and difference for 2015-2040
- 2016 PM peak period level of service (LOS) – SCAG 2016 RTP Model
- 2040 PM peak LOS – FTIP projects only (2016 SCAG Model)
- 2040 PM peak LOS – FTIP & RTP projects (SCAG 2016 Model)
- Funding need – Total RTP project costs for Highways & Arterials, and Transit Capital \$24.55 billion; total funding available thru 2040 for Highways & Arterials, and Transit Capital \$11.45 billion; need an additional \$13.11 billion to fund all the projects in the RTP
- LRTS strategies – Strategies necessary to address the multimodal transportation system include:
  - Closing gaps and multimodal corridor improvements
  - System Performance/Operational Efficiencies
  - Transportation Demand Management
  - Active Transportation
  - System Preservation
  - Technology
  - Funding
- Upcoming Efforts:

- Potential New Measure
- Caltrans Managed Lane Study
- Caltrans I-15 Auxiliary Lane Study
- RCTC/SBCTA Inland Empire Comprehensive Multimodal Corridor Plan
- SCAG Inland Empire Intelligent Transportation Strategic Architecture Plan
- Congestion Management Program/Process – State and federal requirements for Congestion Management Programs; RCTC is the designated Congestion Management Agency; RCTC follows federal requirements, which calls for enhanced monitoring, due to following adopted programs that address congestion management requirements:
  - Measure A
  - TUMF programs
  - RTP/SCS (SB 375)
  - State CMP is voluntary
- Future LRTS updates – Incorporate and update planning efforts; work with local agencies and transit operators on new initiatives; update growth projections; incorporate legislative and policy changes; Transportation Model updates; and review project priorities

Commissioner Raymond Gregory referred to page 172 of the agenda packet specifically on the table for Coachella Valley Commute Patterns, 2015 and inquired what this table is supposed to be showing. He stated in the section “Where Commuters into Coachella Valley Live” five of those locations are in the Coachella Valley and are part of that table. It appears to be a table showing where are people coming from that are outside the Coachella Valley and asked where this table came from and about the accuracy of this information.

Eric Ruehr, VRPA Technologies, Inc. replied he is uncertain where this table came from. Mr. Ruehr stated the table makes sense as it reflects where workers in the Coachella Valley live whether it is within the Coachella Valley or outside. He explained this table reflects the cities with the highest numbers of workers listed here and then there is an item for all other locations.

Anne Mayer replied this needs to be rechecked as those are within the Coachella Valley and may need to be in the category above in that table.

In response to Commissioner Gregory’s clarification that some of the larger items are actually in the Coachella Valley, Anne Mayer replied yes they are in the Coachella Valley not outside.

Commissioner Gregory explained then the lower right side it seems to be showing this is where Coachella Valley people work that go outside the Coachella Valley but three of those locations are in the Coachella Valley.

Anne Mayer replied staff will double check those.

Commissioner Gregory inquired about the appendices as there is an A, B, and C and there are a number of projects listed. He explained Appendix B is in regards to transportation projects but Appendix A and C refer to actual roadway projects as Appendix C is SCAG's list and it seems to be very comprehensive. He asked what the meaning is when projects are listed in Appendix A, as it is much fewer projects and some of them he is familiar with and are not a high priority projects.

Eric Ruehr explained the Appendix A list is major projects, which was done primarily by cost but they took a smaller number of projects than the SCAG list and looked at them more closely in terms of evaluation information and it does not necessarily relate to priority.

In response to Commissioner Gregory's inquiry how they determined what went into Appendix A, Mr. Ruehr replied mostly by cost it is the highest cost projects.

Commissioner Gregory explained in the city of Cathedral City they have proposed sometime in the future two freeway exits and entrances one at Landau Boulevard and one at Da Vall Drive. The one at Da Vall is a much higher priority and both of those are listed in Appendix C of the Riverside County Long Range Transportation Study (LRTS) yet Landau is the exit that is listed in Appendix A of the LRTS as a much lower priority and much lower utilities so it is given a lower score. He expressed the Da Vall interchange, which would have a higher usage and priority does not show in Appendix A. He asked who determines what would be listed in the different appendices.

Shirley Medina replied they are not listed by priorities and Appendix A is just to call out the larger cost projects and then Appendix C those projects that were included in the RTP and included the 2020 RTP project list.

Commissioner Gregory expressed concern there are other higher cost projects than some other projects listed in Appendix A.

Shirley Medina replied that was not the intent here to prioritize any project so staff will look at the list again and adjust it.

Commissioner Gregory explained he is more aware of what is occurring in his region and city and he looks at those as examples but expressed concern that may be the case for other cities and areas too.

Commissioner Spiegel referred to Table 14 for Western Riverside County and stated it is about where workers live who are employed in Western Riverside County and where workers who are employed who live in Western Riverside County, how this indicates those from those jurisdictions that commute into outside of Riverside County. She

inquired the commute is really what is the critical aspect of how many are commuting out and trying to figure out how staff identified that.

Eric Ruehr replied this table is the Western Riverside table that corresponds to the table that was discussed about the Coachella Valley and suggested they need to look at both of them since information was presented that was not quite what the Commissioners wanted.

Commissioner Spiegel stated Interstate 15, which the Commission is working on and the SR-91, which have completed and to see how many commuters with the numbers the Commission keeps coming up with on a daily basis where they are coming from within the County. She suggested going back and relooking at both tables, as this is important information for future growth.

Anne Mayer referred to the lower right hand corner as it says where Riverside County residents work and there are the other jurisdictions outside of the County where they work. She then clarified if Commissioner Spiegel is looking at from where within Riverside County they are coming from.

Commissioner Spiegel explained when putting it together and took off the top where workers live who are employed in Western Riverside County and where workers are employed who live in Western Riverside County. She explained the city of Riverside has 325,000 and in looking at that how many people are working outside of Riverside, how many are traveling into Los Angeles County and different counties. She is trying to figure out with the populations and there are people that are not working, but it is just not adding up.

Anne Mayer replied as Eric Ruehr said will look at these charts and she wanted to ensure she understood what information would be helpful to make it clearer and to provide additional information.

Commissioner Bob Magee referred to a series of maps Shirley Medina had displayed map no. 3 showed 2040 with the RTP and he requested to have it put back up. He explained with respect to the I-15 Corridor from SR-91 south there are several areas of red and if that is without additional funding, which contemplates what the Commission currently has in place. Shirley Medina replied yes.

Commissioner Magee stated on the map half way down where the cities of Lake Elsinore and Wildomar share a border it appears that Bundy Canyon Road is shown in red. Currently there is supposed to be a six-lane road there and there is funding for four lanes so any movement to further shrink that right of way would be disastrous.

Shirley Medina replied to shrink it, yes. She explained the Commission just funded a segment on Bundy Canyon Road to increase it to four lanes and in their general plan, it

shows six lanes. She stated she would need to check the model against what the general plan currently is and what it was for this model year.

In response to Commissioner Magee's clarification that currently based on the funding available Bundy Canyon Road is an "F".

Shirley Medina concurred and stated since it is 2040 it does not show that these funds are committed throughout 2040, as the Commission still has to look for funds. Based on the funding staff forecasted there should be enough funding but it does not mean all the projects are committed.

Commissioner Magee clarified the Commission has to look for funds to make Bundy Canyon Road a six-lane and the Commission is currently looking for funds to complete I-15 from Cajalco Road south.

Anne Mayer stated staff will check to see if it is six lanes in the RTP for Bundy Canyon Road and clarified every discussion about this has been about six lanes.

- 1) Receive and file the Riverside County Long Range Transportation Study (LRTS); and**
- 2) Forward to the Commission for final action.**

Anne Mayer explained this LRTS is a source document for the Commission particularly as the state funding programs become more competitive with many requirements related to long range planning linked to competitive applications. This document will be updated as projects change, as funding situations change, and it is not intended to be a document that dictates the Commissioner's priorities, any decisions made about priorities will be done through normal processes. This is a source document used in the planning efforts. Anne Mayer expressed this is Shirley Medina's final presentation at a committee meeting and acknowledged and congratulated Shirley Medina as she is retiring in December after 28 years.

## **11. TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM MASTER AGREEMENT**

Ariel Tapia, Management Analyst, presented the Transit and Intercity Rail Capital Program (TIRCP) master agreement, highlighting the following:

- Background – TIRCP created under SB 862
  - Reduce greenhouse gases
  - Expand and improve rail service to increase ridership
  - Integrate rail service
  - Safety improvements
- Metrolink awarded \$875 million in TIRCP
- SCORE Phase 1

- More than \$5 billion has been awarded statewide with \$2.6 billion last call
- Riverside Downtown Station Expansion
  - Part of Phase 1 of Metrolink SCORE program
  - Commission to receive \$14.5 million from Metrolink's award to fund project
  - Agreement required to administer and receive reimbursements for this project
  - Agreement serves basis for potential future projects under TIRCP and keeps RCTC competitive

Commissioner Bailey stated as the Commission continues to look for ways to reverse the commute it will be important to invest in the Downtown Metrolink Commuter Rail station and beyond and expressed gratitude for the Commission in supporting this and the ongoing rail projects. Especially looking forward to 2028 and the Olympics coming to Southern California and continuing to keep the region a part of it and this is a way to do that.

**M/S/C (Bailey/Spiegel) to:**

- 1) Approve Agreement No. 20-25-017-00 with the California Department of Transportation (Caltrans) for implementing projects when the Commission is the lead agency for transit projects funded by the Transit and Intercity Rail Capital Program (TIRCP);**
- 2) Adopt Resolution No. 19-018, *"Resolution of The Riverside County Transportation Commission Regarding Authorization for The Execution of A Master Agreement and Program Supplements For The State-Funded Projects"*;**
- 3) Authorize the Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission; and**
- 4) Forward to the Commission for final action.**

**12. BYLAWS OF THE CITIZENS AND SPECIALIZED TRANSIT ADVISORY COUNCIL**

Eric DeHate, Transit Manager, presented the bylaws of the Citizens and Specialized Transit Advisory Council (CSTAC), highlighting the following:

- What is the Citizens Advisory Committee (CAC) – Public Utilities Code (PUC) 130105(d)
- Social Services Transportation Advisory Council (SSTAC) – PUC 99238
- What is the CAC's purpose:
  - PUC 130105 (d) requires a broad spectrum of interest among geographic areas of the county
  - PUC 99238 requires the designated regional transportation planning agencies to have citizens, social services transportation providers, and



transit agencies provide input into the jurisdictions' transit needs in compliance with the Transportation Development Act.

- TDA membership requirements:
  - Potential transit user who is 60 years of age or older (1)
  - Potential transit user who is disabled (1)
  - Local social service providers for seniors (2)
  - Local social service providers for the disabled (2)
  - Local social service provider for persons of limited means (1)
  - Local consolidated transportation service agency and transit operator (2)
- Current CAC structure and role
- What are we looking to do – Rename the CAC/SSTAC to the Citizens and Specialized Transit Advisory Council (CSTAC); clarify the Council's purpose, roles and responsibilities; update membership terms and recruitment process; add a second vice chair; and provide enhanced engagement between RCTC and CSTAC members

In response to Commissioner Julio Martinez's inquiry about not having any reference to youth due to the PUC limiting the certain age group, Eric DeHate replied it is used for older transit users and special services. It is aimed for elderly people or disabled people, handicapped individuals and limited means.

In response to Commissioner Martinez's clarification when it comes to college students or range from 18 to 59 that is not their focus, Mr. DeHate replied no it is much more focused on helping the elderly.

Commissioner Martinez clarified it is states broad spectrum and that it is not really a broad spectrum but if that is the focus he recognizes that.

**M/S/C (Bonner/Smith) to:**

- 1) Approve the revised bylaws of the Citizens Advisory Committee/Social Service Transportation Council (CAC/SSTAC);**
- 2) Rename the CAC/SSTAC to the Citizens and Specialized Transit Advisory Council (CSTAC); and**
- 3) Forward to Commission for final action.**

In response to Anne Mayer's clarification with Eric DeHate that the requirements have to be met in law, however if a Commissioner suggested an individual to serve who was a college student that person would be considered, Eric DeHate replied correct. He clarified if the Commission meets the TDA requirements based on the membership, which is up to 15 people if there were additional members the Commission would want to add to the CSTAC to provide more of a broader spectrum of other transit issues staff could have that person become a member on the CSTAC.

Anne Mayer clarified the focus is on specialized transit not necessarily fixed route transit as that would be more focused on younger riders. If the requirements have been met and there is room on the CSTAC and someone interested could also serve, as long as their focus is on what the CSTAC's intent is.

Eric DeHate stated they would still be able to look at Short Range Transit Plans of the operators as well, which focuses on everybody as far as the means of transit to get around so they would still have an input into that kind aspect of it.

In response to Commissioner Spiegel's inquiry about the comment of having them work more closely with the Commission and staff's vision, Eric DeHate replied in the current CAC meetings staff is disseminating a lot of information such as the rail study or other items that are transit related. If they have a very small network and are not able to give that information to other people, it just stays within the CAC or CSTAC. He explained staff is hoping there will be a better partnership not just with additional people that meet the requirements but the social services that are also part of it and for RTA and SunLine to help disseminate more of the information.

Commissioner Spiegel stated the senior centers and some of the active members would be a great way of expanding the network and working with the Commission.

Eric DeHate explained as part of the coordinated plan staff reaches out to senior centers to get their input as well so it is not just an isolation. He stated there were a couple pictures in his presentation he did not get the opportunity to discuss them, but on slide 5, there was a picture of the coordinated plan and they were doing outreach.

### **13. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA**

There were no items pulled from the consent calendar.

### **14. COMMISSIONERS / EXECUTIVE DIRECTOR REPORT**

**14A.** Commissioner Larry Smith congratulated Shirley Medina on her retirement and expressed appreciation for her years of service, as every agenda item brought by her left him with clarity and she will be missed.

- Commissioner Smith announced on November 21 he met with a group of city council members, the city manager, and a fire chief and made a trip to Paradise, California as a year ago there was a devastating fire. On October 10, the city of Calimesa had a devastating fire also and they went back to Paradise on a fact-finding mission to figure out how they managed their crisis. He wanted to point out the amazing amount of cooperation between Paradise and Northern California reminded him of what the Commissioners do here. He discussed how his city staff did a spectacular

job managing the crisis and how they took care of 125 people who immediately lost their homes. Commissioner Smith explained what is done at the Commission is all the Commissioners compete for the same dollars because they want to represent each of their communities and do the best they can as elected officials. He suggested it is part of his responsibility to reach outside of the city of Calimesa and be in partnership with his fellow elected representatives for Riverside County. He expressed work the Commission does best facilitates all of the citizens in this County and congratulated his colleagues for all their efforts and energies.

**14B.** Commissioner Spiegel concurred with Commissioner Smith's comments and stated she hopes he shares those same words at its December Commission meeting. She explained the majority of the Commissioners feel the same way as Commissioner Smith, but some Commissioners do not get the big picture as being regional and the Commissioners need do what is best for the region. She expressed when Commissioner Smith brought up Paradise that this Thanksgiving and heading into the Christmas season is the time to be generous and give back to others. She then wished everyone a Happy Thanksgiving.

**14C.** Chair Krupa discussed the big picture from Commissioner Smith's comment of transportation and driving in Southern California and how elected officials look to the amount of funds that comes to their own community to fix the streets and roads. She discussed with regards to the regional approach the big picture approach when she traveled over the weekend how that impacted roads and streets in the cities of Hemet, San Jacinto, Menifee, Murrieta, Temecula, Corona, Norco, and Riverside with no letup of traffic and construction going on. She expressed the Commissioners do have to look at that regional approach because when everyone leaves their homes and drive in their cars it affects everyone. She then wished everyone a Happy Thanksgiving.

**15. ADJOURNMENT**

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:24 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Lisa', with a long horizontal flourish extending to the right.

Lisa Mobley  
Clerk of the Board

# **AGENDA ITEM 7A**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	Theresia Trevino, Chief Financial Officer
<b>SUBJECT:</b>	Quarterly Sales Tax Analysis

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Receive and file the sales tax analysis for Quarter 2, 2019; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

At its December 2007 meeting, the Commission awarded an agreement with MuniServices, LLC (MuniServices), an Avenu Company, for quarterly sales tax reporting services plus additional fees contingent on additional sales tax revenues generated from the transactions and use tax (sales tax) audit services. As part of the recurring contracts process in June 2018, the Commission approved a five-year extension through June 30, 2023. The services performed under this agreement pertain to only the Measure A sales tax revenues.

Since the commencement of these services, MuniServices submitted audits, which reported findings and submitted to the California Department of Tax and Fee Administration (CDTFA), for review and determination of errors in sales tax reporting related to 1,077 businesses. Through 2Q 2019, the CDTFA approved 615 of these accounts for a cumulative sales tax recovery of \$10,258,416. If CDTFA concurs with the error(s) for the remaining claims, the Commission will receive additional revenues; however, the magnitude of the value of the remaining findings was not available. It is important to note that while the recoveries of additional revenues will be tangible, it will not be sufficient to alter the overall trend of sales tax revenues.

MuniServices provided the Commission with the Quarterly Sales Tax Digest Summary report for 2Q 2019. Most of the 2Q 2019 Measure A sales tax revenues were received in the third quarter of calendar year 2019, during July 2019 through September 2019, due to a lag in the sales tax calendar. The summary section of the 2Q 2019 report is attached and includes an overview of California's economic outlook, local results, historical cash collections analysis by quarter, top 25 sales/use tax contributors, historical sales tax amounts, annual sales tax by business category, and five-year economic trend for significant business category (general retail).

Taxable transactions for the top 25 contributors in Riverside County generated 24.4 percent of taxable sales for the benchmark year ended 2Q 2019, slightly higher than the 23.1 percent for the benchmark year ended 2Q 2018. The top 100 tax contributors generated 39.1 percent for the benchmark year ended 2Q 2019, slightly higher than the 37.7 percent for the benchmark year ended 2Q 2018.

In the Economic Category Analysis below, five of the six categories experienced new highs in the 2Q 2019 benchmark year compared to the prior eight benchmark years. The Business to Business category is slightly below the 2Q 2018 benchmark year due to the closure of medical equipment companies in the 2Q 2019 benchmark year.

ECONOMIC CATEGORY ANALYSIS										
% of Total / % Change	RCTC	State Wide	Orange County	San Bernardino County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast	Central Coast
<b>General Retail</b>	28.2 / 5.9	28.6 / 3.5	30.4 / 5.0	26.9 / 1	25.5 / 2.5	27 / 5.1	28.4 / 0.3	28.6 / 4	30.1 / 3.8	28.0 / 1.4
<b>Food Products</b>	17.9 / 2.5	22.8 / 6.5	22.1 / 8.2	17.7 / 6.5	24.6 / 6.9	18.1 / 4.5	17.5 / 7.0	24.7 / 6.3	16.8 / -12.8	35.8 / 14.6
<b>Transportation</b>	24.5 / 3.3	25.3 / 6.8	25.4 / 11.7	29.5 / 1.9	23.7 / 9.6	29.5 / 5.7	27.6 / 6.8	24.7 / 7.5	27.9 / -16.7	23.0 / 2.3
<b>Construction</b>	11.0 / 6.4	9.9 / 2.7	8.8 / -1.2	9.9 / 8.6	10.4 / 1.8	12.8 / -0.7	12.6 / 3.2	9.2 / 4.5	16.6 / -4.7	9.1 / 14.0
<b>Business to Business</b>	15.9 / -0.3	12.5 / -10.7	12.2 / -10.5	14.2 / -2.8	14.9 / -11.3	11.7 / -4.3	13.2 / 9.0	11.9 / -11.8	8.2 / -7.8	3.5 / -26.8
<b>Miscellaneous</b>	2.5 / 4.5	0.9 / -21.7	1.1 / 13.7	1.8 / -3.0	0.9 / -19.8	0.9 / -17.2	0.8 / -39.6	0.9 / -21.6	0.4 / -40.6	0.6 / -29.1
<b>Total</b>	<b>100.0 / 3.6</b>	<b>100.0 / 2.5</b>	<b>100.0 / 4.6</b>	<b>100.0 / 2.3</b>	<b>100.0 / 2.4</b>	<b>100.0 / 3.0</b>	<b>100.0 / 4.1</b>	<b>100.0 / 2.9</b>	<b>100.0 / -8.1</b>	<b>100.0 / 5.3</b>

General Retail: Apparel Stores, Department Stores, Furniture/Appliances, Drug Stores, Recreation Products, Florist/Nursery, and Misc. Retail

Food Products: Restaurants, Food Markets, Liquor Stores, and Food Processing Equipment

Construction: Building Materials Retail and Building Materials Wholesale

Transportation: Auto Parts/Repair, Auto Sales - New, Auto Sales - Used, Service Stations, and Misc. Vehicle Sales

Business to Business: Office Equip., Electronic Equip., Business Services, Energy Sales, Chemical Products, Heavy Industry, Light Industry, Leasing,

Biotechnology, I.T. Infrastructure, and Green Energy

Miscellaneous: Health & Government, Miscellaneous Other, and Closed Account Adjustments

An analysis of sales tax performance through 2Q 2019 is attached and illustrates fairly consistent cycles for sales tax performance for most of the economic categories since 2Q 2014.

For 9 of the top 10 segments (restaurants, auto sales-new, department stores, miscellaneous retail, building materials-wholesale, food markets, apparel stores, building materials-retail, and heavy industry) during the eight benchmark year quarters, sales tax receipts reached a new high point. The segments represent 62 percent of the total sales tax receipts. Service stations representing 7.2 percent was higher than the last five benchmark year quarters since 2Q 2014.

The top 10 segments represent 69.2 percent of the total sales tax receipts. For the other 21 segments representing 30.8 percent of the total sales tax receipts, 11 segments representing 14.7 percent of the total sales tax receipts reached new high points in the benchmark year 2Q 2019. In the Economic Segments Analysis below, auto sales-new and department stores have been in the top three economic segments. Restaurants replaced service stations in the top three economic segments beginning in 4Q 2014. The service stations segments high occurred in 4Q 2012 and declined through 1Q 2017 due to lower fuel prices; the 2Q 2019 benchmark year quarter for service stations reflects an increase over the last five benchmark year quarters since 2Q 2014 due to higher fuel prices.

ECONOMIC SEGMENT ANALYSIS										
	RCTC	State Wide	Orange County	San Bernardino County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast	Central Coast
<b>Largest Segment</b>	Restaurants	Restaurants	Restaurants	Restaurants	Restaurants	Restaurants	Department Stores	Restaurants	Department Stores	Restaurants
% of Total / % Change	11.6 / 4.2	16.7 / 8.8	16.4 / 9.8	12.0 / 5.4	18.3 / 9.4	12.6 / 7.3	12.9 / 7.8	18.6 / 8.6	12.2 / 15.2	25.9 / 17.6
<b>2nd Largest Segment</b>	Auto Sales - New	Auto Sales - New	Auto Sales - New	Service Stations	Auto Sales - New	Auto Sales - New	Restaurants	Auto Sales - New	Auto Sales - New	Auto Sales - New
% of Total / % Change	11.0 / 0.8	12.1 / 9.5	13.9 / 20.6	11.0 / 2.7	12.0 / 12.6	11.9 / 3.0	11.8 / 11.1	12.0 / 11.3	11.2 / -13.1	11.9 / 2.6
<b>3rd Largest Segment</b>	Department Stores	Department Stores	Department Stores	Department Stores	Department Stores	Department Stores	Auto Sales - New	Department Stores	Restaurants	Misc Retail
% of Total / % Change	9.9 / 7.2	9.7 / 5.1	9.6 / 7.0	10.7 / 11.2	7.4 / 3.6	10.9 / 6.8	10.9 / 6.4	9.0 / 5.0	10.1 / 15.4	10.1 / 6.7

As reported in the 3Q 2018 Sales Tax Analysis Report, staff notified the Commission of a reporting error by one of the top 25 sales/use tax contributors related to a misallocation of the district tax to the Commission during 2Q 2018 through 4Q 2018, resulting in an overpayment to the Commission estimated in the amount of \$2.5 million. Staff is not certain in which period the misallocation correction will be completed; however, the Fiscal Year 2019/20 sales tax revenues after the correction are expected to continue to reflect an increase over the FY 2018/19 revenues.

Information regarding sales tax comparison by city and change in economic segments (two highest gains and two highest losses) from 2Q 2018 to 2Q 2019 is attached.

Staff continues to monitor sales tax receipts and other available economic data to determine the need for any adjustments to the revenue projections. Staff will utilize the forecast scenarios with the complete report and receipt trends in assessing such projections.

**Attachments:**

- 1) Sales Tax Digest Summary 2Q 2019
- 2) Sales Tax Performance Analysis by Quarter 2Q 2019
- 3) Quarterly Sales Tax Comparison by City for 2Q 2018 to 2Q 2019





# Riverside County Transportation Commission Sales Tax Digest Summary

## Collections through September 2019 Sales through June 2019 (2019Q2)

### CALIFORNIA'S ECONOMIC OUTLOOK

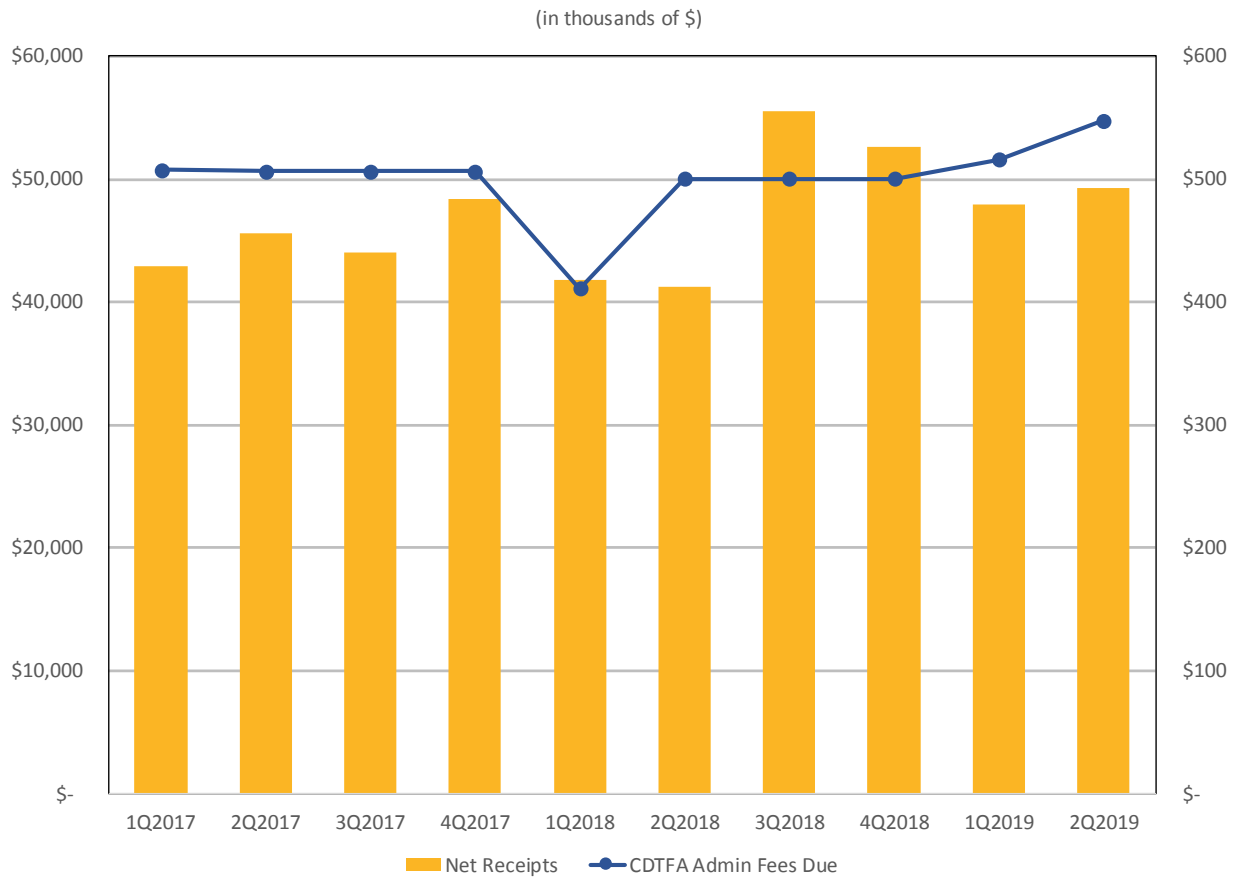
California sales tax receipts increased by 16.2% over the same quarter from the previous year, with Northern California reporting a 16.5% increase compared to 16.0% for Southern California. Receipts for the RCTC increased by 20.8% over the same periods. Unprecedented increases were due to the California Department of Tax and Fee Administration implementation of a new reporting system and delay in the processing of many sales tax returns filed for the same quarter from the previous year.

- **California GDP:** in 2019Q2 was 1.9% change from 2018Q2. From 2019Q1 to 2018Q1 was 2.7%; previous quarter results for 2018Q4 to 2017Q4 was 2.2%. (BEA, November 7, 2019)
- **California's Sales and Use Tax:** For July to September 2019 (first three months of the fiscal year) were \$77 million below forecast. Receipts for September were \$52 million above the month's forecast of \$2.098 billion. Personal Income Tax: \$420 million below forecast. Revenues for September were \$401 million below the month's forecast of \$8.65 billion. Corporation Tax: July to September 2019 were \$682 million above forecast. (DOF, October 2019)
- **Statewide Sales Tax Receipts:** changed by 2.0% as compared to the same quarter from prior year.

### LOCAL RESULTS

Net Cash Receipts Analysis	
Local Collections	49,801,343
Share of County Pool 0.0%	0
Share of State Pool 0.0%	0
SBE Net Collections	49,801,343
Less: Amount Due County 0.0%	.00
Less: Cost of Administration	(548,970)
Net 2Q2019 Receipts	49,252,373
Net 2Q2018 Receipts	40,788,679
Actual Percentage Change	20.8%
Business Activity Performance Analysis	
Local Collections – Economic Basis 2Q2019	\$50,233,521
Local Collections – Economic Basis 2Q2018	\$47,919,063
Quarter over Quarter Change	2,314,458
Quarter over Quarter Percentage Change	4.8%
Avenu Insights & Analytics' On-Going Audit Results	
Total Recovered Year to Date	\$10,791,025

## HISTORICAL CASH COLLECTIONS ANALYSIS BY QUARTER



### TOP 25 SALES/USE TAX CONTRIBUTORS

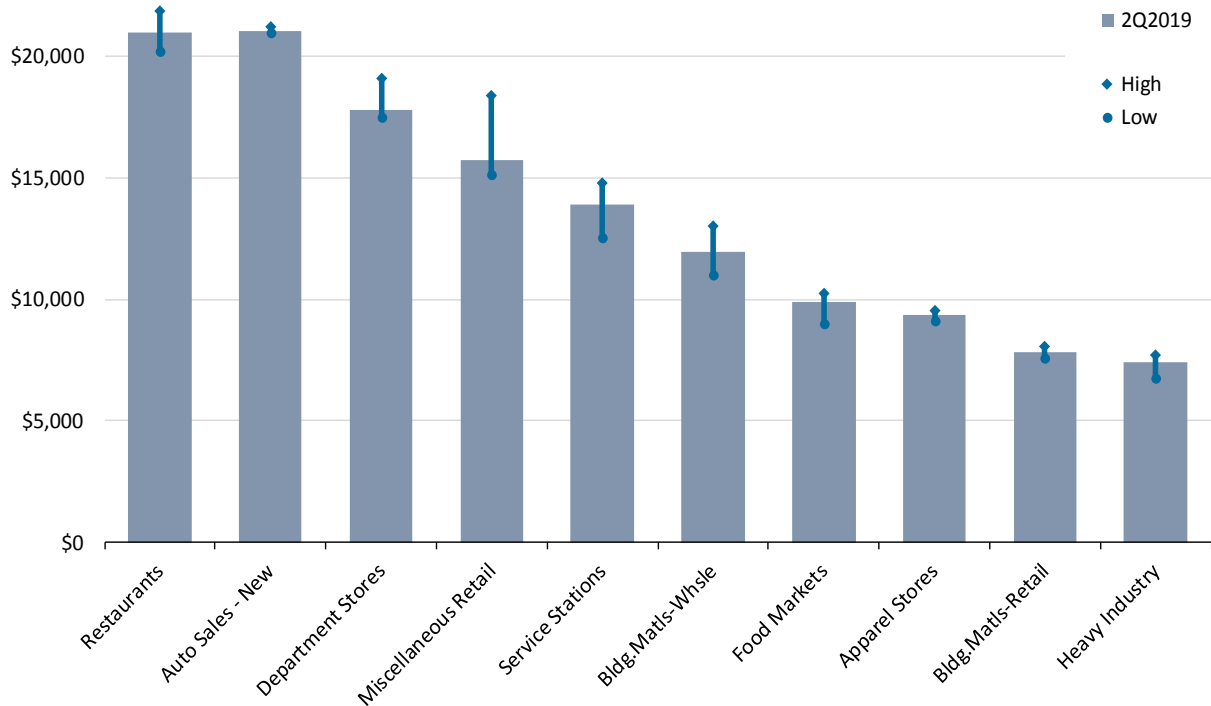
The following list identifies RCTC's Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents sales from June 2018 to May 2019. The Top 25 Sales/Use Tax contributors generate 24.4% of RCTC's total sales and use tax revenue.

AMAZON.COM  
 ARCO AM/PM MINI MARTS  
 BEST BUY STORES  
 CARMAX THE AUTO SUPERSTORE  
 CHEVRON SERVICE STATIONS  
 CIRCLE K FOOD STORES  
 CONSOLIDATED ELECTRICAL DISTRIBUTORS  
 COSTCO WHOLESALE  
 DEPARTMENT OF MOTOR VEHICLES  
 FERGUSON ENTERPRISES  
 FOOD 4 LESS  
 HOME DEPOT  
 KOHL'S DEPARTMENT STORES

LOWE'S HOME CENTERS  
 MACY'S DEPARTMENT STORE  
 MCDONALD'S RESTAURANTS  
 RALPH'S GROCERY COMPANY  
 ROSS STORES  
 SAM'S CLUB  
 SHELL SERVICE STATIONS  
 STATER BROS MARKETS  
 TARGET STORES  
 TESLA  
 VERIZON WIRELESS  
 WAL MART STORES

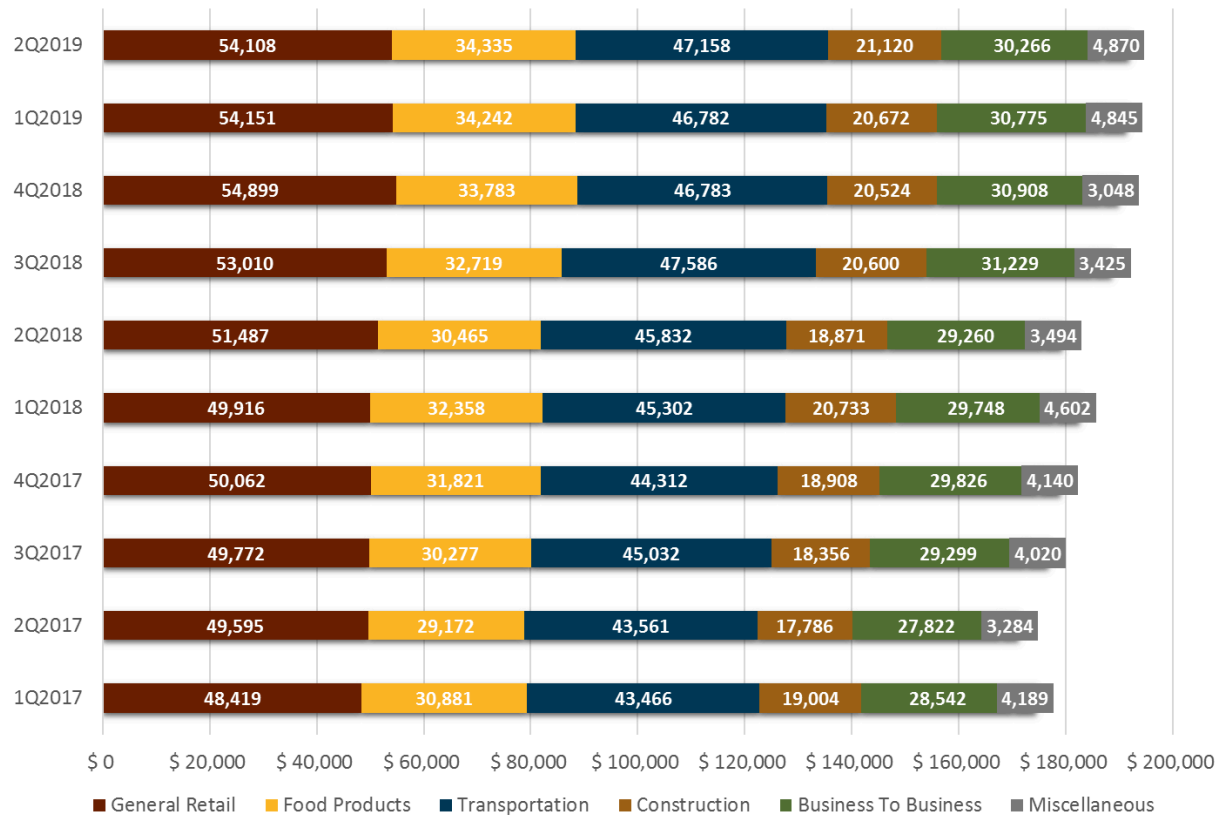
## HISTORICAL SALES TAX AMOUNTS

The following chart shows the sales tax level from annual sales through June 2019, the highs, and the lows for each segment over the last two years in thousands of \$.

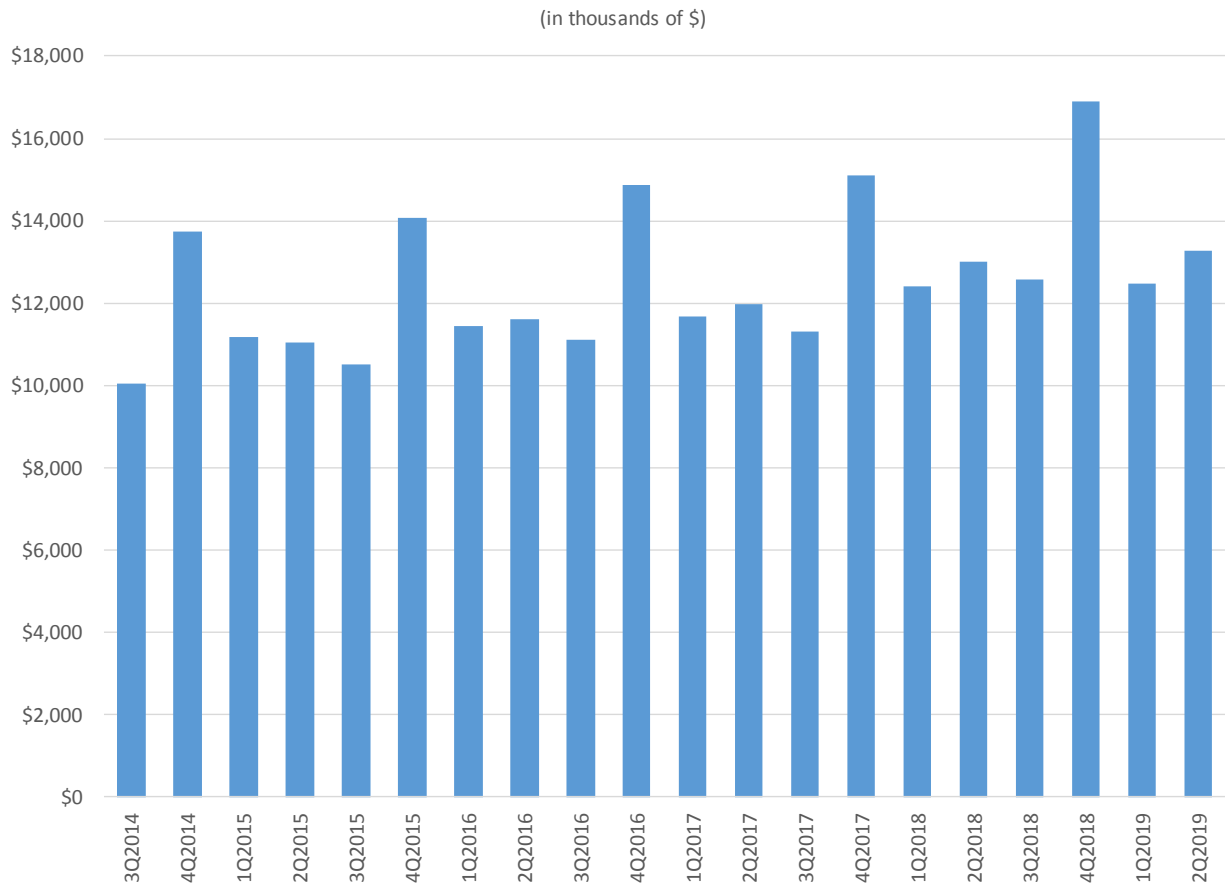


## ANNUAL SALES TAX BY BUSINESS CATEGORY

(in thousands of \$)

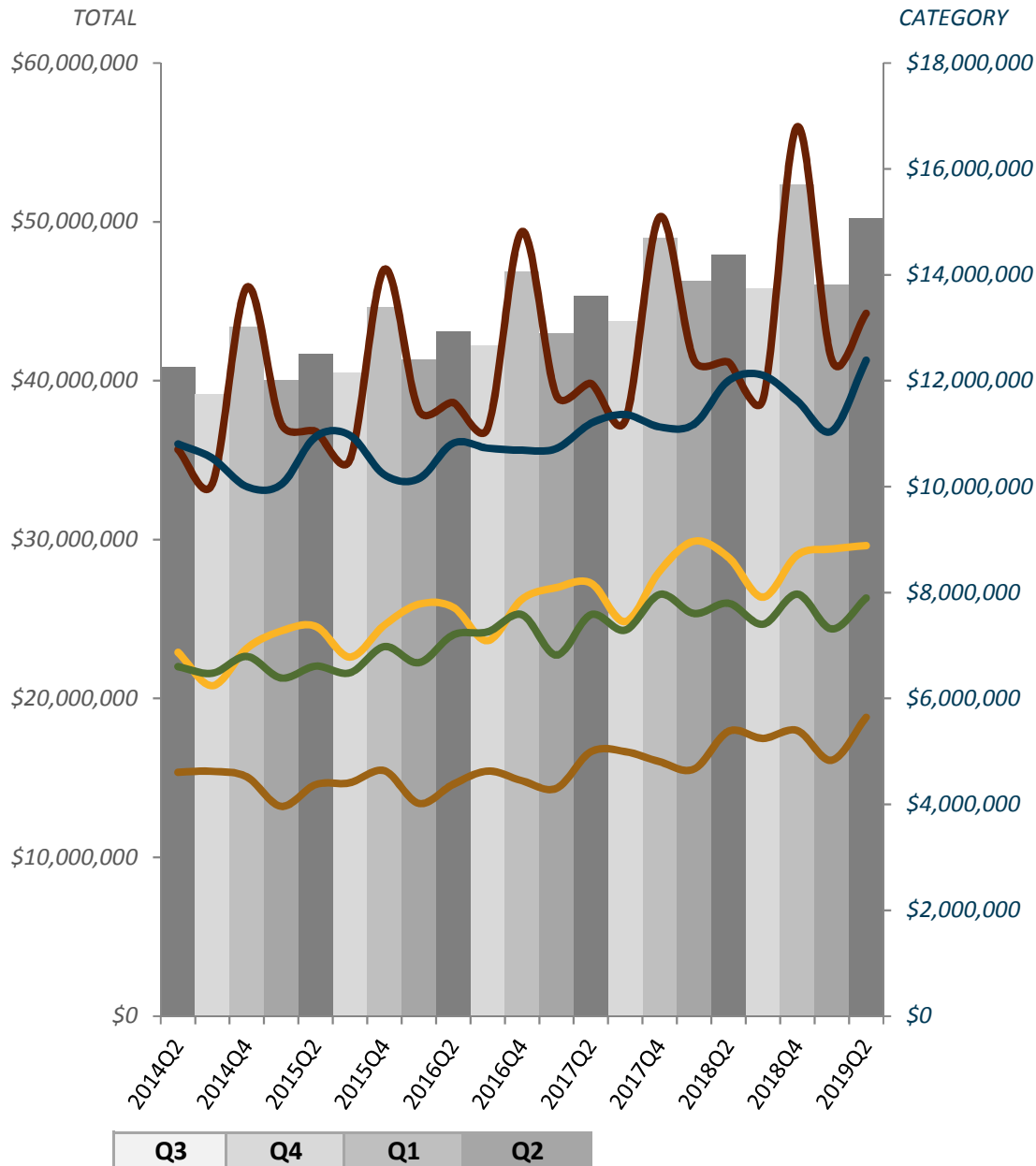


## FIVE-YEAR ECONOMIC TREND: General Retail



**TOTAL**

Economic



TOTAL				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$50,233,521	4.8%	\$2,314,458	4.1%	\$7,572,058

GENERAL RETAIL				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$13,271,893	7.5%	\$921,818	5.9%	\$3,025,769
% of 2019Q2 Total:		26.4%		

FOOD PRODUCTS				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$8,888,386	2.6%	\$224,925	2.5%	\$842,816
% of Total:		17.7%		

TRANSPORTATION				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$12,386,774	3.2%	\$384,701	3.3%	\$1,486,802
% of Total:		24.7%		

CONSTRUCTION				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$5,644,961	4.9%	\$264,523	6.4%	\$1,269,148
% of Total:		11.2%		

BUSINESS TO BUSINESS				
2019Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$7,896,899	1.3%	\$98,587	-0.3%	-\$78,380
% of Total:		15.7%		

QoQ = 19Q2 / 18Q2

YoY = YE 19Q2 / YE 18Q2



RCTC: Quarterly Comparison of 2018Q2 and 2019Q2 (April through June Sales)

	General Retail	Food Products	Transportation	Construction	Business To Business	Miscellaneous	Apr - Jun 2019 (2019Q2)	Apr - Jun 2018 (2018Q2)	% Chg	Gain	Gain	Decline	Decline
<b>RIVERSIDE COUNTY</b>													
BANNING	5.8%	-0.2%	-6.0%	2.0%	9.5%	15.3%	606,286	614,339	-1.3%	MISCELLANEOUS RETAIL	DRUG STORES	AUTO SALES - NEW	MISC. VEHICLE SALES
BEAUMONT	-1.5%	9.3%	7.4%	3.9%	0.5%	37.1%	1,178,800	1,134,736	3.9%	SERVICE STATIONS	RESTAURANTS	FURNITURE/APPLIANCE	MISC. VEHICLE SALES
BLYTHE	-4.0%	5.5%	-14.5%	15.4%	-28.5%	223.3%	338,681	369,182	-8.3%	RESTAURANTS	BLDG.MATLS-RETAIL	AUTO SALES - NEW	SERVICE STATIONS
CALIMESA	8.4%	5.1%	3.7%	-11.8%	-9.4%	32.4%	216,885	208,164	4.2%	SERVICE STATIONS	FOOD MARKETS	AUTO SALES - USED	CHEMICAL PRODUCTS
CANYON LAKE	-9.5%	1.4%	-0.4%	-2.5%	247.5%	52.4%	76,187	65,428	16.4%	FOOD MARKETS	MISC. VEHICLE SALES	RESTAURANTS	SERVICE STATIONS
CATHEDRAL CITY	-4.7%	0.3%	4.2%	-17.2%	6.2%	-16.2%	2,204,186	2,164,584	1.8%	SERVICE STATIONS	AUTO SALES - NEW	BLDG.MATLS-WHSL	FOOD MARKETS
COACHELLA	32.3%	7.6%	0.6%	32.8%	4.8%	78.9%	882,060	822,162	7.3%	DRUG STORES	FOOD MARKETS	AUTO SALES - USED	LIGHT INDUSTRY
CORONA	5.2%	1.9%	-5.7%	11.5%	-1.2%	-60.4%	10,233,615	10,062,118	1.7%	BLDG.MATLS-WHSL	MISCELLANEOUS RETAIL	HEAVY INDUSTRY	AUTO SALES - NEW
COUNTY OF RIVERSIDE	-3.5%	4.2%	-6.7%	-7.9%	1.1%	-69.4%	7,321,690	7,576,936	-3.4%	FOOD MARKETS	MISCELLANEOUS RETAIL	APPAREL STORES	BLDG.MATLS-WHSL
DESERT HOT SPRINGS	-2.3%	5.0%	6.3%	1.6%	1.7%	6.4%	403,226	388,587	3.8%	SERVICE STATIONS	RESTAURANTS	HEAVY INDUSTRY	DEPARTMENT STORES
EASTVALE	39.0%	-11.1%	-12.2%	-9.7%	1.4%	127.0%	2,024,555	1,928,520	5.0%	DEPARTMENT STORES	RESTAURANTS	MISCELLANEOUS RETAIL	FOOD PROCESSING EQP
HEMET	2.5%	-0.9%	9.3%	0.2%	12.1%	-13.0%	2,820,233	2,677,807	5.3%	AUTO SALES - NEW	SERVICE STATIONS	FURNITURE/APPLIANCE	AUTO SALES - USED
INDIAN WELLS	4.1%	18.5%	100.0%	169.8%	-14.1%	-33.2%	266,636	235,846	13.1%	RESTAURANTS	MISCELLANEOUS RETAIL	RECREATION PRODUCTS	APPAREL STORES
INDIO	13.8%	0.6%	-4.9%	7.8%	17.5%	40.8%	2,931,375	2,823,361	3.8%	DEPARTMENT STORES	BLDG.MATLS-WHSL	SERVICE STATIONS	AUTO SALES - USED
JURUPA VALLEY	-17.8%	5.6%	-9.0%	16.7%	56.0%	-41.3%	3,246,585	2,797,985	16.0%	HEAVY INDUSTRY	DEPARTMENT STORES	MISCELLANEOUS RETAIL	LEASING
LA QUINTA	-0.9%	10.3%	0.5%	15.4%	-1.0%	19.9%	2,050,387	1,973,411	3.9%	RESTAURANTS	BLDG.MATLS-RETAIL	MISCELLANEOUS RETAIL	SERVICE STATIONS
LAKE ELSINORE	5.6%	3.5%	1.0%	0.2%	11.9%	-24.1%	2,352,003	2,262,701	3.9%	RESTAURANTS	AUTO SALES - NEW	FOOD MARKETS	AUTO PARTS/REPAIR
MENIFEE	3.7%	17.2%	-5.6%	24.8%	-7.1%	-79.0%	1,988,167	1,883,659	5.5%	FOOD MARKETS	RESTAURANTS	MISC. VEHICLE SALES	ENERGY SALES
MORENO VALLEY	-1.8%	7.4%	-1.7%	6.4%	-13.6%	17.7%	4,606,430	4,583,687	0.5%	DEPARTMENT STORES	FOOD MARKETS	SERVICE STATIONS	FURNITURE/APPLIANCE
MURRIETA	6.4%	5.2%	5.7%	-0.5%	-12.8%	-2.2%	4,220,341	4,106,912	2.8%	DEPARTMENT STORES	MISCELLANEOUS RETAIL	SERVICE STATIONS	BUSINESS SERVICES
NORCO	2.1%	7.5%	4.8%	4.5%	0.2%	-26.7%	1,688,661	1,623,489	4.0%	AUTO SALES - USED	RESTAURANTS	AUTO SALES - NEW	MISC. VEHICLE SALES
PALM DESERT	4.5%	7.2%	-20.8%	7.8%	-1.5%	234.8%	4,342,766	4,168,734	4.2%	DEPARTMENT STORES	MISCELLANEOUS OTHER	AUTO SALES - NEW	LEASING
PALM SPRINGS	3.7%	5.2%	14.6%	8.1%	4.9%	-35.5%	3,355,107	3,161,465	6.1%	AUTO SALES - NEW	RESTAURANTS	HEALTH & GOVERNMENT	AUTO SALES - USED
PERRIS	37.1%	8.4%	-21.0%	282.9%	-15.4%	48.8%	5,526,998	4,195,423	31.7%	BLDG.MATLS-RETAIL	FURNITURE/APPLIANCE	SERVICE STATIONS	HEAVY INDUSTRY
RANCHO MIRAGE	-1.9%	-2.0%	4.8%	5.1%	26.4%	20.8%	1,335,391	1,269,579	5.2%	AUTO SALES - NEW	MISCELLANEOUS RETAIL	RESTAURANTS	FURNITURE/APPLIANCE
RIVERSIDE	-3.3%	6.4%	0.1%	-5.0%	5.2%	-6.8%	14,856,610	14,734,502	0.8%	FOOD MARKETS	AUTO SALES - NEW	BLDG.MATLS-WHSL	MISCELLANEOUS RETAIL
SAN JACINTO	3.8%	4.5%	2.6%	-25.9%	-8.1%	-59.3%	726,843	721,178	0.8%	DEPARTMENT STORES	RESTAURANTS	HEALTH & GOVERNMENT	BLDG.MATLS-WHSL
TEMECULA	2.0%	7.3%	-0.3%	-8.7%	5.1%	-36.9%	8,274,636	8,121,407	1.9%	LIGHT INDUSTRY	DEPARTMENT STORES	SERVICE STATIONS	BLDG.MATLS-WHSL
WILDOMAR	-9.1%	19.7%	-9.5%	-10.8%	-14.2%	-94.7%	457,420	529,079	-13.5%	FOOD MARKETS	RESTAURANTS	HEALTH & GOVERNMENT	SERVICE STATIONS





# **AGENDA ITEM 7B**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Jose Mendoza, Senior Procurement Analyst Matt Wallace, Procurement Manager
<b>THROUGH:</b>	Theresia Trevino, Chief Financial Officer
<b>SUBJECT:</b>	Single Signature Authority Report

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Receive and file the Single Signature Authority report for the second quarter ended December 31, 2019; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

Certain contracts are executed under single signature authority as permitted in the Commission’s Procurement Policy Manual adopted in September 2019. The Executive Director is authorized to sign services contracts that are less than \$250,000 individually and in an aggregate amount not to exceed \$1.5 million in any given fiscal year. Additionally, in accordance with Public Utilities Code Section 130323(c), the Executive Director is authorized to sign contracts for supplies, equipment, materials, and construction of all facilities and works under \$50,000 individually.

The attached report details all contracts that have been executed for the second quarter ended December 31, 2019, under the single signature authority granted to the Executive Director. The unused capacity of single signature authority for services at December 31, 2019 is \$1,200,036.

Attachment: Single Signature Authority Report as of December 31, 2019



**SINGLE SIGNATURE AUTHORITY  
AS OF December 31, 2019**

CONTRACT #	CONSULTANT	DESCRIPTION OF SERVICES	ORIGINAL CONTRACT AMOUNT	PAID AMOUNT	REMAINING CONTRACT AMOUNT
	AMOUNT AVAILABLE July 1, 2019		\$1,500,000.00		
20-31-020-00	WSP USA, Inc.	Managed Freeways - Pre-design report and conceptual design plans	249,983.00	0.00	249,983.00
20-31-024-00	California Highway Patrol	Construction Zone Enhancement Program (COZECP) for SR-91 Pachappa Project	49,981.00	0.00	49,981.00
	AMOUNT USED		299,964.00		
	AMOUNT USED		299,964.00		
	AMOUNT REMAINING through December 31, 2019		\$1,200,036.00		
<u>Agreements that fall under Public Utilities Code 130323 (C)</u>					
None	N/A		\$-	\$-	\$-
Jose Mendoza	Theresa Trevino				
Prepared by	Reviewed by				

**Note: Shaded area represents new contracts listed in the second quarter.**



# **AGENDA ITEM 8**





**COMMISSIONERS: PLEASE GIVE SPECIAL ATTENTION TO THE TWO BOLD *ITALICIZED* PARAGRAPHS AND ATTACHMENT 3 IN THIS AGENDA ITEM.**

<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Theresa Trevino, Chief Financial Officer Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	John Standiford, Deputy Executive Director
<b>SUBJECT:</b>	Refinancing of 91 Express Lanes Toll Debt

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Receive and file the presentation regarding the refinancing of the Commission’s Toll Revenue Senior Lien Bonds, 2013 Series A (2013A Bonds) and 2013 Transportation Infrastructure Financing and Innovation Act (TIFIA) Loan (2013 TIFIA Loan) related to the State Route 91 Corridor Improvement Project (91 Project) with the issuance of taxable and tax-exempt senior lien and second lien toll revenue refunding bonds (2020 Refunding Toll Bonds);
- 2) Approve the refinancing plan to refund all or a portion of the 2013A Bonds, currently outstanding in the amount of \$123.8 million, and prepay all or a portion of the 2013 TIFIA Loan, currently outstanding in the amount of approximately \$481 million;
- 3) Adopt Resolution No. 20-001, *“Resolution Authorizing the Issuance and Sale of Not to Exceed \$725,000,000 Aggregate Principal Amount of Riverside County Transportation Commission Toll Revenue Refunding Bonds in One or More Series, the Refunding of Outstanding Bonds, the Execution and Delivery of One or More Supplemental Indentures, One or More Purchase Contracts, One or More Official Statements, One or More Continuing Disclosure Agreements and One or More Escrow Agreements, the Adoption of a Restated Debt Management Policy, and the Taking of All Other Actions Necessary in Connection Therewith”*;
- 4) Approve the proposed form of the Preliminary Official Statement for the issuance of not to exceed \$725 million in 2020 Refunding Toll Bonds and authorize the Executive Director to approve and execute the printing and distribution of the final form of the Official Statement;

- 5) Approve the proposed form of the Continuing Disclosure Agreement related to the 2020 Refunding Toll Bonds, by and between the Riverside County Transportation Commission and Digital Assurance Certification, L.L.C., as dissemination agent, and authorize the Executive Director to approve and execute the final form of the Continuing Disclosure Agreement;
- 6) Approve the proposed forms of the Third Supplemental Indenture and Fourth Supplemental Indenture for the 2020 Refunding Toll Bonds, each by and between the Riverside County Transportation Commission and U.S. Bank National Association (US Bank), as Trustee, and authorize the Executive Director to approve and execute the final forms of the Third Supplemental Indenture and Fourth Supplemental Indenture;
- 7) Approve the proposed form of the Bond Purchase Agreement(s), also referred to as Purchase Contract(s), between the Riverside County Transportation Commission and Bank of America Securities, Inc. (BofA), as Underwriter Representative acting on behalf of itself and Goldman, Sachs & Co. (Goldman), Wells Fargo Securities (Wells Fargo), J.P. Morgan (JPM), and Siebert Cisneros Shank & Co., LLC (Siebert), (collectively the Underwriters), for the 2020 Refunding Toll Bonds and authorize the Chief Financial Officer to approve and execute the final form of the Bond Purchase Agreement;
- 8) Approve the proposed form of the Escrow Agreement, by and between the Commission and US Bank, as Escrow Agent, and authorize the Executive Director to approve and execute the final Escrow Agreement;
- 9) Approve the estimated costs of issuance, including estimated underwriter's discount, of \$4,477,065 to be paid from the proceeds of the 2020 Refunding Toll Bonds;
- 10) Approve Agreement No. 05-19-510-17, Amendment No. 17 to Agreement No. 05-19-510-00, with Orrick, Herrington, & Sutcliffe LLP (Orrick) for bond counsel services related to the issuance of the 2020 Refunding Toll Bonds for an additional amount of \$325,000 and a total amount not to exceed \$3,330,000;
- 11) Approve Agreement No. 09-19-072-15, Amendment No. 15 to Agreement No. 09-19-072-00, with Norton Rose Fulbright US LLP (Norton Rose) for disclosure counsel services related to the issuance of the 2020 Refunding Toll Bonds for an additional amount of \$155,000 and a total amount not to exceed \$1,022,600;
- 12) Approve adjustments to the Fiscal Year 2019/20 budget in the amounts of \$672,951,600 to increase sources related to the issuance of the 2020 Refunding Toll Bonds and \$631,984,300 to increase uses related to the use of the proceeds of the 2020 Refunding Toll Bonds; and
- 13) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

As stewards of the Commission's local, state, and federal resources, staff is always seeking opportunities to advance more transportation projects in Riverside County (County) for the benefit of the traveling public and to get people working in the County and contributing to the local economy. During 2019 staff and financial team consultants retained by the Commission explored various ideas and identified possible financing alternatives to advance important

projects. One concept related to the strong financial results from the RCTC 91 Express Lanes since its opening in March 2017 and availability of surplus toll revenues.

The Commission issued the 91 Express Lanes toll revenue debt in July 2013, including the execution of the 2013 TIFIA Loan, to partially finance the 91 Project in Corona. Net toll revenues, including certain pledged reserve funds, represent the security for the toll revenue debt under the Master Indenture, First Supplemental Indenture, and Second Supplemental Indenture (collectively, Master Indenture). The original amounts of the toll revenue debt and the amounts outstanding as of January 31, 2020, are summarized in the following table:

<b>Toll Revenue Bonds</b>	<b>Original Amount</b>	<b>Outstanding at January 31, 2020</b>
<b>Senior Lien Bonds:</b>		
<b>2013 Series A Bonds (Current Interest Bonds)</b>	\$ 123,825,000	\$ 123,825,000
<b>2013 Series B Bonds (Capital Appreciation Bonds)</b>	52,829,602	80,604,924
<b>Subordinate Lien Bonds:</b>		
<b>2013 TIFIA Loan</b>	421,054,409	480,855,269
<b>Total</b>	<b>\$ 597,709,011</b>	<b>\$ 685,285,193</b>

The outstanding amounts for the Commission’s Toll Revenue Senior Lien Bonds, 2013 Series B (2013B Bonds) and the 2013 TIFIA Loan reflect the addition of compounded (or accreted) interest<sup>1</sup>.

In addition to requirements for TIFIA approvals, reporting and administration, the 2013 TIFIA Loan agreement requires the Commission to use 50 percent of any surplus toll revenues to prepay the 2013 TIFIA Loan starting in June 2022. This “revenue sharing” with TIFIA may reduce the Commission’s ability to use surplus toll revenues to fund additional SR-91 corridor projects. The 2013 TIFIA Loan agreement also imposes other conditions and restrictions on the Commission related to the financing and operation of the RCTC 91 Express Lanes.

At its July 2019 meeting, the Commission authorized staff to continue to develop a plan of finance for the 2019-2029 Western County Highway Delivery Plan (Delivery Plan) eligible projects that includes, but is not limited to, the issuance of RCTC 91 Express Lanes surplus toll revenue bonds. In connection with that effort, staff in consultation with Fieldman, as the Commission’s municipal advisor, evaluated refinancing opportunities related to the 91 Express Lanes toll revenue debt as a result of current low interest rates and favorable market conditions and investor demand.

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<sup>1</sup> In the case of the 2013B Bonds, the maturity value of the bonds includes the accreted interest since there are no current interest payment requirements with respect to those obligations. For the 2013 TIFIA Loan, interest payments are deferred until December 2021; therefore, the compounded interest is added to the principal balance.

## **PROPOSED REFINANCING PLAN**

Based on a review of various financing alternatives and consideration of the current low interest rate environment and strong current investor demand for quality taxable and tax-exempt bonds, staff and the financial team developed a refinancing plan that accomplishes several significant objectives of importance to the Commission:

- Achieves debt service savings;
- Refinances 2013 TIFIA Loan with toll revenue bonds—resulting in increased flexibility and ability, to the extent there are available surplus toll revenues, to fund and accelerate SR-91 corridor projects included in the Delivery Plan, such as:
  - 15/91 Express Lanes Connector,
  - 91 Corridor Operations Project, and
  - 71/91 Interchange Project;
- Eliminates 2013 TIFIA Loan covenants and administrative burden; and
- Puts RCTC in greater control over the operation of the SR-91 corridor in Riverside County.

The Commission has recent successful experience with refundings of sales tax revenue bonds. In October 2016 and April 2018, the Commission refunded synthetic fixed-rate debt with proceeds from fixed rate debt. In December 2017 prior to enactment of federal tax reform legislation, the Commission advance refunded fixed rate bonds prior to their call date on a tax-exempt basis to achieve significant debt service savings; proceeds from such issuance were placed into an escrow account to pay debt service as refunded bonds mature through their call date. Each transaction was a sound financial move for the Commission, and staff anticipates similar results with this proposed refinancing.

The proposed refinancing plan consists of the advance refunding of the outstanding 2013 Series A Toll Revenue Bonds with fixed rate taxable bonds and the current prepayment of the 2013 TIFIA Loan with fixed rate tax-exempt bonds. Since a refunding of the outstanding 2013B Bonds is not economically feasible at this time, those bonds will remain outstanding. The proposed refinancing of the 91 Express Lanes toll revenue debt does not preclude future issuances of toll revenue bonds to fund eligible projects.

The proposed 2020 Refunding Toll Bonds are fixed rate bonds issued as both senior and second lien bonds with maturities currently projected through June 2048, which is three years earlier than the final maturity of the 2013 TIFIA Loan. A senior lien taxable series of the 2020 Refunding Toll Bonds will advance refund the tax-exempt 2013A Bonds; a senior lien and second lien tax-exempt series of the 2020 Refunding Toll Bonds will prepay on a current basis the 2013 TIFIA Loan. The issuance of refunding bonds such as sales tax revenue bonds is generally not considered a complex transaction requiring significant financial development and modeling. However, this toll revenue bond refinancing requires additional modeling for the following reasons:

- Provide earlier access to potential surplus toll revenues;

- Preserve the Commission’s current debt ratings of A-/BBB (S&P Global Ratings/Fitch Ratings) on the 91 Express Lanes toll revenue bonds; and
- Maintain conservative debt service coverage levels.

The financial team prepared a cash flow analysis (Attachment 1B) comparing the projected debt service on the existing outstanding toll revenue bonds, including the 2013 TIFIA Loan, and the issuance of the 2020 Refunding Toll Bonds. While actual results will vary depending on the specific market conditions at the bond sale date, the projected refinancing results shown in the analysis are:

- An aggregate net present value savings of approximately \$18 million;
- An aggregate net present value savings of 3 percent of the refunded debt.

The projected net present value savings percentage of this refunding meets the debt management policy threshold of 3 percent of the par value of the refunded bonds.

Further, the refinancing provides the ability to amend provisions in the Master Indenture to provide the Commission with greater future flexibility, including but not limited to the following:

- Provide greater flexibility to manage major repair and rehabilitation expenditures;
- Remove the cap in permitted expenditures of the Capital Expenditures Fund and expand the definition of permitted expenditures to include SR-91 corridor projects; and
- Other changes in definitions and certain terms.

Such amendments require the consent of at least a majority of bondholders of the outstanding bonds following the issuance of the 2020 Refunding Toll Bonds. By their purchase of the 2020 Refunding Toll Bonds, the holders of the 2020 Refunding Toll Bonds representing more than a majority will have consented to the amendments.

**Staff recommends approval of the proposed refinancing plan to refund the 2013A bonds and prepay the 2013 TIFIA Loan.**

**Possible Tender of 2013A Bonds**

The reported holdings of the 2013A Bonds are relatively concentrated among a few large investors. Accordingly, these bonds are potentially attractive candidates for a bond tender offer transaction in which the tax-exempt bonds may be tendered by bondholders in exchange for a cash payment. The benefit to the Commission of a tender is the ability to refund tendered bonds with tax-exempt debt rather than taxable debt, as untendered 2013A Bonds would still be taxably advance refunded. Additionally, refunding tendered bonds on a current basis potentially provides the Commission an economic advantage compared to defeasing such bonds to the first call date.

Since a tender may trigger tax and accounting consequences for bondholders and for other reasons, the Commission may be required to offer an incentive premium to bondholders to tender their bonds. A successful tender offer, even with additional transaction costs, would provide a better economic result compared to a taxable advance refunding. However, there is no assurance that a meaningful level of investor participation will be achieved. Staff and the financial team intend to complete an analysis of a potential tender solicitation process prior to making a recommendation, if any, at the March Commission meeting.

### **Refinancing Documents**

Draft documents for the issuance of the 2020 Refunding Toll Bonds were submitted to the rating agencies to obtain updated long-term debt ratings on the Commission's 91 Express Lanes toll revenue debt prior to the March Commission meeting. The proposed documents for this transaction will continue to be reviewed and revised for any matters that arise as a result of Commissioner input, rating agency reviews, and other matters. The preliminary official statement is expected to be posted within a few days of Commission approval, and the sale of bonds is currently scheduled for the week of March 30. Closing of this financing transaction is expected on April 23.

The drafts of the documents for the proposed 2020 Refunding Toll Bonds attached for the Commission's adoption or approval consist of the following:

- Resolution No. 20-001 (draft) authorizing the issuance and sale of not to exceed \$725 million aggregate principal amount of Riverside County Transportation Commission Toll Revenue Refunding Bonds in one or more series; the refunding of outstanding bonds; the execution and delivery of one or more supplemental indentures, one or more purchase contracts, one or more official statements, one or more continuing disclosure agreements and one or more escrow agreements; the adoption of a restated debt management policy; and the taking of all other actions necessary in connection with this transaction (Attachment 2);
- Preliminary Official Statement (draft) for the 2020 Refunding Toll Bonds (Attachment 3);
- Continuing Disclosure Agreement (draft) between the Commission and the dissemination agent for the 2020 Refunding Toll Bonds (Attachment 4);
- Third Supplemental Indenture (draft) between the Commission and the trustee regarding the terms and conditions of the issuance of the senior lien 2020 Refunding Toll Bonds, including amendments to the Master Indenture (Attachment 5);
- Fourth Supplemental Indenture (draft) between the Commission and the trustee regarding the terms and conditions of the issuance of the second lien 2020 Refunding Toll Bonds (Attachment 6);
- Bond Purchase Agreement (draft) between the Commission and BofA on behalf of the Underwriters regarding the purchase of the 2020 Refunding Toll Bonds (Attachment 7); and

- Escrow Agreement (draft) between the Commission and US Bank, as the escrow agent for the refunded bonds (Attachment 8).

Additionally, in connection with the proposed refinancing plan, staff reviewed the debt management policy adopted in September 2016. To reflect best practices and comply with recent state law changes, staff prepared a draft restatement of the debt management policy.

**Staff recommends adoption of Resolution No. 20-001, including the restated debt management policy; approval of the proposed form of the Official Statement, Continuing Disclosure Agreement, Third Supplemental Indenture, Fourth Supplemental Indenture, Bond Purchase Agreement, and Escrow Agreement; and authorization for the Executive Director to approve and execute the final forms of such documents.**

*As part of the action to authorize the issuance of the 2020 Refunding Toll Bonds, the Commission will approve the form of the Preliminary Official Statement and authorize its distribution in connection with the sale of the refunding bonds, as well as the preparation of a final Official Statement once the bonds have been priced. These offering documents are required under state and federal securities laws regulating the offer and sale of securities – such as the 2020 Refunding Toll Bonds – and requiring all matters that would be material to an investor in the bonds to have been adequately disclosed with no omission of material facts. Furthermore, under rules of the Securities and Exchange Commission, the underwriters cannot purchase the bonds unless they have received a substantially final offering document, which discloses all material information that they reasonably believe to be true and correct.*

*The Commissioners serving on the Board as the governing body of the issuer of the 2020 Refunding Toll Bonds are expected to read and be familiar with the information described in the draft Preliminary Official Statement included with this staff report. The Commissioners may employ the services of experts to take the lead in the drafting and review of the Official Statement and to provide financial projections included in the Official Statement; however, the Commissioners have the duty to review the information and bring to the attention of those responsible for the preparation of the offering document any material misstatements or omissions in the draft and to ask questions if they are unclear about the information or their role. Some members of the financing team will be available at the Commission meeting to respond to the identification of any misstatements or omissions or to such questions.*

### **Refinancing Schedule**

Staff and Fieldman have developed a base case financing schedule that calls for the refunding bonds to be priced at the end of March and for the transaction to close in late April. That schedule is driven in large part because of the exceedingly attractive rates and market environment for issuers, one of the most attractive markets ever in the municipal bond market. Two main factors contribute to the current strong market for issuers – historically low nominal interest rates and a sustained and record amount of cash inflows to municipal bond funds. The Commission’s largest investors have so much cash coming into their funds every week that they



are willing to accept very low yields to keep their money invested. Additionally, many issuers are refunding bonds, so these funds have even more reason to reinvest, and are using taxable rather than tax-exempt refunding bonds. Accordingly, the amount of tax-exempt bond supply is being limited.

At the Commission's January workshop, staff was asked about the possibility of delaying the pricing. There are a number of factors to consider. First, staff realizes an attractive market and low rates exist now, but there is no way to predict whether rates will be higher or lower if the refunding is delayed. The Commission's 2013 TIFIA Loan accretes to a higher outstanding amount daily, which makes it more expensive to repay. On the other hand, as each day elapses the Commission gets closer to the June 1, 2023, call date for the Series 2013A bonds – making them slightly cheaper to refund. These factors will tend to offset each other, and the decision to delay is one of whether the Commission has conviction that interest rates and municipal market conditions will be better in the summer or fall than they are now.

It is important to understand that current interest rates already reflect the market's expectation of future events. The market's expectation of potential Federal Reserve rate cuts, slower economic growth due to the Coronavirus, and similar future events are already reflected in bond yields and prices. If the Commission wants to take advantage of this market, and has a transaction that meets its objectives, staff is prepared to move forward on the current schedule. If the Commission has a conviction that market conditions will be better in the summer or fall, staff can adjust the schedule and delay the transaction.

### **Financing Team**

Development of the proposed refinancing plan required various professional services and investment banking firms.

In December 2019, the Commission approved a pool of five investment banking firms to provide underwriting services to the Commission in connection with long-term debt financings. Finance staff, in consultation with Fieldman, selected BofA (bookrunner) and Goldman, as senior managers, and Wells, JPM, and Siebert, as co-managers, from this pool of qualified underwriters to participate in the negotiated debt sale process. BofA and Goldman served as senior managing underwriters in prior Commission financings and refundings. The other three firms (Wells, JPM, and Siebert) will serve as co-managers due to the size of the proposed transaction, as a larger group of underwriters yields additional benefits to the Commission in terms of selling the bonds.

The estimated costs of issuance, including the underwriters' discount, are summarized in the table below:

Role/Purpose	Firm	Amount
Professional Services:		
Bond counsel	Orrick	\$ 325,000
Disclosure counsel	Norton Rose	155,000
General counsel	Best Best & Krieger LLP	40,000
Municipal advisor	Fieldman	100,000
Trustee/Escrow agent	US Bank	13,500
Rating agencies	S&P Global Ratings, Fitch Ratings	280,000
Dissemination agent	Digital Assurance Certification	2,500
Escrow verification agent	Causey, Demgen & Moore	1,950
Publication and printing	ImageMaster	5,000
Other and miscellaneous	Various	52,050
Subtotal—Professional Fees		975,000
Underwriter’s discount	BofA (bookrunner) and Goldman, as senior managers; Wells Fargo, JPM, and Siebert, as co-managers	2,557,800
Professional services reserve		944,265
Total Estimated Costs of Issuance		<b>\$ 4,477,065</b>

The estimated costs of issuance include a \$944,265 professional services reserve amount for additional fees related to financial and legal services, financial analysis, and other financing process matters. The reserve amount represents the variance in estimated financing costs used in the financial modeling analysis by BofA (see Attachment 1) and in fee estimates obtained from the various professional services firms.

In the following section, the estimated costs of issuance are disclosed as “Finance charge of the bonds” in accordance with state law. As the refinancing transaction and related process become more certain, the estimated costs used in the BofA analysis and the fee estimates will continue to be reconciled and adjusted as necessary in subsequent financial modeling iterations. Staff anticipates updating the financial model for the estimated costs as well as current interest rates prior to the March Commission meeting.

The total estimated costs of issuance represent approximately 0.67% of estimated bond proceeds of \$673 million. This is below the Commission’s debt management policy threshold of 2 percent.

**Staff recommends approval of the estimated costs of issuance of \$4,477,065 for the 2020 Refunding Toll Bonds, as well as the execution of related agreements or amendments to agreements as the issuance of refunding bonds was not anticipated in the FY 2019/20 budget and/or there is not sufficient capacity in existing agreements for the additional fees.**

**Required State Disclosures**

For bonds with a term greater than 13 months, California Government Code (Code) Section 5852.1 requires the governing body to obtain and disclose certain information in a public meeting. The information needs to come from a good faith estimate from an underwriter, municipal advisor or private lender. The information required by Code Section 5852.1 is disclosed

below and can be found in a good faith estimate summary (Attachment 1A) provided by Fieldman, the Commission’s municipal advisor, and the cash flow analysis prepared by BofA on behalf of the Underwriters (Attachment 1B). The good faith estimate and cash flow analysis assume the 2020 Refunding Toll Bonds are sold at an estimated \$639.5 million principal amount of bonds issued (at par) based on market interest rates prevailing at the time of preparation of this information and an anticipated original issuance premium of \$33,501,518.

Required Information	Amount	BofA Analysis Page
True interest cost of the bonds	3.44%	2
Finance charge of the bonds (sum of all fees and charges paid to third parties)	\$4,477,065	1
Amount of bond proceeds received by Commission less the finance charge and any reserves or capitalized interest, excluding release of debt service reserve funds	\$607,531,558	1
Total payment amount (sum of all debt service payments through the final maturity plus any amount of the finance charge not paid from proceeds of the bonds)	\$1,104,655,502	15

**Extension of Commercial Paper Program Letter of Credit**

Since 2005, the Commission maintains a commercial paper program, currently authorized at \$60 million, to advance 2009 Measure A capital projects. The Commission has retired prior issuances of commercial paper notes with the proceeds of sales tax revenue bonds; however, commercial paper notes can be retired with other available funds. The credit and liquidity support for the commercial paper notes is an irrevocable direct pay letter of credit and reimbursement agreement with State Street Bank and Trust Company (State Street Bank), which expires in October 2020. Staff determined there is a continued need for the letter of credit and reimbursement agreement with State Street Bank, as it is an available tool to advance 2009 Measure A projects and retire commercial paper notes issued for such purposes with surplus toll revenues and/or other available state and federal funds.

Accordingly, staff contacted State Street Bank regarding an extension of the letter of credit and reimbursement agreement. The bank submitted a proposal for a five-year extension with no change in fees. Prior resolutions adopted by the Commission provided for the Executive Director to take necessary actions related to commercial paper agreements. Resolution No. 20-001 includes the ratification, confirmation, and extension of this prior authorization relating to the extension of commercial paper program’s letter of credit and reimbursement agreement for a five-year term expiring in October 2025.

**Fiscal Impact**

**Staff recommends adjustments to the FY 2019/20 budget in the amounts of \$672,951,600 to increase sources related to the issuance of the bonds and \$631,984,300 to increase uses related**

to the use of the bond proceeds, except for the funding of capitalized interest and debt service reserves, as this transaction was not included in the FY 2019/20 budget.

Financial Information					
In Fiscal Year Budget:	No	Year:	FY 2019/20	Amount:	\$672,951,600 (proceeds) \$627,507,200 (debt service) \$4,477,100 (issuance costs)
Source of Funds:	Toll revenue refunding bonds			Budget Adjustment:	Yes
GL/Project Accounting No.:	591-31-59101	\$639,450,000 (refunding bond proceeds)			
	591-31-59103	\$33,501,600 (premium from bond proceeds)			
	591-31-96101	\$142,935,600 (payment to escrow agent for refunded bonds)			
	591-31-9XXX	\$484,571,600 (prepayment of 2013 TIFIA Loan)			
	591-31-96103	\$2,557,800 (costs of issuance related to underwriter's discount)			
	591-31-65XXX	\$1,919,300 (costs of issuance related to professional services)			
				<i>Theresa Trevino</i>	Date: 02/18/2020

Attachments:

- 1) 2020 Refinancing Sources and Uses of Funds Analysis as of February 17, 2020
- 2) Resolution No. 20-001 (draft), including Restated Debt Management Policy
- 3) Official Statement (draft)
- 4) Continuing Disclosure Agreement (draft)
- 5) Third Supplemental Indenture (draft)
- 6) Fourth Supplemental Indenture (draft)
- 7) Bond Purchase Agreement (draft)
- 8) Escrow Agreement (draft)
- 9) Orrick Agreement No. 05-19-510-17 (draft)
- 10) Norton Rose Agreement No. 09-19-072-15 (draft)



**Riverside County Transportation Commission  
2020 Refunding Toll Bonds**

**SB 450 Summary / Government Code 5852.1\***

<b>A. True Interest Cost (TIC) of the Bonds</b>	<b>3.44%</b> <sup>1</sup>
<b>B. Sum of all fees and charges paid to 3rd parties</b>	<b>\$4,477,065</b> <sup>2</sup>
<b>C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges</b>	<b>\$607,531,558</b>
Net proceeds	672,951,518 <sup>1</sup>
Less Reserve Fund	(43,314,238) <sup>1</sup>
Less Sum of all fees and charges paid to 3rd parties	(4,477,065) <sup>1</sup>
Less Capitalized Interest	(17,628,658) <sup>1</sup>
<b>D. Total Payment Amount</b>	<b>\$1,104,655,502</b>
Total Principal and Interest to Maturity	1,104,655,502 <sup>1</sup>

\*Summary reflects good faith estimates as of 2/17/2020 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors. Estimates do not impose any limitations or constraints upon authorized parameters, which differ from the estimates above

Sources:

<sup>1</sup> Preliminary Cash Flows (Sources and Uses) as of 2/17/2020

<sup>2</sup> Costs of Issuance, including underwriters' discount



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**SOURCES AND USES OF FUNDS**

Riverside County Transportation Commission  
91 Express Lanes Series 2020  
Rates as of February 7, 2020

Sources:	Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)	Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)	Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)	Total
<b>Bond Proceeds:</b>				
Par Amount	163,965,000.00	335,065,000.00	140,420,000.00	639,450,000.00
Net Premium/OID	-	18,839,138.55	14,662,379.65	33,501,518.20
	<u>163,965,000.00</u>	<u>353,904,138.55</u>	<u>155,082,379.65</u>	<u>672,951,518.20</u>
<b>Income:</b>				
DSRF Release	-	19,975,563.79	-	19,975,563.79
	<u>163,965,000.00</u>	<u>373,879,702.34</u>	<u>155,082,379.65</u>	<u>692,927,081.99</u>
<b>Uses:</b>				
<b>Refunding Escrow Deposits:</b>				
Cash Deposit	0.41	342,880,458.00	141,691,127.00	484,571,585.41
SLGS Purchases	142,935,536.00	-	-	142,935,536.00
	<u>142,935,536.41</u>	<u>342,880,458.00</u>	<u>141,691,127.00</u>	<u>627,507,121.41</u>
<b>Other Fund Deposits:</b>				
Capitalized Interest Fund	17,628,657.61	-	-	17,628,657.61
Debt Service Reserve Fund	2,245,430.47	28,652,445.54	12,416,361.86	43,314,237.87
	<u>19,874,088.08</u>	<u>28,652,445.54</u>	<u>12,416,361.86</u>	<u>60,942,895.48</u>
<b>Delivery Date Expenses:</b>				
Cost of Issuance	491,895.00	1,005,195.00	421,260.00	1,918,350.00
Underwriter's Discount	655,860.00	1,340,260.00	561,680.00	2,557,800.00
	<u>1,147,755.00</u>	<u>2,345,455.00</u>	<u>982,940.00</u>	<u>4,476,150.00</u>
<b>Other Uses of Funds:</b>				
Additional Proceeds	7,620.51	1,343.80	-8,049.21	915.10
	<u>163,965,000.00</u>	<u>373,879,702.34</u>	<u>155,082,379.65</u>	<u>692,927,081.99</u>

**SUMMARY OF REFUNDING RESULTS**

Riverside County Transportation Commission  
91 Express Lanes Series 2020  
Rates as of February 7, 2020

Dated Date	04/23/2020
Delivery Date	04/23/2020
Arbitrage yield	3.269577%
Escrow yield	1.402304%
Value of Negative Arbitrage	7,306,557.97
Bond Par Amount	639,450,000.00
True Interest Cost	3.436909%
Net Interest Cost	3.525661%
Average Coupon	3.776886%
Average Life	19.262
Par amount of refunded bonds	608,396,585.00
Average coupon of refunded bonds	3.877512%
Average life of refunded bonds	30.167
PV of prior debt to 04/23/2020 @ 3.270000%	684,108,772.97
Net PV Savings	18,250,197.31
Percentage savings of refunded bonds	2.999721%
Percentage savings of refunding bonds	2.854046%

**SUMMARY OF BONDS REFUNDED**

Riverside County Transportation Commission  
 91 Express Lanes Series 2020  
 Rates as of February 7, 2020

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013A, 2013A, SERIAL:	06/01/2044	5.750%	39,315,000.00	06/01/2023	100.000
Series 2013A, 2013A, TERM48:	06/01/2047	5.750%	42,255,000.00	06/01/2023	100.000
	06/01/2048	5.750%	42,255,000.00	06/01/2023	100.000
			84,510,000.00		
SR-91 TIIFA Loan RF, TIFIARF, BOND:	06/01/2051	3.470%	484,571,585.00	04/23/2020	100.000
			608,396,585.00		

**SAVINGS**

Riverside County Transportation Commission  
91 Express Lanes Series 2020  
Rates as of February 7, 2020

Date	Prior Debt Service	Refunding Debt Service	Refunding Adjustments	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 04/23/2020 @ 3.2700000%
06/01/2020	3,559,968.75	2,577,234.95	-26,544,180.00	674,717.41	-24,641,662.46	28,201,631.21	28,195,966.21
06/01/2021	7,119,937.50	24,415,910.00	-	6,392,216.84	18,023,693.16	-10,903,755.66	-10,605,681.62
06/01/2022	16,644,977.50	24,415,910.00	-	3,936,745.49	20,479,164.51	-3,834,187.01	-3,591,606.47
06/01/2023	17,457,997.50	24,415,910.00	-	3,002,575.97	21,413,334.03	-3,955,336.53	-3,583,370.66
06/01/2024	18,357,727.50	24,415,910.00	-	2,208,079.93	22,207,830.07	-3,850,102.57	-3,381,823.25
06/01/2025	28,965,837.50	24,415,910.00	-	1,693,578.86	22,722,331.14	6,243,506.36	5,342,491.39
06/01/2026	33,799,627.50	29,870,910.00	-	-	29,870,910.00	3,928,717.50	3,289,092.29
06/01/2027	33,362,997.50	28,947,744.00	-	-	28,947,744.00	4,415,253.50	3,569,124.35
06/01/2028	33,013,597.50	28,058,416.00	-	-	28,058,416.00	4,955,181.50	3,869,554.58
06/01/2029	35,290,827.50	26,822,916.00	-	-	26,822,916.00	8,467,911.50	6,362,818.86
06/01/2030	32,226,867.50	39,389,166.00	-	-	39,389,166.00	-7,162,298.50	-5,107,959.64
06/01/2031	31,534,817.50	39,434,666.00	-	-	39,434,666.00	-7,899,848.50	-5,458,602.28
06/01/2032	47,447,747.50	39,258,538.00	-	-	39,258,538.00	8,189,209.50	5,671,806.82
06/01/2033	49,843,677.50	39,087,099.00	-	-	39,087,099.00	10,756,578.50	7,178,814.33
06/01/2034	59,538,977.50	48,227,006.50	-	-	48,227,006.50	11,311,971.00	7,316,286.20
06/01/2035	68,919,657.50	57,677,708.50	-	-	57,677,708.50	11,241,949.00	7,068,933.57
06/01/2036	72,318,307.50	58,997,862.50	-	-	58,997,862.50	13,320,445.00	8,105,233.42
06/01/2037	75,189,537.50	60,351,262.50	-	-	60,351,262.50	14,838,275.00	8,741,523.45
06/01/2038	77,734,307.50	61,730,862.50	-	-	61,730,862.50	16,003,445.00	9,136,617.31
06/01/2039	79,795,417.50	63,145,862.50	-	-	63,145,862.50	16,649,555.00	9,222,362.92
06/01/2040	27,446,317.50	64,589,862.50	-	-	64,589,862.50	-37,143,545.00	-19,194,295.04
06/01/2041	7,119,937.50	42,361,712.50	-	-	42,361,712.50	-35,241,775.00	-17,781,600.39
06/01/2042	7,119,937.50	35,263,712.50	-	-	35,263,712.50	-28,143,775.00	-13,743,490.18
06/01/2043	7,119,937.50	34,911,712.50	-	-	34,911,712.50	-27,791,775.00	-13,134,279.30
06/01/2044	46,434,937.50	70,716,822.50	-	-	70,716,822.50	-24,281,885.00	-11,104,689.85
06/01/2045	4,859,325.00	72,330,622.50	-	41,068,807.40	31,261,815.10	-26,402,490.10	-11,690,710.87
06/01/2046	4,859,325.00	17,040,772.50	-	-	17,040,772.50	-12,181,447.50	-5,211,875.01
06/01/2047	47,114,325.00	871,740.00	-	-	871,740.00	46,242,585.00	19,209,828.66
06/01/2048	44,684,662.50	20,911,740.00	-	-	20,911,740.00	23,772,922.50	9,558,812.40
	1,018,881,516.25	1,104,655,502.45	-26,544,180.00	58,976,721.90	1,019,134,600.55	-253,084.30	18,249,282.20

Savings Summary

PV of savings from cash flow	18,249,282.20
Plus: Refunding funds on hand	915.10
Net PV Savings	<u>18,250,197.30</u>

**SAVINGS**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
Rates as of February 7, 2020

Date	Prior Debt Service	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 04/23/2020 @ 3.2700000%
06/01/2020	3,559,968.75	674,754.39	674,717.41	36.98	3,559,931.77	3,547,764.28
06/01/2021	7,119,937.50	6,392,410.00	6,392,216.84	193.16	7,119,744.34	6,925,111.10
06/01/2022	7,119,937.50	6,392,410.00	3,936,745.49	2,455,664.51	4,664,272.99	4,410,721.54
06/01/2023	7,119,937.50	6,392,410.00	3,002,575.97	3,389,834.03	3,730,103.47	3,422,438.40
06/01/2024	7,119,937.50	6,392,410.00	2,208,079.93	4,184,330.07	2,935,607.43	2,606,402.19
06/01/2025	7,119,937.50	6,392,410.00	1,693,578.86	4,698,831.14	2,421,106.36	2,080,110.28
06/01/2026	7,119,937.50	10,752,410.00	-	10,752,410.00	-3,632,472.50	-2,974,981.41
06/01/2027	7,119,937.50	9,338,994.00	-	9,338,994.00	-2,219,056.50	-1,756,692.37
06/01/2028	7,119,937.50	6,161,666.00	-	6,161,666.00	958,271.50	742,753.86
06/01/2029	7,119,937.50	6,161,666.00	-	6,161,666.00	958,271.50	719,048.74
06/01/2030	7,119,937.50	6,161,666.00	-	6,161,666.00	958,271.50	696,100.18
06/01/2031	7,119,937.50	15,031,666.00	-	15,031,666.00	-7,911,728.50	-5,513,175.43
06/01/2032	7,119,937.50	20,561,538.00	-	20,561,538.00	-13,441,600.50	-9,069,664.83
06/01/2033	7,119,937.50	19,875,099.00	-	19,875,099.00	-12,755,161.50	-8,328,657.14
06/01/2034	7,119,937.50	29,069,206.50	-	29,069,206.50	-21,949,269.00	-13,878,592.83
06/01/2035	7,119,937.50	41,551,508.50	-	41,551,508.50	-34,431,571.00	-21,078,424.88
06/01/2036	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,788,397.64
06/01/2037	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,699,405.47
06/01/2038	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,613,253.49
06/01/2039	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,529,851.08
06/01/2040	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,449,110.46
06/01/2041	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,370,946.70
06/01/2042	7,119,937.50	2,456,662.50	-	2,456,662.50	4,663,275.00	2,295,277.54
06/01/2043	7,119,937.50	23,396,662.50	-	23,396,662.50	-16,276,725.00	-7,674,857.68
06/01/2044	46,434,937.50	1,545,772.50	-	1,545,772.50	44,889,165.00	20,559,723.23
06/01/2045	4,859,325.00	1,545,772.50	-	1,545,772.50	3,313,552.50	1,479,715.72
06/01/2046	4,859,325.00	17,040,772.50	-	17,040,772.50	-12,181,447.50	-5,211,875.01
06/01/2047	47,114,325.00	871,740.00	-	871,740.00	46,242,585.00	19,209,828.66
06/01/2048	44,684,662.50	20,911,740.00	-	20,911,740.00	23,772,922.50	9,558,812.40
	315,271,106.25	279,811,321.89	17,907,914.50	261,903,407.39	53,367,698.86	18,217,851.40

Savings Summary

PV of savings from cash flow	18,217,851.40
Plus: Refunding funds on hand	7,620.51
Net PV Savings	18,225,471.91

**SAVINGS**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
 Rates as of February 7, 2020

Date	Prior Debt Service	Refunding Debt Service	Refunding Adjustments	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 04/23/2020 @ 3.2700000%
06/01/2020	-	1,284,600.56	-26,544,180.00	-	-25,259,579.44	25,259,579.44	25,263,970.07
06/01/2021	-	12,169,900.00	-	-	12,169,900.00	-12,169,900.00	-11,837,212.21
06/01/2022	9,525,040.00	12,169,900.00	-	-	12,169,900.00	-2,644,860.00	-2,490,459.07
06/01/2023	10,338,060.00	12,169,900.00	-	-	12,169,900.00	-1,831,840.00	-1,669,852.32
06/01/2024	11,237,790.00	12,169,900.00	-	-	12,169,900.00	-932,110.00	-822,566.63
06/01/2025	21,845,900.00	12,169,900.00	-	-	12,169,900.00	9,676,000.00	8,263,177.06
06/01/2026	26,679,690.00	12,169,900.00	-	-	12,169,900.00	14,509,790.00	12,003,540.09
06/01/2027	26,243,060.00	12,169,900.00	-	-	12,169,900.00	14,073,160.00	11,271,087.68
06/01/2028	25,893,660.00	13,899,900.00	-	-	13,899,900.00	11,993,760.00	9,310,809.37
06/01/2029	28,170,890.00	12,083,400.00	-	-	12,083,400.00	16,087,490.00	12,062,145.65
06/01/2030	25,106,930.00	12,083,400.00	-	-	12,083,400.00	13,023,530.00	9,462,855.75
06/01/2031	24,414,880.00	17,993,400.00	-	-	17,993,400.00	6,421,480.00	4,552,065.93
06/01/2032	40,327,810.00	11,847,000.00	-	-	11,847,000.00	28,480,810.00	19,392,428.60
06/01/2033	42,723,740.00	11,847,000.00	-	-	11,847,000.00	30,876,740.00	20,346,173.88
06/01/2034	52,419,040.00	11,847,000.00	-	-	11,847,000.00	40,572,040.00	25,844,262.16
06/01/2035	61,799,720.00	11,847,000.00	-	-	11,847,000.00	49,952,720.00	30,790,453.89
06/01/2036	65,198,370.00	52,262,000.00	-	-	52,262,000.00	12,936,370.00	7,875,576.40
06/01/2037	68,069,600.00	53,615,400.00	-	-	53,615,400.00	14,454,200.00	8,519,195.97
06/01/2038	70,614,370.00	54,995,000.00	-	-	54,995,000.00	15,619,370.00	8,921,385.45
06/01/2039	72,675,480.00	56,410,000.00	-	-	56,410,000.00	16,265,480.00	9,014,000.22
06/01/2040	20,326,380.00	30,519,000.00	-	-	30,519,000.00	-10,192,620.00	-5,156,318.92
06/01/2041	-	3,644,250.00	-	-	3,644,250.00	-3,644,250.00	-1,852,844.30
06/01/2042	-	3,644,250.00	-	-	3,644,250.00	-3,644,250.00	-1,793,710.47
06/01/2043	-	3,644,250.00	-	-	3,644,250.00	-3,644,250.00	-1,736,463.90
06/01/2044	-	68,684,250.00	-	-	68,684,250.00	-68,684,250.00	-31,439,858.67
06/01/2045	-	58,128,050.00	-	28,652,445.54	29,475,604.46	-29,475,604.46	-13,062,163.30
	703,610,410.00	575,468,450.56	-26,544,180.00	28,652,445.54	520,271,825.02	183,338,584.98	151,031,678.39

Savings Summary

PV of savings from cash flow	151,031,678.39
Plus: Refunding funds on hand	1,343.80
Net PV Savings	151,033,022.19

**SAVINGS**

Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
Rates as of February 7, 2020

Date	Prior Net Cash Flow	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 04/23/2020 @ 3.2700000%
06/01/2020	-	617,880.00	-	617,880.00	-617,880.00	-615,768.15
06/01/2021	-	5,853,600.00	-	5,853,600.00	-5,853,600.00	-5,693,580.51
06/01/2022	-	5,853,600.00	-	5,853,600.00	-5,853,600.00	-5,511,868.94
06/01/2023	-	5,853,600.00	-	5,853,600.00	-5,853,600.00	-5,335,956.74
06/01/2024	-	5,853,600.00	-	5,853,600.00	-5,853,600.00	-5,165,658.80
06/01/2025	-	5,853,600.00	-	5,853,600.00	-5,853,600.00	-5,000,795.95
06/01/2026	-	6,948,600.00	-	6,948,600.00	-6,948,600.00	-5,739,466.39
06/01/2027	-	7,438,850.00	-	7,438,850.00	-7,438,850.00	-5,945,270.96
06/01/2028	-	7,996,850.00	-	7,996,850.00	-7,996,850.00	-6,184,008.64
06/01/2029	-	8,577,850.00	-	8,577,850.00	-8,577,850.00	-6,418,375.54
06/01/2030	-	21,144,100.00	-	21,144,100.00	-21,144,100.00	-15,266,915.57
06/01/2031	-	6,409,600.00	-	6,409,600.00	-6,409,600.00	-4,497,492.78
06/01/2032	-	6,850,000.00	-	6,850,000.00	-6,850,000.00	-4,650,956.95
06/01/2033	-	7,365,000.00	-	7,365,000.00	-7,365,000.00	-4,838,702.41
06/01/2034	-	7,310,800.00	-	7,310,800.00	-7,310,800.00	-4,649,383.13
06/01/2035	-	4,279,200.00	-	4,279,200.00	-4,279,200.00	-2,643,095.45
06/01/2036	-	4,279,200.00	-	4,279,200.00	-4,279,200.00	-2,558,740.62
06/01/2037	-	4,279,200.00	-	4,279,200.00	-4,279,200.00	-2,477,077.99
06/01/2038	-	4,279,200.00	-	4,279,200.00	-4,279,200.00	-2,398,021.64
06/01/2039	-	4,279,200.00	-	4,279,200.00	-4,279,200.00	-2,321,488.38
06/01/2040	-	31,614,200.00	-	31,614,200.00	-31,614,200.00	-16,487,086.59
06/01/2041	-	36,260,800.00	-	36,260,800.00	-36,260,800.00	-18,299,702.79
06/01/2042	-	29,162,800.00	-	29,162,800.00	-29,162,800.00	-14,245,057.26
06/01/2043	-	7,870,800.00	-	7,870,800.00	-7,870,800.00	-3,722,957.72
06/01/2044	-	486,800.00	-	486,800.00	-486,800.00	-224,554.41
06/01/2045	-	12,656,800.00	12,416,361.86	240,438.14	-240,438.14	-108,263.29
	0.00	249,375,730.00	12,416,361.86	236,959,368.14	-236,959,368.14	-151,000,247.58

Savings Summary

PV of savings from cash flow	-151,000,247.58
Plus: Refunding funds on hand	-8,049.21
Net PV Savings	-151,008,296.79

**BOND SUMMARY STATISTICS**

Riverside County Transportation Commission  
91 Express Lanes Series 2020  
Rates as of February 7, 2020

Dated Date	04/23/2020
Delivery Date	04/23/2020
Last Maturity	06/01/2048
Arbitrage Yield	3.269577%
True Interest Cost (TIC)	3.436909%
Net Interest Cost (NIC)	3.525661%
All-In TIC	3.458102%
Average Coupon	3.776886%
Average Life (years)	19.262
Duration of Issue (years)	13.760
Par Amount	639,450,000.00
Bond Proceeds	672,951,518.20
Total Interest	465,205,502.45
Net Interest	434,261,784.25
Total Debt Service	1,104,655,502.45
Maximum Annual Debt Service	72,330,622.50
Average Annual Debt Service	39,303,813.09
Underwriter's Fees (per \$1000)	
Average Takedown	4.000000
Other Fee	-
Total Underwriter's Discount	4.000000
Bid Price	104.839115

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial	378,330,000.00	108.648	3.967%	15.962	363,977.70
Serial - 3% Coupons	3,525,000.00	98.953	3.000%	20.106	5,217.00
Term 2045	79,645,000.00	107.036	4.000%	22.238	70,884.05
Term 2045 - 3% Coupon	121,475,000.00	96.062	3.000%	24.570	201,648.50
Term 2050	56,475,000.00	100.000	4.350%	25.703	94,313.25
	639,450,000.00			19.262	736,040.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	639,450,000.00	639,450,000.00	639,450,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	33,501,518.20	33,501,518.20	33,501,518.20
- Underwriter's Discount	-2,557,800.00	-2,557,800.00	
- Cost of Issuance Expense	-	-1,918,350.00	
- Other Amounts	-	-	-
Target Value	670,393,718.20	668,475,368.20	672,951,518.20
Target Date	04/23/2020	04/23/2020	04/23/2020
Yield	3.436909%	3.458102%	3.269577%



**BOND SUMMARY STATISTICS**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
Rates as of February 7, 2020

Dated Date	04/23/2020
Delivery Date	04/23/2020
Last Maturity	06/01/2048
Arbitrage Yield	3.269577%
True Interest Cost (TIC)	4.020277%
Net Interest Cost (NIC)	4.047418%
All-In TIC	4.044937%
Average Coupon	4.024632%
Average Life (years)	17.555
Duration of Issue (years)	12.486
Par Amount	163,965,000.00
Bond Proceeds	163,965,000.00
Total Interest	115,846,321.89
Net Interest	116,502,181.89
Total Debt Service	279,811,321.89
Maximum Annual Debt Service	41,551,508.50
Average Annual Debt Service	9,955,729.97
Underwriter's Fees (per \$1000)	
Average Takedown	4.000000
Other Fee	-
Total Underwriter's Discount	4.000000
Bid Price	99.600000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial	107,490,000.00	100.000	3.694%	13.274	111,466.80
Term 2050	56,475,000.00	100.000	4.350%	25.703	94,313.25
	163,965,000.00			17.555	205,780.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	163,965,000.00	163,965,000.00	163,965,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	-	-	-
- Underwriter's Discount	-655,860.00	-655,860.00	
- Cost of Issuance Expense		-491,895.00	
- Other Amounts	-	-	-
Target Value	163,309,140.00	162,817,245.00	163,965,000.00
Target Date	04/23/2020	04/23/2020	04/23/2020
Yield	4.020277%	4.044937%	3.269577%

**BOND SUMMARY STATISTICS**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
Rates as of February 7, 2020

Dated Date	04/23/2020
Delivery Date	04/23/2020
Last Maturity	06/01/2045
Arbitrage Yield	3.269577%
True Interest Cost (TIC)	3.218212%
Net Interest Cost (NIC)	3.292309%
All-In TIC	3.238180%
Average Coupon	3.550768%
Average Life (years)	20.206
Duration of Issue (years)	14.535
Par Amount	335,065,000.00
Bond Proceeds	353,904,138.55
Total Interest	240,403,450.56
Net Interest	222,904,572.01
Total Debt Service	575,468,450.56
Maximum Annual Debt Service	68,684,250.00
Average Annual Debt Service	22,921,956.43
Underwriter's Fees (per \$1000)	
Average Takedown	4.000000
Other Fee	-
<b>Total Underwriter's Discount</b>	<b>4.000000</b>
Bid Price	105.222533

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial	210,065,000.00	111.263	4.004%	17.685	196,163.20
Serial - 3% Coupons	3,525,000.00	98.953	3.000%	20.106	5,217.00
Term 2045 - 3% Coupon	121,475,000.00	96.062	3.000%	24.570	201,648.50
	<b>335,065,000.00</b>			<b>20.206</b>	<b>403,028.70</b>

	TIC	All-In TIC	Arbitrage Yield
Par Value	335,065,000.00	335,065,000.00	335,065,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	18,839,138.55	18,839,138.55	18,839,138.55
- Underwriter's Discount	-1,340,260.00	-1,340,260.00	
- Cost of Issuance Expense		-1,005,195.00	
- Other Amounts	-	-	-
<b>Target Value</b>	<b>352,563,878.55</b>	<b>351,558,683.55</b>	<b>353,904,138.55</b>
Target Date	04/23/2020	04/23/2020	04/23/2020
Yield	3.218212%	3.238180%	3.269577%

**BOND SUMMARY STATISTICS**

Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
Rates as of February 7, 2020

Dated Date	04/23/2020
Delivery Date	04/23/2020
Last Maturity	06/01/2045
Arbitrage Yield	3.269577%
True Interest Cost (TIC)	3.366022%
Net Interest Cost (NIC)	3.554917%
All-In TIC	3.386671%
Average Coupon	4.083374%
Average Life (years)	19.002
Duration of Issue (years)	13.450
Par Amount	140,420,000.00
Bond Proceeds	155,082,379.65
Total Interest	108,955,730.00
Net Interest	94,855,030.35
Total Debt Service	249,375,730.00
Maximum Annual Debt Service	36,260,800.00
Average Annual Debt Service	9,933,089.49
Underwriter's Fees (per \$1000)	
Average Takedown	4.000000
Other Fee	-
Total Underwriter's Discount	4.000000
Bid Price	110.041803

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial	60,775,000.00	114.905	4.248%	14.762	56,347.70
Term 2045	79,645,000.00	107.036	4.000%	22.238	70,884.05
	140,420,000.00			19.002	127,231.75

	TIC	All-In TIC	Arbitrage Yield
Par Value	140,420,000.00	140,420,000.00	140,420,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	14,662,379.65	14,662,379.65	14,662,379.65
- Underwriter's Discount	-561,680.00	-561,680.00	
- Cost of Issuance Expense		-421,260.00	
- Other Amounts	-	-	-
Target Value	154,520,699.65	154,099,439.65	155,082,379.65
Target Date	04/23/2020	04/23/2020	04/23/2020
Yield	3.366022%	3.386671%	3.269577%

**BOND PRICING**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
Rates as of February 7, 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Takedown
Serial:	06/01/2026	4,360,000	3.060%	3.060%	100.000	4.000
	06/01/2027	3,080,000	3.160%	3.160%	100.000	4.000
	06/01/2031	8,870,000	3.440%	3.440%	100.000	4.000
	06/01/2032	14,705,000	3.580%	3.580%	100.000	4.000
	06/01/2033	14,545,000	3.650%	3.650%	100.000	4.000
	06/01/2034	24,270,000	3.740%	3.740%	100.000	4.000
	06/01/2035	37,660,000	3.810%	3.810%	100.000	4.000
		<u>107,490,000</u>				
Term 2050:	06/01/2043	20,940,000	4.350%	4.350%	100.000	4.000
	06/01/2046	15,495,000	4.350%	4.350%	100.000	4.000
	06/01/2048	20,040,000	4.350%	4.350%	100.000	4.000
	06/01/2050	-	4.350%	4.350%	100.000	4.000
		<u>56,475,000</u>				
		<u>163,965,000</u>				

Dated Date	04/23/2020	
Delivery Date	04/23/2020	
First Coupon	06/01/2020	
Par Amount	163,965,000.00	
Original Issue Discount	-	
Production	163,965,000.00	100.000000%
Underwriter's Discount	-655,860.00	-0.400000%
Purchase Price	163,309,140.00	99.600000%
Accrued Interest	-	
Net Proceeds	163,309,140.00	

**BOND PRICING**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
Rates as of February 7, 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial:										
	06/01/2028	1,730,000	5.000%	1.850%	123.607	-	-	-	408,401.10	4.000
	06/01/2031	5,910,000	4.000%	2.250%	115.737 C	2.379%	06/01/2030	100.000	930,056.70	4.000
	06/01/2036	40,415,000	4.000%	2.670%	111.709 C	3.073%	06/01/2030	100.000	4,732,192.35	4.000
	06/01/2037	43,385,000	4.000%	2.710%	111.334 C	3.138%	06/01/2030	100.000	4,917,255.90	4.000
	06/01/2038	46,500,000	4.000%	2.750%	110.961 C	3.198%	06/01/2030	100.000	5,096,865.00	4.000
	06/01/2039	49,775,000	4.000%	2.790%	110.589 C	3.251%	06/01/2030	100.000	5,270,674.75	4.000
	06/01/2040	22,350,000	4.000%	2.820%	110.310 C	3.295%	06/01/2030	100.000	2,304,285.00	4.000
		<u>210,065,000</u>							<u>23,659,730.80</u>	
Serial - 3% Coupons:										
	06/01/2040	3,525,000	3.000%	3.070%	98.953	-	-	-	-36,906.75	4.000
Term 2045 - 3% Coupon:										
	06/01/2044	65,040,000	3.000%	3.230%	96.062	-	-	-	-2,561,275.20	4.000
	06/01/2045	56,435,000	3.000%	3.230%	96.062	-	-	-	-2,222,410.30	4.000
		<u>121,475,000</u>							<u>-4,783,685.50</u>	
		<u>335,065,000</u>							<u>18,839,138.55</u>	

Dated Date	04/23/2020	
Delivery Date	04/23/2020	
First Coupon	06/01/2020	
Par Amount	335,065,000.00	
Premium	18,839,138.55	
Production	353,904,138.55	105.622533%
Underwriter's Discount	-1,340,260.00	-0.400000%
Purchase Price	352,563,878.55	105.222533%
Accrued Interest	-	
Net Proceeds	352,563,878.55	

**BOND PRICING**

Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
Rates as of February 7, 2020

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Takedown
Serial:										
	06/01/2026	1,095,000	5.000%	1.810%	118.358	-	-	-	201,020.10	4.000
	06/01/2027	1,640,000	5.000%	1.920%	120.364	-	-	-	333,969.60	4.000
	06/01/2028	2,280,000	5.000%	2.050%	121.925	-	-	-	499,890.00	4.000
	06/01/2029	2,975,000	5.000%	2.170%	123.266	-	-	-	692,163.50	4.000
	06/01/2030	15,690,000	5.000%	2.280%	124.424	-	-	-	3,832,125.60	4.000
	06/01/2031	1,740,000	4.000%	2.450%	113.798 C	2.564%	06/01/2030	100.000	240,085.20	4.000
	06/01/2032	2,250,000	4.000%	2.540%	112.938 C	2.737%	06/01/2030	100.000	291,105.00	4.000
	06/01/2033	2,855,000	4.000%	2.650%	111.897 C	2.902%	06/01/2030	100.000	339,659.35	4.000
	06/01/2034	2,915,000	4.000%	2.780%	110.681 C	3.062%	06/01/2030	100.000	311,351.15	4.000
	06/01/2040	<u>27,335,000</u>	4.000%	3.020%	108.477 C	3.414%	06/01/2030	100.000	<u>2,317,187.95</u>	4.000
		60,775,000							9,058,557.45	
Term 2045:										
	06/01/2041	33,075,000	4.000%	3.180%	107.036 C	3.524%	06/01/2030	100.000	2,327,157.00	4.000
	06/01/2042	27,300,000	4.000%	3.180%	107.036 C	3.538%	06/01/2030	100.000	1,920,828.00	4.000
	06/01/2043	7,100,000	4.000%	3.180%	107.036 C	3.551%	06/01/2030	100.000	499,556.00	4.000
	06/01/2045	<u>12,170,000</u>	4.000%	3.180%	107.036 C	3.573%	06/01/2030	100.000	<u>856,281.20</u>	4.000
		79,645,000							5,603,822.20	
		<u>140,420,000</u>							<u>14,662,379.65</u>	

Dated Date	04/23/2020	
Delivery Date	04/23/2020	
First Coupon	06/01/2020	
Par Amount	140,420,000.00	
Premium	14,662,379.65	
Production	155,082,379.65	110.441803%
Underwriter's Discount	<u>-561,680.00</u>	<u>-0.400000%</u>
Purchase Price	154,520,699.65	110.041803%
Accrued Interest	-	
Net Proceeds	154,520,699.65	

**BOND DEBT SERVICE**

Riverside County Transportation Commission  
 91 Express Lanes Series 2020  
 Rates as of February 7, 2020

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2020	-	-	2,577,234.95	2,577,234.95
06/01/2021	-	-	24,415,910.00	24,415,910.00
06/01/2022	-	-	24,415,910.00	24,415,910.00
06/01/2023	-	-	24,415,910.00	24,415,910.00
06/01/2024	-	-	24,415,910.00	24,415,910.00
06/01/2025	-	-	24,415,910.00	24,415,910.00
06/01/2026	5,455,000	** %	24,415,910.00	29,870,910.00
06/01/2027	4,720,000	** %	24,227,744.00	28,947,744.00
06/01/2028	4,010,000	5.000%	24,048,416.00	28,058,416.00
06/01/2029	2,975,000	5.000%	23,847,916.00	26,822,916.00
06/01/2030	15,690,000	5.000%	23,699,166.00	39,389,166.00
06/01/2031	16,520,000	** %	22,914,666.00	39,434,666.00
06/01/2032	16,955,000	** %	22,303,538.00	39,258,538.00
06/01/2033	17,400,000	** %	21,687,099.00	39,087,099.00
06/01/2034	27,185,000	** %	21,042,006.50	48,227,006.50
06/01/2035	37,660,000	3.810%	20,017,708.50	57,677,708.50
06/01/2036	40,415,000	4.000%	18,582,862.50	58,997,862.50
06/01/2037	43,385,000	4.000%	16,966,262.50	60,351,262.50
06/01/2038	46,500,000	4.000%	15,230,862.50	61,730,862.50
06/01/2039	49,775,000	4.000%	13,370,862.50	63,145,862.50
06/01/2040	53,210,000	** %	11,379,862.50	64,589,862.50
06/01/2041	33,075,000	4.000%	9,286,712.50	42,361,712.50
06/01/2042	27,300,000	4.000%	7,963,712.50	35,263,712.50
06/01/2043	28,040,000	** %	6,871,712.50	34,911,712.50
06/01/2044	65,040,000	3.000%	5,676,822.50	70,716,822.50
06/01/2045	68,605,000	** %	3,725,622.50	72,330,622.50
06/01/2046	15,495,000	4.350%	1,545,772.50	17,040,772.50
06/01/2047	-	-	871,740.00	871,740.00
06/01/2048	20,040,000	4.350%	871,740.00	20,911,740.00
	639,450,000		465,205,502.45	1,104,655,502.45

**BOND DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
 Rates as of February 7, 2020

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2020	-	-	674,754.39	674,754.39
06/01/2021	-	-	6,392,410.00	6,392,410.00
06/01/2022	-	-	6,392,410.00	6,392,410.00
06/01/2023	-	-	6,392,410.00	6,392,410.00
06/01/2024	-	-	6,392,410.00	6,392,410.00
06/01/2025	-	-	6,392,410.00	6,392,410.00
06/01/2026	4,360,000	3.060%	6,392,410.00	10,752,410.00
06/01/2027	3,080,000	3.160%	6,258,994.00	9,338,994.00
06/01/2028	-	-	6,161,666.00	6,161,666.00
06/01/2029	-	-	6,161,666.00	6,161,666.00
06/01/2030	-	-	6,161,666.00	6,161,666.00
06/01/2031	8,870,000	3.440%	6,161,666.00	15,031,666.00
06/01/2032	14,705,000	3.580%	5,856,538.00	20,561,538.00
06/01/2033	14,545,000	3.650%	5,330,099.00	19,875,099.00
06/01/2034	24,270,000	3.740%	4,799,206.50	29,069,206.50
06/01/2035	37,660,000	3.810%	3,891,508.50	41,551,508.50
06/01/2036	-	-	2,456,662.50	2,456,662.50
06/01/2037	-	-	2,456,662.50	2,456,662.50
06/01/2038	-	-	2,456,662.50	2,456,662.50
06/01/2039	-	-	2,456,662.50	2,456,662.50
06/01/2040	-	-	2,456,662.50	2,456,662.50
06/01/2041	-	-	2,456,662.50	2,456,662.50
06/01/2042	-	-	2,456,662.50	2,456,662.50
06/01/2043	20,940,000	4.350%	2,456,662.50	23,396,662.50
06/01/2044	-	-	1,545,772.50	1,545,772.50
06/01/2045	-	-	1,545,772.50	1,545,772.50
06/01/2046	15,495,000	4.350%	1,545,772.50	17,040,772.50
06/01/2047	-	-	871,740.00	871,740.00
06/01/2048	20,040,000	4.350%	871,740.00	20,911,740.00
	163,965,000		115,846,321.89	279,811,321.89



**BOND DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
 Rates as of February 7, 2020

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2020	-	-	1,284,600.56	1,284,600.56
06/01/2021	-	-	12,169,900.00	12,169,900.00
06/01/2022	-	-	12,169,900.00	12,169,900.00
06/01/2023	-	-	12,169,900.00	12,169,900.00
06/01/2024	-	-	12,169,900.00	12,169,900.00
06/01/2025	-	-	12,169,900.00	12,169,900.00
06/01/2026	-	-	12,169,900.00	12,169,900.00
06/01/2027	-	-	12,169,900.00	12,169,900.00
06/01/2028	1,730,000	5.000%	12,169,900.00	13,899,900.00
06/01/2029	-	-	12,083,400.00	12,083,400.00
06/01/2030	-	-	12,083,400.00	12,083,400.00
06/01/2031	5,910,000	4.000%	12,083,400.00	17,993,400.00
06/01/2032	-	-	11,847,000.00	11,847,000.00
06/01/2033	-	-	11,847,000.00	11,847,000.00
06/01/2034	-	-	11,847,000.00	11,847,000.00
06/01/2035	-	-	11,847,000.00	11,847,000.00
06/01/2036	40,415,000	4.000%	11,847,000.00	52,262,000.00
06/01/2037	43,385,000	4.000%	10,230,400.00	53,615,400.00
06/01/2038	46,500,000	4.000%	8,495,000.00	54,995,000.00
06/01/2039	49,775,000	4.000%	6,635,000.00	56,410,000.00
06/01/2040	25,875,000	** %	4,644,000.00	30,519,000.00
06/01/2041	-	-	3,644,250.00	3,644,250.00
06/01/2042	-	-	3,644,250.00	3,644,250.00
06/01/2043	-	-	3,644,250.00	3,644,250.00
06/01/2044	65,040,000	3.000%	3,644,250.00	68,684,250.00
06/01/2045	56,435,000	3.000%	1,693,050.00	58,128,050.00
	335,065,000		240,403,450.56	575,468,450.56

**BOND DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
 Rates as of February 7, 2020

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2020	-	-	617,880	617,880
06/01/2021	-	-	5,853,600	5,853,600
06/01/2022	-	-	5,853,600	5,853,600
06/01/2023	-	-	5,853,600	5,853,600
06/01/2024	-	-	5,853,600	5,853,600
06/01/2025	-	-	5,853,600	5,853,600
06/01/2026	1,095,000	5.000%	5,853,600	6,948,600
06/01/2027	1,640,000	5.000%	5,798,850	7,438,850
06/01/2028	2,280,000	5.000%	5,716,850	7,996,850
06/01/2029	2,975,000	5.000%	5,602,850	8,577,850
06/01/2030	15,690,000	5.000%	5,454,100	21,144,100
06/01/2031	1,740,000	4.000%	4,669,600	6,409,600
06/01/2032	2,250,000	4.000%	4,600,000	6,850,000
06/01/2033	2,855,000	4.000%	4,510,000	7,365,000
06/01/2034	2,915,000	4.000%	4,395,800	7,310,800
06/01/2035	-	-	4,279,200	4,279,200
06/01/2036	-	-	4,279,200	4,279,200
06/01/2037	-	-	4,279,200	4,279,200
06/01/2038	-	-	4,279,200	4,279,200
06/01/2039	-	-	4,279,200	4,279,200
06/01/2040	27,335,000	4.000%	4,279,200	31,614,200
06/01/2041	33,075,000	4.000%	3,185,800	36,260,800
06/01/2042	27,300,000	4.000%	1,862,800	29,162,800
06/01/2043	7,100,000	4.000%	770,800	7,870,800
06/01/2044	-	-	486,800	486,800
06/01/2045	12,170,000	4.000%	486,800	12,656,800
	140,420,000		108,955,730	249,375,730

**NET DEBT SERVICE**

Riverside County Transportation Commission  
 91 Express Lanes Series 2020  
 Rates as of February 7, 2020

Period Ending	Total Debt Service	Capitalized Interest Fund	Debt Service Reserve Fund	Net Debt Service
06/01/2020	2,577,234.95	674,717.41	-	1,902,517.54
06/01/2021	24,415,910.00	6,392,216.84	-	18,023,693.16
06/01/2022	24,415,910.00	3,936,745.49	-	20,479,164.51
06/01/2023	24,415,910.00	3,002,575.97	-	21,413,334.03
06/01/2024	24,415,910.00	2,208,079.93	-	22,207,830.07
06/01/2025	24,415,910.00	1,693,578.86	-	22,722,331.14
06/01/2026	29,870,910.00	-	-	29,870,910.00
06/01/2027	28,947,744.00	-	-	28,947,744.00
06/01/2028	28,058,416.00	-	-	28,058,416.00
06/01/2029	26,822,916.00	-	-	26,822,916.00
06/01/2030	39,389,166.00	-	-	39,389,166.00
06/01/2031	39,434,666.00	-	-	39,434,666.00
06/01/2032	39,258,538.00	-	-	39,258,538.00
06/01/2033	39,087,099.00	-	-	39,087,099.00
06/01/2034	48,227,006.50	-	-	48,227,006.50
06/01/2035	57,677,708.50	-	-	57,677,708.50
06/01/2036	58,997,862.50	-	-	58,997,862.50
06/01/2037	60,351,262.50	-	-	60,351,262.50
06/01/2038	61,730,862.50	-	-	61,730,862.50
06/01/2039	63,145,862.50	-	-	63,145,862.50
06/01/2040	64,589,862.50	-	-	64,589,862.50
06/01/2041	42,361,712.50	-	-	42,361,712.50
06/01/2042	35,263,712.50	-	-	35,263,712.50
06/01/2043	34,911,712.50	-	-	34,911,712.50
06/01/2044	70,716,822.50	-	-	70,716,822.50
06/01/2045	72,330,622.50	-	41,068,807.40	31,261,815.10
06/01/2046	17,040,772.50	-	-	17,040,772.50
06/01/2047	871,740.00	-	-	871,740.00
06/01/2048	20,911,740.00	-	-	20,911,740.00
	1,104,655,502.45	17,907,914.50	41,068,807.40	1,045,678,780.55

**NET DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
 Rates as of February 7, 2020

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/01/2020	674,754.39	674,717.41	36.98
06/01/2021	6,392,410.00	6,392,216.84	193.16
06/01/2022	6,392,410.00	3,936,745.49	2,455,664.51
06/01/2023	6,392,410.00	3,002,575.97	3,389,834.03
06/01/2024	6,392,410.00	2,208,079.93	4,184,330.07
06/01/2025	6,392,410.00	1,693,578.86	4,698,831.14
06/01/2026	10,752,410.00	-	10,752,410.00
06/01/2027	9,338,994.00	-	9,338,994.00
06/01/2028	6,161,666.00	-	6,161,666.00
06/01/2029	6,161,666.00	-	6,161,666.00
06/01/2030	6,161,666.00	-	6,161,666.00
06/01/2031	15,031,666.00	-	15,031,666.00
06/01/2032	20,561,538.00	-	20,561,538.00
06/01/2033	19,875,099.00	-	19,875,099.00
06/01/2034	29,069,206.50	-	29,069,206.50
06/01/2035	41,551,508.50	-	41,551,508.50
06/01/2036	2,456,662.50	-	2,456,662.50
06/01/2037	2,456,662.50	-	2,456,662.50
06/01/2038	2,456,662.50	-	2,456,662.50
06/01/2039	2,456,662.50	-	2,456,662.50
06/01/2040	2,456,662.50	-	2,456,662.50
06/01/2041	2,456,662.50	-	2,456,662.50
06/01/2042	2,456,662.50	-	2,456,662.50
06/01/2043	23,396,662.50	-	23,396,662.50
06/01/2044	1,545,772.50	-	1,545,772.50
06/01/2045	1,545,772.50	-	1,545,772.50
06/01/2046	17,040,772.50	-	17,040,772.50
06/01/2047	871,740.00	-	871,740.00
06/01/2048	20,911,740.00	-	20,911,740.00
	279,811,321.89	17,907,914.50	261,903,407.39

**NET DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
 Rates as of February 7, 2020

Period Ending	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
06/01/2020	1,284,600.56	-	1,284,600.56
06/01/2021	12,169,900.00	-	12,169,900.00
06/01/2022	12,169,900.00	-	12,169,900.00
06/01/2023	12,169,900.00	-	12,169,900.00
06/01/2024	12,169,900.00	-	12,169,900.00
06/01/2025	12,169,900.00	-	12,169,900.00
06/01/2026	12,169,900.00	-	12,169,900.00
06/01/2027	12,169,900.00	-	12,169,900.00
06/01/2028	13,899,900.00	-	13,899,900.00
06/01/2029	12,083,400.00	-	12,083,400.00
06/01/2030	12,083,400.00	-	12,083,400.00
06/01/2031	17,993,400.00	-	17,993,400.00
06/01/2032	11,847,000.00	-	11,847,000.00
06/01/2033	11,847,000.00	-	11,847,000.00
06/01/2034	11,847,000.00	-	11,847,000.00
06/01/2035	11,847,000.00	-	11,847,000.00
06/01/2036	52,262,000.00	-	52,262,000.00
06/01/2037	53,615,400.00	-	53,615,400.00
06/01/2038	54,995,000.00	-	54,995,000.00
06/01/2039	56,410,000.00	-	56,410,000.00
06/01/2040	30,519,000.00	-	30,519,000.00
06/01/2041	3,644,250.00	-	3,644,250.00
06/01/2042	3,644,250.00	-	3,644,250.00
06/01/2043	3,644,250.00	-	3,644,250.00
06/01/2044	68,684,250.00	-	68,684,250.00
06/01/2045	58,128,050.00	28,652,445.54	29,475,604.46
	575,468,450.56	28,652,445.54	546,816,005.02

**NET DEBT SERVICE**

Riverside County Transportation Commission  
 Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
 Rates as of February 7, 2020

Period Ending	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
06/01/2020	617,880	-	617,880.00
06/01/2021	5,853,600	-	5,853,600.00
06/01/2022	5,853,600	-	5,853,600.00
06/01/2023	5,853,600	-	5,853,600.00
06/01/2024	5,853,600	-	5,853,600.00
06/01/2025	5,853,600	-	5,853,600.00
06/01/2026	6,948,600	-	6,948,600.00
06/01/2027	7,438,850	-	7,438,850.00
06/01/2028	7,996,850	-	7,996,850.00
06/01/2029	8,577,850	-	8,577,850.00
06/01/2030	21,144,100	-	21,144,100.00
06/01/2031	6,409,600	-	6,409,600.00
06/01/2032	6,850,000	-	6,850,000.00
06/01/2033	7,365,000	-	7,365,000.00
06/01/2034	7,310,800	-	7,310,800.00
06/01/2035	4,279,200	-	4,279,200.00
06/01/2036	4,279,200	-	4,279,200.00
06/01/2037	4,279,200	-	4,279,200.00
06/01/2038	4,279,200	-	4,279,200.00
06/01/2039	4,279,200	-	4,279,200.00
06/01/2040	31,614,200	-	31,614,200.00
06/01/2041	36,260,800	-	36,260,800.00
06/01/2042	29,162,800	-	29,162,800.00
06/01/2043	7,870,800	-	7,870,800.00
06/01/2044	486,800	-	486,800.00
06/01/2045	12,656,800	12,416,361.86	240,438.14
	249,375,730	12,416,361.86	236,959,368.14

**ESCROW CASH FLOW**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
 Rates as of February 7, 2020

Date	Principal	Interest	Net Escrow Receipts	Present Value to 04/23/2020 @ 1.4023036%
06/01/2020	3,349,687.00	210,282.09	3,559,969.09	3,554,721.85
12/01/2020	2,575,182.00	984,786.39	3,559,968.39	3,529,970.70
06/01/2021	2,599,460.00	960,509.13	3,559,969.13	3,505,393.30
12/01/2021	2,618,565.00	941,403.10	3,559,968.10	3,480,985.30
06/01/2022	2,637,289.00	922,680.36	3,559,969.36	3,456,749.47
12/01/2022	2,655,881.00	904,087.47	3,559,968.47	3,432,680.30
06/01/2023	126,499,472.00	885,496.30	127,384,968.30	121,975,035.09
	142,935,536.00	5,809,244.84	148,744,780.84	142,935,536.00

Escrow Cost Summary

Purchase date	04/23/2020
Purchase cost of securities	142,935,536.00
Target for yield calculation	142,935,536.00

**ESCROW COST**

Riverside County Transportation Commission  
 Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable)  
 Rates as of February 7, 2020

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	06/01/2020	3,349,687	1.560%	3,349,687.00
SLGS	12/01/2020	2,575,182	1.550%	2,575,182.00
SLGS	06/01/2021	2,599,460	1.470%	2,599,460.00
SLGS	12/01/2021	2,618,565	1.430%	2,618,565.00
SLGS	06/01/2022	2,637,289	1.410%	2,637,289.00
SLGS	12/01/2022	2,655,881	1.400%	2,655,881.00
SLGS	06/01/2023	126,499,472	1.400%	126,499,472.00
		142,935,536		142,935,536.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
04/23/2020	142,935,536	0.41	142,935,536.41	1.402304%
	142,935,536	0.41	142,935,536.41	



**ESCROW COST**

Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exempt)  
Rates as of February 7, 2020

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
04/23/2020	-	342,880,458.00	342,880,458.00
	0	342,880,458.00	342,880,458.00

**ESCROW COST**

Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exempt)  
Rates as of February 7, 2020

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
04/23/2020	-	141,691,127.00	141,691,127.00
	0	141,691,127.00	141,691,127.00

**ESCROW STATISTICS**

Riverside County Transportation Commission  
 91 Express Lanes Series 2020  
 Rates as of February 7, 2020

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Toll Revenue Senior Lien Refunding Bonds, 2020A (Taxable), Global Proceeds Escrow:							
	142,935,536.41	2.828	1.402304%	1.402304%	135,628,978.39	7,306,557.97	0.05
Toll Revenue Senior Lien Refunding Bonds, 2020B (Tax-Exem, Global Proceeds Escrow:							
	342,880,458.00	-	0.000000%	0.000000%	342,880,458.00	-	-
Toll Revenue Second Lien Refunding Bonds, 2020C (Tax-Exem, Global Proceeds Escrow:							
	141,691,127.00	-	0.000000%	0.000000%	141,691,127.00	-	-
	627,507,121.41				620,200,563.39	7,306,557.97	0.05

Delivery date 04/23/2020  
 Arbitrage yield 3.269577%

**DISCLAIMER**

Riverside County Transportation Commission  
91 Express Lanes Series 2020  
Rates as of February 7, 2020

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**NO. 20-001**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$725,000,000 AGGREGATE PRINCIPAL AMOUNT OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION TOLL REVENUE REFUNDING BONDS IN ONE OR MORE SERIES, THE REFUNDING OF OUTSTANDING BONDS, THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL INDENTURES, ONE OR MORE PURCHASE CONTRACTS, ONE OR MORE OFFICIAL STATEMENTS, ONE OR MORE CONTINUING DISCLOSURE AGREEMENTS AND ONE OR MORE ESCROW AGREEMENTS, THE ADOPTION OF A RESTATED DEBT MANAGEMENT POLICY, AND THE TAKING OF ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH**

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**WHEREAS**, the Riverside County Transportation Commission (the “Commission”) is a county transportation commission duly organized and existing pursuant to the County Transportation Commissions Act, being Division 12 of the Public Utilities Code of the State of California (Section 130000 *et seq.*) (as amended, the “Act”);

**WHEREAS**, pursuant to the Act, including Sections 130240 and 130244 thereof, the Commission is authorized to set, levy and collect tolls, user fees, or other similar charges, payable for use of the toll lanes and other facilities on the portion of State Highway Route 91 (the “SR-91”) between the Orange County and Riverside County line and State Highway Route 15, and to issue bonds, notes, or other evidences of indebtedness (collectively, the “Toll Revenue Bonds”) pursuant to the terms and conditions of a resolution adopted by a two-thirds vote of the Commission, which bonds may be payable from (i) the proceeds of such tolls (the “Toll Revenues”), (ii) sales tax revenues, (iii) development impact fees, (iv) federal grant funds, and (v) any other source of revenues available to the Commission;

**WHEREAS**, the Act authorizes Toll Revenue Bonds to be issued for the purpose of financing the planning, design, development, financing, construction, reconstruction, rehabilitation, improvement, acquisition, lease, operation, or maintenance, or any combination of these, with respect to tolled and nontolled facilities, structures, onramps, connector roads, bridges, and roadways that are on, necessary for, or related to the construction or operation of the portion of the SR-91 between the Orange and Riverside County line to the west and State Highway Route 15 to the east (the “Project”);

**WHEREAS**, pursuant to the Act, and as authorized pursuant to Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 *et seq.*) (the “Refunding Bond Law”) and other applicable provisions of the laws of the State of California, the Commission is authorized to issue from time to time refunding bonds to refund outstanding Toll Revenue Bonds;

**WHEREAS**, the Commission previously issued its Toll Revenue Senior Lien Bonds, 2013 Series A (Current Interest Obligations) (the “2013 Series A Bonds”) and 2013 Series B (Capital Appreciation Obligations) pursuant to a Master Indenture, dated as of June 1, 2013 (as supplemented, the “Toll Revenue Indenture”), by and between the Commission and U.S Bank

National Association, as successor trustee (the “Trustee”) to finance a portion of the cost of the Project;

**WHEREAS**, the Commission previously issued its Toll Revenue Subordinate Bonds, 2013 TIFIA Series (the “2013 TIFIA Series Bonds”) pursuant to the Toll Revenue Indenture, evidencing and securing the Commission’s obligation to repay from Toll Revenues a loan (the “2013 TIFIA Loan”) from the United States Department of Transportation (the “Department of Transportation”) for federal project credit assistance under the Transportation Infrastructure Finance and Innovation Act (“TIFIA”), pursuant to the terms of a loan agreement, dated as of July 2, 2013 (the “2013 TIFIA Loan Agreement”), by and between the Commission and the Department of Transportation;

**WHEREAS**, the Commission has previously authorized the issuance of its Commercial Paper Notes (Limited Tax Bonds), Series A (the “CP Notes”), which, pursuant to an Indenture, dated as of March 1, 2005 (the “CP Indenture”) by and between the Commission and U.S. Bank National Association, as trustee, are payable from certain revenues of a retail transactions and use tax (the “Sales Tax”) applicable in the incorporated and unincorporated territory of Riverside County in accordance with the provisions of the Riverside County Transportation Sales Tax Act, being Division 25 of the Public Utilities Code of the State of California (Section 240000 et seq.), Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, Ordinance No. 02-001, adopted by the Commission on May 8, 2002, which became effective by its terms at the close of the polls on November 5, 2002, and Ordinance No. 10-002, adopted by the Commission on July 14, 2010, which became effective at the close of the polls on November 2, 2010;

**WHEREAS**, in order to allow the Commission to take advantage of current market opportunities, the Commission hereby determines to refund all or a portion of the 2013 Series A Bonds and the 2013 TIFIA Series Bonds by issuing toll revenue refunding bonds;

**WHEREAS**, the Commission hereby determines that one or more new series or subseries of tax-exempt or taxable bonds in an aggregate principal amount not to exceed \$725 million dollars (\$725,000,000) and payable from Toll Revenues as Senior Lien Obligations, Second Lien Obligations or Subordinate Obligations (each as defined in the Toll Revenue Indenture) is necessary in order to finance any or all of the following purposes, (i) refunding all or a portion of the outstanding 2013 Series A Bonds, (ii) refunding the 2013 TIFIA Series Bonds by prepaying the 2013 TIFIA Loan, (iii) funding capitalized interest, (iv) funding one or more reserve funds, and (v) paying the costs of issuance incurred in connection with such bonds, and the Commission has determined that such bonds in an amount not to exceed such principal amount shall be issued, secured by the Toll Revenues and entitled, “Riverside County Transportation Commission Toll Revenue Refunding Bonds,” with such additional or other series designations as may be necessary or beneficial to marketing the Toll Revenue Refunding Bonds (the “Refunding Bonds”);

**WHEREAS**, the Commission hereby further determines that the Refunding Bonds shall be issued pursuant to one or more supplemental indentures, each by and between the Commission and the Trustee, and each amending and supplementing the Toll Revenue Indenture as may be specified therein;

**WHEREAS**, in order to set forth the terms of the negotiated sale of the Refunding Bonds, the Commission proposes to enter into one or more bond purchase agreements (each, a “Purchase Contract”) with BofA Securities, Inc., as representative of the underwriters of the Refunding Bonds (collectively, the “Underwriters”);

**WHEREAS**, the following documents have been prepared and presented to the Commission (collectively, the “Financing Documents”):

- (1) a proposed form of Third Supplemental Indenture, by and between the Commission and the Trustee, providing for the issuance of one or more series of Refunding Bonds (the “Third Supplemental Indenture”);
- (2) a proposed form of Fourth Supplemental Indenture, by and between the Commission and the Trustee, providing for the issuance of one or more series of Refunding Bonds (the “Fourth Supplemental Indenture”);
- (3) a proposed form of Purchase Contract setting forth the terms of sale of the Refunding Bonds;
- (4) a proposed form of official statement in preliminary form to be distributed in connection with the offering and sale of the Refunding Bonds (the “Official Statement”);
- (5) a proposed form of Continuing Disclosure Agreement to be executed and delivered by the Commission (the “Continuing Disclosure Agreement”) to assist the Underwriters in satisfying their respective obligations under Rule 15c2-12 promulgated by the Securities and Exchange Commission; and
- (6) a proposed form of Escrow Agreement (the “Escrow Agreement”), by and between the Commission and the Trustee, as Escrow Agent (the “Escrow Agent”);

**WHEREAS**, the Commission has been presented with proposed forms of the Financing Documents relating to the financing described herein (the “Financing”), and the Commission has examined and approved each document and desires to authorize and direct the execution of such documents as are specified herein and such other documents as are necessary in connection with the Financing and to authorize and direct the consummation of the Financing;

**WHEREAS**, payment of the CP Notes is supported by an Irrevocable Direct Draw Letter of Credit (the “Letter of Credit”) provided by State Street Bank and Trust Company with a stated expiration date of October 7, 2020, and it is in the interests of the Commission to extend, amend or replace the Letter of Credit prior to such date;

**WHEREAS**, the Commission has previously authorized, pursuant to its Resolution No. 05-001, its Resolution No. 10-006, its Resolution No. 12-009, its Resolution No. 13-021, its Resolution No. 14-027 and its Resolution 17-006 (collectively, the “Prior Resolutions”), that all consents, approvals, directions, notices, orders, requests and other actions required or permitted by any of the documents authorized in such Prior Resolutions, including, without limitation, actions which may be necessary or desirable in connection with any amendment of any such documents, or the termination, extension or replacement of a letter of credit, the removal or replacement of a trustee or dealer for the CP Notes, or any similar action may be given or taken by



an Authorized Representative (as such term is defined in the CP Indenture), without further authorization or direction by this Commission, and the Commission has further authorized and directed each Authorized Representative to give any such approval, consent, direction, notice, order, or request and to take any such action which such Authorized Representative may deem necessary or desirable to further the purposes of such Prior Resolutions (collectively, the "Prior Authorization"), and the Commission now wishes to ratify, confirm and extend its Prior Authorization;

**WHEREAS**, the Commission desires to adopt a restated local debt policy (the "Debt Management Policy") that complies with California Government Code Section 8855(i), and the Commission's sale and issuance of the Refunding Bonds as contemplated by this Resolution is in compliance with the Debt Management Policy;

**WHEREAS**, pursuant to Section 5852.1 of the California Government Code, the Commission has received certain representations and good faith estimates from Fieldman, Rolapp & Associates, Inc., the Commission's municipal advisor, including: (a) the true interest cost of the Refunding Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Refunding Bonds, (c) the amount of proceeds of the Refunding 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 Refunding Bonds, and (d) the sum total of all debt service payments on the Refunding Bonds calculated to the final maturity of the Refunding Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Refunding Bonds, and such good faith estimates have been disclosed in a staff report by the Commission at this meeting; and

**WHEREAS**, all acts, conditions and things required by the Act, the Refunding Bond Law and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Refunding Bonds and consummation of the Financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Commission is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize such Financing and to authorize the execution of the Financing Documents, for the purposes, in the manner and upon the terms provided;

**NOW THEREFORE, THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION RESOLVES:**

**Section 1.** The Commission finds and determines that the foregoing recitals are true and correct and makes them an effective part of this Resolution by incorporating them herein by reference.

**Section 2.** The issuance by the Commission of not to exceed \$725,000,000 aggregate principal amount of Riverside County Transportation Commission Toll Revenue Refunding Bonds, with such additional or other series designations as may be necessary or beneficial in marketing the Refunding Bonds, in accordance with the provisions set forth in the Toll Revenue Indenture, as supplemented and amended by one or more supplemental indentures, including without limitation the Third Supplemental Indenture and the Fourth Supplemental Indenture, in one or more series or subseries as tax-exempt or taxable bonds issued as Senior Lien Obligations,

Second Lien Obligations or Subordinate Obligations (each as defined in the Toll Revenue Indenture), in order to provide funds for any or all of the following purposes, (i) refunding all or a portion of the outstanding 2013 Series A Bonds, (ii) refunding the 2013 TIFIA Series Bonds by prepaying the 2013 TIFIA Loan, (iii) funding capitalized interest, (iv) funding one or more reserve funds, and (v) paying the costs of issuance incurred in connection with such bonds, is hereby authorized and approved; provided that the true interest cost for the Refunding Bonds shall not exceed 6.00%.

**Section 3.** The proposed forms of Third Supplemental Indenture and Fourth Supplemental Indenture presented to this meeting and the terms and conditions thereof are hereby approved. The structure (which may include serial bonds and term bonds), date, maturity date or dates (not to exceed June 1, 2051), fixed interest rate or rates, principal and interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, additional series designation and number thereof and other terms of the Refunding Bonds shall be (subject to the foregoing limitations) as provided in the Toll Revenue Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and any additional supplemental indentures executed in connection with the Financing, each as finally executed and delivered. The Executive Director of the Commission (the “Executive Director”) is hereby authorized and directed, for and in the name and on behalf of the Commission, to execute and deliver the Third Supplemental Indenture and the Fourth Supplemental Indenture, together with any additional supplemental indentures as may be necessary or desirable in connection with the Financing, in substantially said form, each with such changes therein as the 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 presented to this meeting and the terms and conditions thereof are hereby approved. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Commission, to sell the Refunding Bonds to the Underwriters pursuant to one or more Purchase Contracts, with the Underwriters’ compensation not to exceed 0.60% of the principal amount of the Refunding Bonds, and to execute and deliver such Purchase Contract(s), in substantially said form, with such changes therein as the 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 Official Statement presented to this meeting is hereby approved. The Executive Director is hereby authorized and directed to execute and deliver one or more Official Statements in substantially said form, with such changes, insertions and deletions as may be approved by the Executive Director, said execution being conclusive evidence of such approval; and the Executive Director is hereby authorized to execute a certificate confirming that the Official Statements in preliminary form are “deemed final” by the Commission for purposes of Securities and Exchange Commission Rule 15c2-12. The distribution by the Underwriters of copies of the Official Statements in final form to the purchasers of the applicable Refunding Bonds and the distribution by the Underwriters of the Official Statements in preliminary form to potential purchasers of the applicable Refunding Bonds are hereby authorized and approved.

**Section 6.** The proposed form of Continuing Disclosure Agreement presented to this meeting is hereby approved. The Executive Director is hereby authorized and directed, for and in

the name and on behalf of the Commission, to execute and deliver one or more Continuing Disclosure Agreements in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 7.** The proposed form of Escrow Agreement presented to this meeting is hereby approved. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Commission, to execute and deliver one or more Escrow Agreements, each relating to the 2013 Series A Bonds or the 2013 TIFIA Series Bonds, as applicable, in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 8.** The Commission hereby adopts the Debt Management Policy attached hereto as Exhibit A. The Commission hereby determines that the Debt Management Policy complies with California Government Code Section 8855(i), and that the Refunding Bonds authorized to be issued pursuant to this Resolution are consistent with such policy.

**Section 9.** All approvals, consents, directions, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, the Toll Revenue Indenture, the 2013 TIFIA Loan Agreement, the CP Notes and the Letter of Credit, whether before or after the issuance of the Refunding Bonds, including, without limitation, any amendment of any such documents or other agreement related thereto or to any of the Commission's bonds or CP Notes, including an extension or amendment of the Letter of Credit, and any of the foregoing that may be necessary or desirable in connection with any reserve facility, any investment of proceeds of the Refunding Bonds, or in connection with the addition, subtraction or replacement of underwriters, or any agreements with consultants, paying agents, escrow agents or verification agents, the removal or replacement of the Trustee, or any similar action may be given or taken by the Executive Director, the Deputy Executive Director of the Commission or the Chief Financial Officer of the Commission, acting singly (each, an "Authorized Officer"), without further authorization or direction by the Commission, and each Authorized Officer, acting singly, 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 10.** All actions heretofore taken by the officers and agents of the Commission with respect to the Financing, the Financing Documents and the issuance and sale of the Refunding Bonds are hereby ratified, confirmed and approved. The Commission hereby further ratifies, confirms and extends its Prior Authorization in the Prior Resolutions relating to the CP Notes. If at the time of execution of any of the documents authorized herein, the Executive Director is unavailable, such documents may be executed by the Deputy Executive Director of the Commission or the Chief Financial Officer in lieu of the Executive Director. The Chair of the Board or, in the absence of such official, a Vice Chair of the Board, is hereby authorized to execute and deliver the Refunding Bonds, and the Chief Financial Officer of the Commission is hereby authorized to countersign the Refunding Bonds. The Clerk of the Board is hereby authorized to attest to the execution by an Authorized Officer of any of such documents as said officers deem appropriate.

The officers and agents of the Commission are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Commission, to adopt or amend written procedures relating to its bonds and 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, redemption notices, escrow agreements, reserve facility agreements, signature certificates, no litigation certificates, certificates concerning the contents of the Official Statements and the representations and warranties in the Purchase Contracts and the other Financing Documents, any tax certificates or agreements, any agreements for depository or verification services, reimbursement agreements, investment instructions, including investments in State and Local Government Series treasury securities and other investments permitted pursuant to the Toll Revenue Indenture, including without limitation the Third Supplemental Indenture and Fourth Supplemental Indenture, and any agreements for rebate compliance services, which they, or any of them, may deem necessary or advisable in order to consummate the Financing, the issuance and sale of the Refunding Bonds, the execution and delivery of the Financing Documents and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Act, the Refunding Bond Law, the Refunding Bonds and the other documents approved hereby.

**Section 11.** The custodian of record for this action shall be the Clerk of the Board of the Commission at the Riverside County Transportation Commission, 4080 Lemon Street, 3rd Floor, Riverside, CA.

**Section 12.** This Resolution shall take effect immediately upon its adoption and approval.

**APPROVED AND ADOPTED** by the Riverside County Transportation Commission at its meeting on March 11, 2020.

By: \_\_\_\_\_  
Chair of the Board of Commissioners

**ATTEST:**

By: \_\_\_\_\_  
Clerk of the Board of the Commission

CERTIFICATE OF THE CLERK OF THE BOARD OF THE  
RIVERSIDE COUNTY TRANSPORTATION COMMISSION

I, Lisa Mobley, Clerk of the Board of the Riverside County Transportation Commission (the "Commission"), hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by at least a two-thirds vote of the Commission at a meeting of the governing board of said Commission duly and regularly held in Riverside, California, on March 11, 2020, of which meeting all of the members of said Commission had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in Riverside, California, freely accessible to the public and a brief general description of the resolution to be adopted at said meeting appeared on said agenda.

IN WITNESS WHEREOF, I have executed this certificate hereto as of this date,  
\_\_\_\_\_, 2020.

By \_\_\_\_\_  
Clerk

**EXHIBIT A**  
**DEBT MANAGEMENT POLICY**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

**DEBT MANAGEMENT POLICY**

**Adopted on March \_\_, 2020**



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## **RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

### **DEBT MANAGEMENT POLICY**

Dated as of March 11, 2020

#### **I. Purpose**

The purpose of this Debt Management Policy (Debt Policy) is to establish comprehensive guidelines for the issuance and management of debt (Debt) issued by the Riverside County Transportation Commission (Issuer) located in Riverside County, California (County). This Debt Policy is intended to help ensure that:

- i. The Issuer, the Board of Commissioners as the governing body of the Issuer (Board), and Issuer management and staff adhere to sound debt issuance and management practices;
- ii. The Issuer achieves the most advantageous cost of capital within prudent risk parameters;
- iii. The Issuer preserves future financial flexibility; and
- iv. The Issuer preserves and enhances the credit ratings assigned to its Debt.

#### **II. Scope of Debt Policy**

This Debt Policy shall provide guidance for the issuance and management of bonds and other forms of indebtedness of the Issuer, together with any credit, liquidity and other ancillary instruments and agreements secured or executed in connection with such transactions. The Chief Financial Officer of the Issuer (CFO) is the designated administrator of the Debt Policy. The CFO shall have the day-to-day responsibility and authority for structuring, implementing and managing the Issuer's debt and financing program. The Debt Policy requires that each Debt issuance be specifically authorized by the Board.

While adherence to this Debt Policy is recommended in applicable circumstances, the Issuer recognizes that changes in the capital markets, Issuer programs and other unforeseen circumstances may produce situations that are not covered by the Debt Policy or require modifications or exceptions to achieve Debt Policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the Board is obtained. The Issuer may approve Debt and other related agreements the terms or provisions of which deviate from this Debt Policy, upon the recommendation CFO and approval of the Board, as circumstances warrant. The failure by the Issuer to comply with any provision of this Debt Policy shall not affect the validity of any Debt that is otherwise duly authorized and executed.

### III. Legal Authority; Compliance with Laws, Resolutions, Debt Documents and Contracts

#### A) Legal Authority

The Issuer has exclusive authority to plan and issue Debt for Issuer-related purposes, subject to approval by the Board. Specific authority includes:

- 1) Ordinance No. 02-001, the Transportation Expenditure Plan and Retail Transaction and Use Tax Ordinance, adopted by the Board on May 8, 2002, pursuant to the provisions of the Riverside County Transportation Sales Tax Act, being Division 25 of the Public Utilities Code (PUC) of the State of California (Section 240000 *et seq.*) and approved by more than two-thirds of the electors voting on the measure on November 5, 2002, which Ordinance provides for the imposition of a retail transactions and use tax (Sales Tax) applicable in the incorporated and unincorporated territory of the County;
- 2) Section 240309 of the California PUC, which authorizes the Issuer to issue from time to time limited tax bonds (defined to include indebtedness and securities of any kind or class, including sales tax revenue bonds), secured and payable in whole or in part from revenues of the Sales Tax;
- 3) Ordinance No. 10-002, amending Ordinance No. 02-001, adopted by the Board on July 24, 2010 and approved by a majority of the voters voting on such ordinance at an election held on November 2, 2010;
- 4) Division 12 of the California PUC (Section 130000 *et seq.*) (as amended, including by Chapter 714 of the California Statutes of 2008 (Senate Bill No. 1316), and as it may be amended from time to time hereafter) (SB 1316), which authorizes the Issuer to set, levy and collect tolls, user fees, or other similar charges, payable for use of the toll lanes and other facilities on the portion of State Highway Route 91 (SR-91) between the Orange County and Riverside County line to the west and Interstate 15 (I-15) to the east and to issue one or more series of bonds or other obligations pursuant to the terms and conditions of a resolution adopted by a two-thirds vote of the Issuer, which obligations may be payable from the proceeds of such tolls or other revenue pledged; and
- 5) Streets and Highways Code Sections 149.7 and 149.8, including Chapter 421 of the California Statutes of 2008 (Assembly Bill 1954) (AB 1954), which authorizes the Issuer to set, levy and collect tolls, user fees, or other similar charges, payable for use of high-occupancy toll lanes and other facilities in the I-15 corridor in the County and to issue one or more series of bonds or other obligations pursuant to the terms and conditions of a resolution adopted by a two-thirds vote of the Issuer, which obligations may be payable from the proceeds of such tolls or other revenue pledged.

## **B) Compliance with Law**

All Debt of the Issuer shall be issued in accordance with applicable Federal and State laws, rules and regulations, including without limitation the Internal Revenue Code of 1986 (Code) with respect to the issuance of tax-exempt Debt, the Securities Act of 1933 and the Securities Exchange Act of 1934, in each case as supplemented and amended, and regulations promulgated pursuant to such laws.

## **C) Compliance with Issuer Resolutions and Debt Documents**

Debt of the Issuer shall be issued in accordance with applicable resolutions and debt documents of the Issuer, in each case as supplemented and amended.

## **D) Compliance with Other Agreements**

Debt of the Issuer shall be issued in compliance with any other agreements of the Issuer with credit or liquidity providers, bond insurers or other third parties.

## **E) Compliance with California Government Code Section 8855(i)**

This Debt Policy complies with California Government Code Section 8855(i) (California Senate Bill 1029 (2016)). The following paragraph cross-references the debt policy requirements of SB 1029 with the relevant sections of this policy.

- 1) California Government Code Section 8855(i)(1)(A): The purposes for which the debt may be used. *See Section V: Purposes for Debt.*
- 2) California Government Code Section 8855(i)(1)(B): The types of debt that may be issued. *See Section VI: Types of and Limitations on Debt.*
- 3) California Government Code Section 8855(i)(1)(C): The relationship of the debt to, and integration with, the issuer's capital improvement program or budget. *See Section XV: Budgeting and Capital Planning.*
- 4) California Government Code Section 8855(i)(1)(D): Policy goals related to the issuer's planning goals and objectives. *See Section I: Purpose.*
- 5) California Government Code Section 8855(i)(1)(E): The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. *See Section IV: Administration of Debt Policy.*

Section 8855(i) of the California Government Code also requires certain reports to be prepared and filed with the California Debt and Investment Advisory Commission (CDIAC). These include the following:

- **Report of Proposed Debt Issuance:** Issuer must notify CDIAC of its intent to issue Debt at least 30 days before the sale of the Debt, including a certification by the Issuer that it has adopted local debt policies which shall include the elements identified in Section III.E.1-5 above, and that the contemplated Debt issuance is consistent with those local debt policies;
- **Report of Final Sale of Debt:** No later than 21 days after the sale of the Debt, the Issuer must report to CDIAC and include the pricing on the Debt (in addition to the information provided in the *Report of Proposed Debt Issuance*); and
- **Annual Debt Transparency Report:** If a report of final sale is submitted to CDIAC on or after January 21, 2017, Issuer must provide an annual report to CDIAC until the Debt has been repaid and the proceeds have been fully spent. The report captures for the reporting period beginning and ending balances on principal outstanding, authority remaining, and the use of Debt proceeds. The reporting period is July 1 through June 30.

#### IV. Administration of Debt Policy

##### A) Issuer

The Issuer shall be responsible for:

- 1) Approval of the issuance of all Debt and the terms and provisions thereof;
- 2) Appointment of municipal advisors, bond counsel, disclosure counsel, Issuer consultants, underwriters, feasibility consultants, trustee and other professionals retained in connection with the issuance of Debt;
- 3) Approval of this Debt Policy and any supplements or amendments;
- 4) Periodic approval of proposed Issuer annual and supplemental budgets for submission to the Board, including without limitation provisions for the timely payment of principal of and interest on all Debt; and
- 5) Maintaining internal control procedures with respect to Debt proceeds. Debt proceeds will be held either by a third-party trustee, which will disburse such proceeds to the Issuer upon the submission of one or more written requisitions, or by the Issuer to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the Issuer.

##### B) Chief Financial Officer

The CFO shall have responsibility and authority for the structure, issuance and management of the Issuer's Debt and financing programs. These responsibilities shall include, but not be limited to, the following:

- 1) Determining the appropriate structure and terms for all proposed Debt transactions;

- 2) Undertaking to issue Debt at the most advantageous interest and other costs consistent with prudent levels of risk;
- 3) Ensuring compliance of any proposed Debt with any applicable additional debt limitations under State law, or the Issuer's Debt Policy, resolutions and debt documents;
- 4) Seeking approval from the Board for the issuance of Debt or other debt obligations;
- 5) Coordinating with other public agencies in connection with necessary approvals associated with Debt issuance;
- 6) Recommending to the Board the manner of sale of any Debt or other debt transactions;
- 7) Monitoring opportunities to refund outstanding Debt to achieve debt service savings, and recommending such refunding to the Board, as appropriate;
- 8) Providing for and participating in the preparation and review of all legal and disclosure documents in connection with the issuance of any Debt by the Issuer;
- 9) Recommending the appointment of municipal advisors, bond counsel, disclosure counsel, Issuer consultants, underwriters, feasibility consultants and other professionals retained in connection with the Issuer's debt issuance as necessary or appropriate;
- 10) Distributing information regarding the business operations and financial condition of the Issuer to appropriate bodies on a timely basis in compliance with any applicable continuing disclosure requirements;
- 11) Communicating regularly with the rating agencies, bond insurers, investment providers, institutional investors and other market participants related to the Issuer's Debt;
- 12) Maintaining records with summary information regarding all of the Issuer's outstanding Debt and other debt obligations; and
- 13) Maintaining the following documents for the term of the Issuer's Debt (including refunding Debt, if any) plus three (3) years:
  - a) Electronic or physical copies of the Debt closing transcript and other relevant documentation in connection with the closing of the issuance of Debt;
  - b) Electronic or physical copies of all material documents related to capital expenditures financed or refinanced by Debt proceeds, including construction contracts, purchase orders, invoices, trustee requisitions and payment records as well as other documents relating to costs reimbursed with Debt proceeds and records identifying the assets or portion of assets that are financed with tax-exempt Debt proceeds;
  - c) Electronic or physical copies of all contracts and arrangements involving private or unrelated use of the debt-financed assets; and
  - d) Electronic or physical copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

### **C) Procedures for Approval of Debt**

Proposed issuances of Debt by the Issuer shall be submitted to and subject to authorization and approval by the Board.

### **D) Considerations in Approving Issuance of Debt**

The Issuer may take into consideration any or all of the following factors, as appropriate, prior to approving the proposed issuance of Debt:

- 1) Whether the proposed issuance complies with this Debt Policy;
- 2) Source(s) of payment and security for the Debt;
- 3) Projected revenues and other benefits from the projects proposed to be funded;
- 4) Projecting operating, other costs and potential revenues with respect to the proposed projects;
- 5) Impacts, if any, on Issuer and Debt credit ratings;
- 6) Period, if any, over which interest on the Debt should be capitalized;
- 7) Extent to which debt service on the Debt should be level or non-level;
- 8) Appropriate lien priority of the Debt;
- 9) Adequacy of the proposed disclosure document.

## **V. Purposes for Debt**

The Issuer may issue Debt for the purposes of financing and refinancing the costs of capital projects undertaken by the Issuer. The Issuer may also issue Debt to pay extraordinary unfunded costs, including, but not limited to, termination or other similar payments due in connection with interest rate swaps (if any) and investment agreements entered into in connection with Debt. Proceeds of Debt may be applied to pay costs of issuance, to fund capitalized interest and debt service reserves and to pay costs incurred in connection with securing credit enhancement, including, but not limited to, premiums payable for letters of credit, standby bond purchase agreements, bond insurance and reserve fund sureties.

The Issuer shall not issue Debt for the purpose of funding operating costs, except for the purposes of funding pre-operations or initial operations and related reserves or other working capital of a toll enterprise, as permitted by law.

### **A) New Money Debt**

New money issues are those financings that generate additional funding to be available for expenditure on capital projects. New money proceeds may not be used to fund non-capital operational activities, except as provided above in Section V with respect to toll enterprises.



## **B) Refunding Debt**

The Issuer may issue Debt to refund the principal of and interest on outstanding Debt of the Issuer or prior equity contributions of the Issuer, including in each case related costs, all in accordance with any applicable indenture of the Issuer and State law, in order to:

- 1) Achieve debt service savings;
- 2) Restructure scheduled debt service;
- 3) Refund equity contributions;
- 4) Convert from or to, or extend, a variable or fixed interest rate structure;
- 5) Change or modify the source or sources of payment and security for the refunded Debt; or
- 6) Modify covenants otherwise binding upon the Issuer.

Refunding Debt may be issued either on a current or advance basis, including on a tax-exempt basis as permitted by applicable Federal tax laws. The Issuer may also utilize a tender offer process to refund Debt that is not otherwise subject to optional call by the Issuer.

Refunding Debt should be issued to achieve debt service savings in most cases if the threshold present value savings level (net of all issuance costs and any cash contribution to the refunding) is at least three percent (3%) of the par value of the refunded Debt. Refundings which do not produce savings are permitted if justified based on the need for restructuring existing Debt, removing covenants/pledges that are restrictive and/or no longer required by the market and/or making other changes in debt documents that would benefit the current, short-term, or long term capital cost of the Issuer, or for any other purpose as may be approved by the CFO with the concurrence of the Executive Director.

## **VI. Types of and Limitations on Debt**

### **A) Long-Term Debt**

The Issuer may issue Debt with longer-term maturities to amortize Issuer capital or other costs over a period commensurate with the expected life, use or benefit provided by the project, program or facilities financed from such Debt. Long-term Debt will generally have a final maturity of five (5) years or more. Long-term debt is appropriate for financing essential capital projects and certain capital equipment where the project being financed will provide benefit over multiple years and the Issuer considers the project to be of time-sensitive need.

**B) Short-Term Debt**

The Issuer may issue Debt with shorter-term maturities to provide interim funding for capital projects and expenditures that are ultimately likely to be funded from another source such as a grant, a long-term Debt issue, or the receipt of Federal or State grants, other revenues, and/or for cash flow management. Short-term Debt shall consist of Debt of an issue with a final maturity of less than five (5) years and may include, but is not limited to, Debt in the form of Tax and Revenue Anticipation Notes, Bond Anticipation Notes, Grant Anticipation Notes, and/or Commercial Paper.

**C) Sales Tax Revenue Debt**

If and to the extent authorized in accordance with applicable provisions of State law, the Issuer may issue Debt payable in whole or in part from sales tax revenues. It is expected that sales tax revenue debt will represent a principal form of Debt of the Issuer.

**D) Other Revenue Debt**

If and to the extent authorized in accordance with applicable provisions of State law, the Issuer may issue Debt payable in whole or in part from other types of revenues, such as toll and related non-toll revenues. It is expected that toll revenue debt will represent a principal form of Debt of the Issuer.

**E) Other Federal, State and Local Programs**

The Issuer may also participate in federal loans administered or provided by the United States Department of Transportation, including, but not limited to, loans provided under the Transportation Infrastructure Finance and Innovation Act (TIFIA), as well as other federal, state or local, loan or bond programs, and may secure credit enhancement and/or credit support provided under federal, state or local programs, provided such loans, bonds or programs provide an attractive funding cost or other desirable features such as, but not limited to, deep subordination of the repayment obligation, an unusually long repayment term, or no payment due until a certain period after substantial project completion.

**F) Fixed-Rate Debt**

The Issuer may issue Debt that bears a fixed-rate rate of interest.

### **G) Variable Rate Debt**

The Issuer may also issue Debt that bears a variable rate of interest, including, but not limited to, variable rate demand obligations, commercial paper and floating rate notes.

## **VII. Terms and Provisions of Debt**

### **A) Debt Service Structure**

The Issuer shall design the financing schedule and repayment of Debt so as to take advantage of market conditions, provide flexibility and, as practical, to recapture or maximize its debt capacity for future use. Annual debt service payments for Debt payable from sales tax revenues will generally be structured on a level basis; however, for Debt backed by sales tax revenues and other sources of revenue, principal amortization may occur more quickly or slowly where permissible to mirror Debt repayment revenue streams and/or provide future financing flexibility.

### **B) Amortization of Principal**

Long-term Debt of the Issuer shall be issued with maturities that amortize the principal of such Debt over a period commensurate with the expected life, use or benefit (measured in years) provided by the projects, programs and/or facilities financed from the proceeds of such Debt. The weighted average maturity of such Debt (if issued as tax-exempt Debt) should not exceed one hundred and twenty percent (120%) of the reasonably estimated weighted average life, use or benefit (measured in years) of the projects, programs and/or facilities financed from the proceeds of such Debt or otherwise in compliance with the Code.

Amortization of principal may be achieved either through serial maturities and/or through term Debt subject to mandatory sinking fund payments and/or optional redemptions.

### **C) Capitalized Interest**

The Issuer may fund interest on Debt from proceeds of Debt for legal, budgeting or structuring purposes, subject to any limitations of state law or federal tax law, as applicable.

### **D) Call Provisions for Debt**

1) *Optional Call Provisions.* The Issuer shall seek to include the shortest practicable optional call rights, with and/or without a call premium, consistent with optimal pricing of such Debt. Call premiums, if any, should not be in excess of then

prevailing market standards for similar Debt to the extent consistent with the most advantageous borrowing cost for the Issuer. Make-whole calls and non-callable maturities may be considered and used to accommodate market requirements or other advantageous benefits to the Issuer.

- 2) *Extraordinary Call Provisions.* The Issuer, at its option, may include extraordinary call provisions, including for example with respect to unspent proceeds, damage to or destruction of the project or facilities financed, or other matters, as the Issuer may determine is necessary or desirable.

#### **E) Payment of Interest**

- 1) Current Interest Debt may be issued. It is anticipated that the interest on most Debt issued will be paid on a current interest basis.
- 2) Deferred Interest Debt may also be issued. Debt of the Issuer may be issued with the payment of actual or effective interest deferred in whole or in part to the maturity or redemption date of each debt instrument, or the conversion of such debt instrument to a current interest-paying debt instrument (known, respectively, as capital appreciation bonds, zero coupon bonds and convertible capital appreciation bonds). Deferred Interest Debt may be issued to achieve optimal sizing, debt service structuring, pricing or other purposes.

#### **F) Determination of Variable Interest Rates on Debt**

The interest rate from time to time on Debt the interest of which is not fixed to maturity may be determined in such manner that the Issuer determines, including without limitation on a daily, weekly, monthly or other periodic basis, by reference to an index, prevailing market rates or other measures, and by or through remarketing or other methods.

#### **G) Tender Options on Debt**

The Issuer may issue Debt subject to the right or obligation of the holder to tender the Debt back to the Issuer for purchase, including, for example, to enable the holder to liquidate their position, or upon the occurrence of specified credit events, interest rate mode changes or other circumstances. The obligation of the Issuer to make payments to the holder upon any such tender may be secured by:

- 1) A credit or liquidity facility from a financial institution in an amount at least equal to the principal amount of the Debt subject to tender;
- 2) A liquidity or similar account into which the Issuer shall deposit and maintain an amount at least equal to the principal amount of the Debt subject to tender; or
- 3) Other means of self-liquidity that the Issuer deems prudent.

## **H) Multi-Modal Debt**

The Issuer may issue Debt that may be converted between two or more interest rate modes without the necessity of a refunding. Such interest rate modes may include, without limitation: daily interest rates, weekly interest rates, index rates, other periodically variable interest rates, commercial paper rates, auction rates, fixed rates for a term and fixed rates to maturity (in each case with or without tender options).

## **I) Debt Service Reserve Funds**

The Issuer may issue Debt that is secured by amounts on deposit in or credited to a debt service reserve fund or account in order to minimize the net cost of borrowing and/or to provide additional reserves for debt service or other purposes. Debt service reserve funds may secure one or more issues of Debt, and may be funded by proceeds of Debt, other available moneys of the Issuer, and/or by surety policies, letters or lines of credit or other similar instruments. Surety policies, letters or lines of credit or other similar instruments may be substituted for amounts on deposit in a debt service reserve fund if such amounts are needed for capital projects or other purposes.

Amounts in the debt service reserve funds shall be invested, in accordance with the requirements of the applicable Debt documents, in order to:

- 1) Minimize the risk of loss;
- 2) Maximize the rate of return on such amounts;
- 3) Minimize volatility in the value of such investments; and
- 4) Maximize liquidity so that such amounts will be available if it is necessary to draw upon them.

## **J) Lien Levels**

The Issuer may create pledges at various lien priority levels, for any fund source which secures Debt repayment, in order to optimize financing capacity.

## **K) Debt Service Coverage**

The Issuer shall maintain a debt service coverage of at least 200% or 2x the maximum annual debt service on all outstanding sales tax revenue bonds, although debt documents may establish a minimum threshold of at least 150% or 1.5x the maximum annual debt service on all outstanding sales tax revenue bonds.

Debt service coverage for toll revenue bonds shall be at least 150% or 1.5x the annual debt service in each fiscal year on all outstanding senior lien obligations and 130% or 1.3x the annual debt service in each fiscal year on all outstanding senior lien obligations, second lien obligations and subordinate obligations.

## **L) Build America Bond and Recovery Zone Economic Development Bond Subsidies**

The Issuer is responsible to ensure compliance with all Federal laws and regulations (Federal Requirements) associated with the issuance of tax-exempt debt (Tax-Exempt Obligations) and tax-advantaged direct pay notes, bonds or other form of repayment, including without limitation obligations issued under Section 54A or Section 1400U-2 of the Code (collectively, Tax Advantaged Obligations). Accordingly, the following guidelines are provided and procedures established for compliance with Federal Requirements in connection with the issuance of Tax-Exempt Obligations and Tax Advantaged Obligations.

Unless otherwise instructed by bond counsel, at closing the Issuer will execute documentation covenanting to comply with Federal rebate and arbitrage requirements, including with respect to Tax Advantaged Obligations, as applicable.

### **VIII. Maintenance of Liquidity; Reserves**

The Issuer may maintain unencumbered reserves in amounts at least sufficient, in the determination of the Issuer, to cover unexpected revenue losses, extraordinary payments and other contingencies, and to provide liquidity in connection with the Issuer's outstanding Debt.

### **IX. Investment of Debt Proceeds and Related Moneys**

Proceeds of Debt and amounts in the Issuer's debt service, project fund and debt service reserve funds with respect to outstanding Debt shall be invested in accordance with the terms of the applicable Debt documents and other applicable agreements of the Issuer.

### **X. Third Party Credit Enhancement**

The Issuer may secure credit enhancement for its Debt from third-party credit providers to the extent such credit enhancement is available upon reasonable, competitive and cost-effective terms. Such credit enhancement may include municipal bond insurance (Bond Insurance), letters of credit and lines of credit (collectively and individually, Credit Facilities), as well as other similar instruments.

#### **A) Bond Insurance**

All or any portion of an issue of Debt may be secured by Bond Insurance provided by municipal bond insurers (Bond Insurers) if it is economically advantageous to do so, or if it is otherwise deemed necessary or desirable in connection with a particular issue of Debt. The relative cost or benefit of Bond Insurance may be determined by comparing the amount of the Bond Insurance premium to the present value of the estimated interest savings to be derived as a result of the insurance.

## **B) Credit Facilities**

The issuance of certain types of Debt requires a letter of credit or line of credit (Credit Facility) from a commercial bank or other qualified financial institution to provide liquidity and/or credit support. The types of Debt where a Credit Facility may be necessary include commercial paper, variable rate Debt with a tender option and Debt that could not receive an investment grade credit rating in the absence of such a facility.

The criteria for selection of a Credit Facility provider shall include the following:

- 1) Long-term ratings from at least one nationally recognized credit rating agency (collectively, the Rating Agencies) preferably to be equal to or better than those of the Issuer or the Debt or short-term ratings from at least one Rating Agency of at least P-1/A-1 or equivalent, as applicable;
- 2) Experience providing such facilities to state and local government issuers;
- 3) Fees, including without limitation initial and ongoing costs of the Credit Facility; draw, transfer and related fees; counsel fees; termination fees and any trading differential; and
- 4) Willingness to agree to the terms and conditions proposed or required by the Issuer.

## **XI. Use of Derivatives**

Derivative products include but are not limited to interest rate swaps, interest rates caps and collars and forward or other hedging agreements. Derivative products will be considered in the issuance or management of debt only in instances where it has been demonstrated to the satisfaction of the Issuer that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue, or, alternatively, where it will reduce total debt service cost in a manner that exceed the risks. Derivative products will only be utilized following the Interest Rate Swap Policy adopted by the Board on July 12, 2006 and with prior Board approval. In addition, an analysis of early termination costs and other conditional terms must be completed by the Issuer's municipal advisor prior to the approval of any derivative product by the Board. Such analysis will document the risks and benefits associated with the use of the particular derivative product.

## **XII. Methods of Sale and Pricing of Debt**

There are three principal methods for the sale of Debt:

- Competitive;
- Negotiated and

- Private placement.

In addition, Debt may be incurred as a direct loan. The Issuer shall utilize the method of sale that (a) is reasonably expected to produce the most advantageous interest cost with respect to the Debt and (b) provides the Issuer with the flexibility most desirable in connection with the structuring, timing or terms of such Debt. The Issuer shall utilize such method that is likely to provide the most advantageous borrowing costs and execution on behalf of the Issuer.

Debt may be sold at such prices, including at par, a premium or a discount, as the Issuer, in consultation with its municipal advisor, may determine is likely to produce the most advantageous interest cost under then prevailing market conditions, subject to compliance with applicable State law and Federal securities laws.

#### **A) Competitive Sale**

The competitive method of sale may be appropriate when:

- 1) Bond prices are stable or there is strong demand for the bonds;
- 2) Market timing and interest rate sensitivity are not critical to the pricing;
- 3) Issuer has a strong credit rating and is well known to investors;
- 4) The Issuer has straightforward political and organizational structure, and the project, funding, and credit quality are easy to understand and market to potential investors; or
- 5) The Debt type and structure are conventional and the transaction size is manageable.

#### **B) Negotiated Sale**

A negotiated sale may be appropriate when:

- 1) There is market volatility or weak demand and high supply of competing financings;
- 2) The Debt structure is complex;
- 3) Issuer has lower or weakening credit rating or is not well known to investors;
- 4) The Debt has non-standard structural features, such as a forward delivery, issuance of variable rate bonds, use of derivative products, or possesses a specific structuring feature that benefits from a negotiated sale;
- 5) Early structuring and market participation by underwriters are desired and there is strong projected retail demand for the Debt; or
- 6) The Debt size is significantly larger and would limit competition.

For a negotiated bond sale, the Issuer, with the assistance of its municipal advisor, will conduct a competitive underwriter selection process for either a specific Debt issue



or through the establishment of an underwriter pool from which to choose over a defined period of time.

### **C) Private Placement**

A private placement is structured for one investor or a small group of investors, who are typically qualified institutional buyers, in a non-public offering conducted by an underwriting firm serving as placement agent. Since no public offering is involved, securities disclosure may not require the preparation of an offering document, such as an official statement. If a private placement is considered as the optimal sale method for the Issuer, the municipal advisor will conduct a competitive selection process to recommend the placement agent.

### **D) Direct Purchase; Direct Loan; Revolving Obligations**

A direct purchase or direct loan is structured specifically for one bank (or a syndicate of banks), putting the Issuer and bank in a bilateral borrower-lender relationship. Examples include a direct purchase agreement or revolving credit facility. Securities disclosure also may not require the preparation of an offering document, such as an official statement. A direct purchase or direct loan may be advisable, for example, if the Issuer is otherwise unable to access the municipal capital markets. If a direct purchase or direct loan is contemplated, the municipal advisor or the Issuer may conduct a competitive selection process to recommend the bank. Selection criteria will include:

- 1) A term sheet to be provided along with the request for qualifications, with any requested modifications to be highlighted by the bank and taken into consideration in the evaluation process;
- 2) A representative list of clients for whom the bank has provided similar agreements; and
- 3) Evaluation of fees, specifically, cost of the agreement including index, spread, and other administrative charges. The evaluation of fees, terms and conditions will be compared to other alternative financing methods.

## **XIII. Debt Redemption Programs**

The Issuer may establish from time-to-time a plan or program for the payment and/or redemption of outstanding Debt and/or interest thereon from revenues and/or other available funds pursuant to a recommendation from the CFO. Such plan or program may be for the purposes of reducing outstanding Debt, managing the amount of debt service payable in any year, or other suitable purposes, as determined by the Issuer.

#### **XIV. Professional Services**

The Issuer may retain professional services providers as necessary or desirable in connection with:

- The structuring, issuance and sale of its Debt;
- Monitoring of and advice regarding its outstanding Debt;
- The negotiation, execution and monitoring of related agreements, including without limitation Bond Insurance, Credit Facilities, Derivatives and investment agreements; and
- Other similar or related matters.

Professional service providers may include municipal advisors, bond counsel, disclosure counsel, Issuer consultants, bond trustees and Federal arbitrage rebate services providers, and may include, as appropriate, underwriters, feasibility consultants, remarketing agents, auction agents, broker-dealers, escrow agents, verification agents and other similar parties. Costs of issuance, including the standard underwriter's discount, shall not exceed two percent (2%) of Debt proceeds, unless specifically authorized.

The Issuer shall require that its Municipal Advisors, bond and disclosure counsel and other Issuer consultants be free of any conflicts of interest, or that any necessary or appropriate waivers or consents are obtained.

##### **A) Municipal Advisors**

The Issuer may utilize one or more municipal advisors to provide ongoing advisory services with respect to the Issuer's outstanding and proposed Debt and related agreements, including without limitation Bond Insurance, Credit Facilities, Derivatives, investment agreements and other similar matters. Municipal advisors must be registered with the Municipal Securities Rulemaking Board and as a municipal advisor as such term is defined in the Securities Exchange Act of 1934 and shall be required to disclose any conflicts of interest.

##### **B) Bond Counsel, Disclosure Counsel and Other Legal Counsel**

- 1) *Bond Counsel*. The Issuer may utilize one or more bond counsel firms to provide ongoing legal advisory services with respect to the Issuer's outstanding and proposed Debt and related agreements, including without limitation Credit Facilities, Derivatives, investment agreements and other similar matters. All Debt issued by the Issuer shall require a written opinion from the Issuer's bond counsel, as appropriate, regarding (i) the validity and binding effect of the Debt, and (ii) the exemption of interest from Federal and State income taxes, as applicable.

- 2) *Disclosure Counsel.* The Issuer may utilize one or more disclosure counsel firms to provide ongoing legal advisory services with respect to initial and continuing disclosure in connection with the Issuer's outstanding and proposed Debt. Such firm may be one of the Issuer's bond counsel firms.
- 3) *Other Legal Counsel.* The Issuer may encourage or require, as appropriate, the retention and use of legal counsel by other parties involved in the issuance of Debt and the execution of related agreements which are approved by the Issuer.

**C) Issuer Consultant**

The Issuer may utilize one or more outside Issuer consultants to provide ongoing advisory services with respect to the Issuer's outstanding and proposed Debt, Issuer fares, strategic business and financial decisions and such other matters as the Issuer requires.

**D) Trustees and Fiscal Agents**

The Issuer may engage bond trustees and/or fiscal agents, paying agents and tender agents, as necessary or appropriate, in connection with the issuance of its Debt.

**E) Underwriters/Remarketing Agents/Broker-Dealers**

The Issuer may engage an underwriter or a team of underwriters, including a senior managing underwriter, in connection with the negotiated sale of its Debt. The Issuer also may engage one or more underwriters, as necessary or appropriate, to serve as remarketing agents, broker-dealers or in other similar capacities with respect to variable rate, auction, index, tender option, commercial paper and other similar types of Debt issued by the Issuer.

**F) Feasibility Consultants**

The Issuer may retain feasibility consultants in connection with proposed project, programs, facilities or activities to be financed in whole or in part from proceeds of Debt. The criteria for the selection of such feasibility consultants, in addition to those set forth above, shall include their expertise and experience with projects, programs, facilities or activities similar to those proposed to be undertaken by the Issuer.

**G) Arbitrage Rebate Services Providers**

Because of the complexity of the Federal arbitrage rebate statutes and regulations, and the severity of potential penalties for non-compliance, the Issuer may retain an arbitrage rebate services provider in connection with its outstanding and proposed Debt, and may also solicit related legal and tax advice from its bond counsel or

separate tax counsel. The responsibilities of the arbitrage rebate services provider shall include:

- The periodic calculation of any accrued arbitrage rebate liability and of any rebate payments due under and in accordance with the Code and the related rebate regulations;
- Advice regarding strategies for minimizing arbitrage rebate liability;
- The preparation and filing of periodic forms and information required to be submitted to the Internal Revenue Service;
- The preparation and filing of requests for reimbursement of any prior overpayments; and
- Other related matters as requested by the Issuer, including the preparation and filing of the Annual Debt Transparency Report(s) with CDIAC, as required by Government Code Section 8855(i).

The Issuer shall maintain necessary and appropriate records regarding:

- The expenditure of proceeds of Debt, including the individual projects and facilities financed and the amounts expended thereon, and
- Investment earnings on such Debt proceeds.

The Issuer shall maintain such records for such period of time as shall be required by the Code.

#### **H) Other Professional Services**

The Issuer may retain such other professional services providers, including without limitation dissemination agents, verification agents, escrow agents, auction agents, as may be necessary or appropriate in connection with its Debt.

#### **XV. Budgeting and Capital Planning**

The Issuer's budgeting process, including its budgeting process for capital expenditures, shall provide a framework for evaluating proposed Debt issuances.

#### **XVI. Credit Rating Objectives**

The Issuer shall seek to preserve and enhance the credit ratings with respect to its outstanding Debt to the extent consistent with the Issuer's current and anticipated business operations and financial condition, strategic plans and goals and other objectives, and in accordance with any developed credit strategies.

## **XVII. Debt Affordability**

Consistent with its credit rating objectives, the Issuer shall periodically review its debt affordability levels and capacity for the undertaking of new financing obligations to fund its expenditure plans. Debt affordability measures shall be based upon the credit objectives of the Issuer, criteria identified by the Rating Agencies, comparison of industry peers and other internal factors of the Issuer.

## **XVIII. Relationships with Market Participants**

The Issuer shall seek to preserve and enhance its relationships with the various participants in the municipal bond market, including without limitation, the Rating Agencies, Bond Insurers, credit/liquidity providers and current and prospective investors, including through periodic communication with such participants.

The Issuer shall prepare or cause to be prepared appropriate disclosures as required by applicable continuing disclosure agreements, including any applicable requirements of the Securities and Exchange Commission Rule 15c2-12, as well as in conformance with any other applicable requirements of the federal government, the State of California, Rating Agencies or other persons or entities entitled to such disclosure, in order to ensure compliance with applicable laws, regulations and agreements to provide ongoing disclosure.

## **XIX. Periodic Review**

The CFO shall review this Debt Policy on a periodic basis and recommend any changes to the Board for consideration. This Debt Policy, including any proposed changes or additions hereto, shall be presented to the Board at least once every five (5) years for reapproval.

**NRF DRAFT**  
**02/17/20**

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH \_\_, 2020**

**NEW ISSUE-FULL BOOK-ENTRY**

**RATINGS:**  
**Senior Lien Bonds**

Fitch: “\_\_\_”

S&P: “\_\_\_”

**Second Lien Bonds**

Fitch: “\_\_\_”

S&P: “\_\_\_”

(See “Ratings” herein)

**[DAC Logo]**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Commission, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Series B Senior Bonds (as defined below) and the 2020 Series C Second Lien Bonds (as defined below) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). In the further opinion of Bond Counsel, interest on the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2020 Series Bonds (as defined below) is exempt from State of California personal income taxes. Bond Counsel observes that interest on the 2020 Series A Senior Bonds (as defined below) is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the amount, accrual or receipt of interest on, the 2020 Series Bonds. See “TAX MATTERS” herein.*

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**  
**(91 Express Lanes)**

\$ \_\_\_\_\_\*  
**Toll Revenue Senior Lien Refunding Bonds,**  
**2020 Series A (Federally Taxable)**

\$ \_\_\_\_\_\*  
**Toll Revenue Senior Lien Refunding Bonds,**  
**2020 Series B**

\$ \_\_\_\_\_\*  
**Toll Revenue Second Lien Refunding Bonds,**  
**2020 Series C**

**Dated: Date of Delivery**

**Due: June 1, as shown on inside cover**

The above-captioned respective series of bonds (collectively, the “2020 Series Bonds”) will be issued as fully-registered bonds by the Riverside County Transportation Commission (the “Commission”) pursuant to the Master Indenture, dated as of June 1, 2013 ( the “Master Indenture,” and as amended and supplemented, the “Indenture”), including as amended and supplemented by a Third Supplemental Indenture, dated as of April 1, 2020 (the “Third Supplemental Indenture”) and a Fourth Supplemental Indenture, dated as of April 1, 2020 (the “Fourth Supplemental Indenture”), each by and between the Commission and U.S. Bank National Association, as successor trustee (the “Trustee”). The 2020 Series Bonds constitute limited obligations of the Commission payable solely from and secured by their respective liens on, pledges of, and security interests in the Trust Estate, which consists primarily of Toll Revenues of the RCTC 91 Express Lanes (as defined herein), subject to the provisions of the Indenture permitting the prior application thereof for the purposes described therein. Capitalized terms used on this cover page and not otherwise defined shall have the meanings assigned to them herein or in “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions.”

The proceeds of the Commission’s Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable) (the “2020 Series A Senior Bonds”) will be used to (i) refund all of the Commission’s outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (Current Interest Obligations) (the “2013 Series A Senior Bonds”), (ii) fund capitalized interest with respect to the 2020 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which will secure the 2020 Series A Senior Bonds and the 2013 Series B Senior Bonds, as defined herein), and (iv) pay certain costs of issuance of the 2020 Series A Senior Bonds, as described herein. The proceeds of the Commission’s Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (the “2020 Series B Senior Bonds”) will be used to (i) refund a portion of the Commission’s outstanding Toll Revenue

\* Preliminary, subject to change.

Subordinate Bonds, 2013 TIFIA Series by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement (collectively, the “*TIFIA Obligations*”), (ii) make a deposit to the 2020 Series B Senior Bonds Reserve Account, and (iii) pay certain costs of issuance of the 2020 Series B Senior Bonds, as described herein. The proceeds of the Commission’s Toll Revenue Second Lien Bonds, 2020 Series C (the “*2020 Series C Second Lien Bonds*”) will be used to (i) refund and prepay the remaining portion of the Commission’s outstanding TIFIA Obligations, (ii) make a deposit to the 2020 Series C Second Lien Obligations Reserve Account, and (iii) pay certain costs of issuance of the 2020 Series C Second Lien Bonds, as described herein. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

The Commission currently has Outstanding \$123,825,000 aggregate principal amount of its 2013 Series A Senior Bonds, \$[80,604,924] in accreted value of its Toll Revenue Senior Lien Bonds, 2013 Series B (Capital Appreciation Obligations) (the “*2013 Series B Senior Bonds*”) and \$480,855,269 principal amount plus compounded interest of TIFIA Obligations, which are Subordinate Obligations under the Indenture. Upon the issuance of the 2020 Series Bonds, all of the 2013 Series A Bonds and all of the TIFIA Obligations will be refunded and no longer Outstanding. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

Interest on the 2020 Series Bonds will accrue from the date of initial delivery thereof, and will be payable on each June 1 and December 1, commencing December 1, 2020. The 2020 Series Bonds initially are issuable only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“*DTC*”), pursuant to the Book-Entry System described herein. Beneficial ownership may be acquired in principal denominations of \$5,000, or any integral multiple thereof. Debt service payments on the 2020 Series Bonds will be payable by the Trustee to DTC, which will make distribution of the amounts so paid to the beneficial owners thereof. See “THE 2020 SERIES BONDS – Book-Entry System” and “APPENDIX G – BOOK-ENTRY SYSTEM” herein.

The 2020 Series Bonds are subject to redemption prior to maturity as described herein. See “THE 2020 SERIES BONDS – Redemption.”

**This cover page contains information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the 2020 Series Bonds. Investors must read the entire Official Statement before making any investment decision.**

THE 2020 SERIES BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2020 SERIES BONDS.

The 2020 Series Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Commission, and certain other conditions. Certain legal matters will be passed upon for the Commission by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel, and by Best Best & Krieger LLP, Riverside, California, the Commission’s General Counsel. Certain legal matters will be passed upon for the Underwriters by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the 2020 Series Bonds will be available for delivery through the book-entry facilities of DTC on or about April \_\_, 2020.

**BofA Securities**

**J.P. Morgan**

**Goldman, Sachs & Co. LLC**

**Siebert Williams Shank & Co., LLC**

**Wells Fargo Securities**

Dated: April \_\_, 2020

**MATURITY SCHEDULE\***

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
 2020 Series A (Federally Taxable)**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>‡</sup> (Base No.76912D)</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, \_\_\_\_\_ – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ % – CUSIP<sup>‡</sup> \_\_\_\_\_

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
 2020 Series B**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>‡</sup> (Base No.76912D)</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, \_\_\_\_\_ – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ % – CUSIP<sup>‡</sup> \_\_\_\_\_

\$ \_\_\_\_\_  
**Toll Revenue Second Lien Refunding Bonds,  
 2020 Series C**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>‡</sup> (Base No.76912D)</b>
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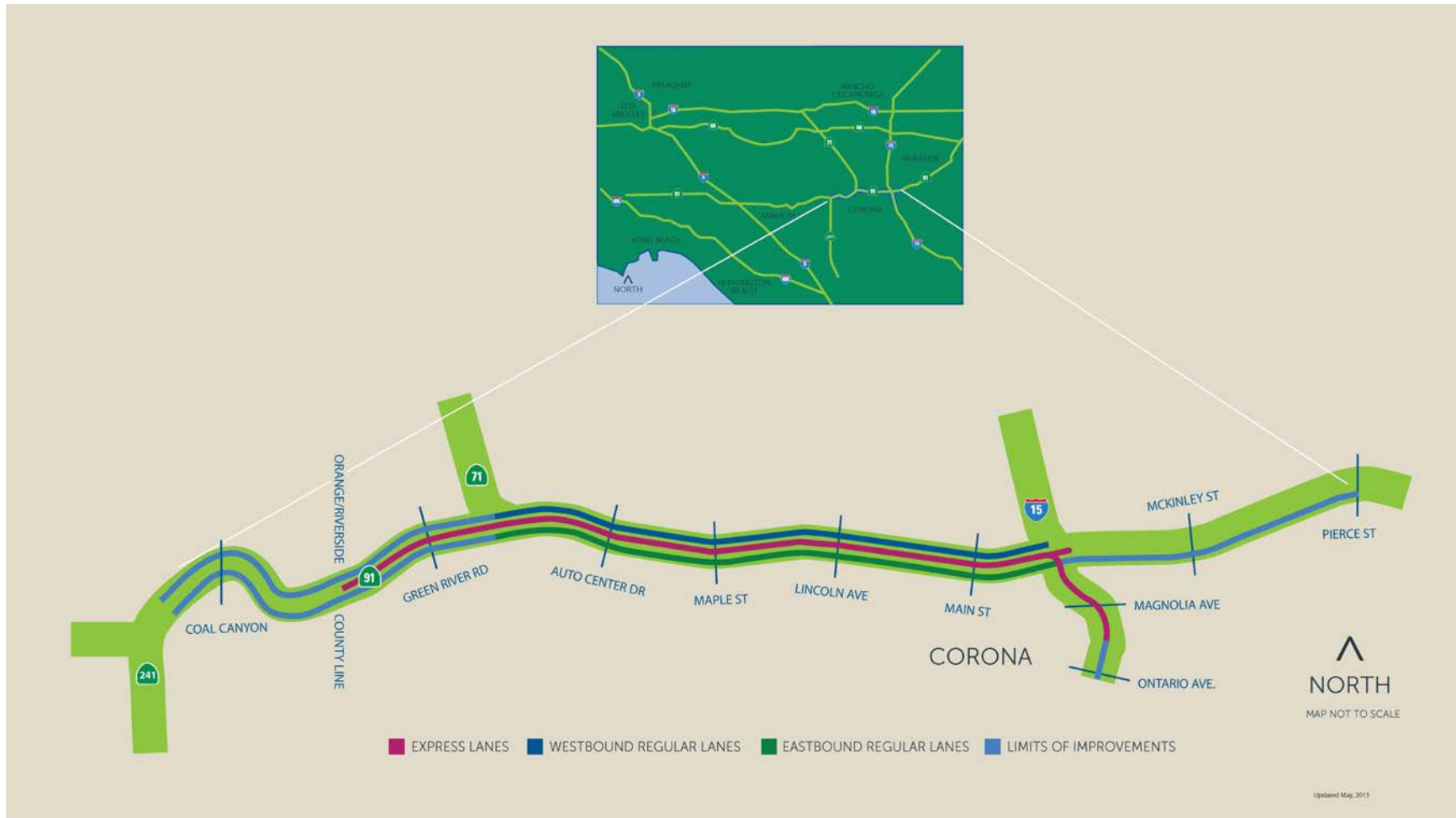
\$ \_\_\_\_\_ % Term Bonds due June 1, \_\_\_\_\_ – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ % – CUSIP<sup>‡</sup> \_\_\_\_\_

\* Preliminary, subject to change.

‡ CUSIP numbers have been assigned to these issues by CUSIP Global Services, and are included solely for the convenience of the owners of the 2020 Series Bonds. None of the Commission, the Municipal Advisor or the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2020 Series Bonds as a result of various subsequent actions, including but not limited to, a refunding in whole or in part of such maturity, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the 2020 Series Bonds.



## RCTC 91 Express Lanes



## 91 Project, Riverside County Transportation Commission

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

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Jan Harnik, Vice Chair (City of Palm Desert)  
V. Manuel Perez, 2nd Vice Chair (County of Riverside)

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Dana Reed (City of Indian Wells)	

**MANAGEMENT**

**Executive Director**

Anne Mayer

**Deputy Executive Director**

John Standiford

**Chief Financial Officer**

Theresia Trevino

**Toll Program Director**

Michael Blomquist

**SPECIAL SERVICES**

**Municipal Advisor**

Fieldman, Rolapp & Associates, Inc.  
Irvine, California

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
San Francisco, California

**Disclosure Counsel**

Norton Rose Fulbright US LLP  
Los Angeles, California

**Trustee**

U.S. Bank National Association  
Los Angeles, California

**VERIFICATION AGENT**

Causey Demgen & Moore P.C.  
Denver, Colorado



No dealer, salesman or any other person has been authorized by the Riverside County Transportation Commission (the “*Commission*”) or the Underwriters of the 2020 Series Bonds (the “*Underwriters*”) 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 Commission or the Underwriters.

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 2020 Series 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 2020 Series Bonds. Neither the delivery of this Official Statement nor the sale of any of the 2020 Series 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 Commission and other sources believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission since the date hereof. 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 Commission except statistical information or other statements where some other date is indicated in the text.

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

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (“EMMA”) website.

The Commission maintains a website with information pertaining to the Commission. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the 2020 Series Bonds.

## **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,” “forecast,” “assume” and other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, assumptions 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 Commission in any way, regardless of the level of optimism communicated in the information. The Commission is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based do or do not occur.

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**OFFICIAL STATEMENT**

relating to

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
(91 Express Lanes)**

\$ \_\_\_\_\_\*  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable)**

\$ \_\_\_\_\_\*  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B**

\$ \_\_\_\_\_\*  
**Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

**INTRODUCTION**

**General**

This Official Statement (this “*Official Statement*”) contains certain information relating to the offering and sale by the Riverside County Transportation Commission (the “*Commission*”) of its Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable) (the “*2020 Series A Senior Bonds*”), its Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (the “*2020 Series B Senior Bonds*” and, together with the 2020 Series A Senior Bonds, the “*2020 Senior Bonds*”), and its Toll Revenue Second Lien Refunding Bonds, 2020 Series C (the “*2020 Series C Second Lien Bonds*”). The 2020 Senior Bonds and the 2020 Series C Second Lien Bonds are referred to herein collectively as the “*2020 Series Bonds*.”

The 2020 Series Bonds shall be issued and secured under the Master Indenture, dated as of June 1, 2013 (the “*Master Indenture*”), as supplemented by the First Supplemental Indenture, dated as of June 1, 2013 (the “*First Supplemental Indenture*”), the Second Supplemental Indenture, dated as of June 1, 2013 (the “*Second Supplemental Indenture*”), the Third Supplemental Indenture, dated as of April 1, 2020 (the “*Third Supplemental Indenture*”), and the Fourth Supplemental Indenture, dated as of April 1, 2020 (the “*Fourth Supplemental Indenture*” and, together with the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “*Indenture*”), each by and between the Commission and U.S. Bank National Association, as successor trustee (the “*Trustee*”), as the same may be amended or supplemented from time to time in accordance with the terms of the Master Indenture.

References to “*Senior Lien Obligations*” herein shall mean the 2020 Senior Bonds and all other bonds identified as Riverside County Transportation Commission Toll Revenue Senior Lien Bonds, and all obligations on a parity therewith authorized by, issued in accordance with, and at any time Outstanding pursuant to the Indenture, including the Commission’s Toll Revenue Senior Lien Bonds, 2013 Series B (Capital Appreciation Obligations) (the “*2013 Series B Senior Bonds*”). References to “*Second Lien Obligations*” herein shall mean the 2020 Series C Second Lien Bonds and all other bonds identified as Riverside County Transportation Commission Toll Revenue Second Lien Bonds and all obligations on a parity therewith authorized by, issued in accordance with, and at any time Outstanding pursuant to the

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\* Preliminary, subject to change.

Indenture. Capitalized terms used in this Official Statement that are not otherwise defined herein have the meanings assigned to them in “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **Application of Proceeds**

The proceeds of the 2020 Series A Senior Bonds will be used to (i) refund all of the Commission’s outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (Current Interest Obligations) (the “*2013 Series A Senior Bonds*”), (ii) fund capitalized interest with respect to the 2020 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account (which will secure the 2020 Series A Bonds and the 2013 Series B Senior Bonds), and (iv) pay certain costs of issuance of the 2020 Series A Senior Bonds, as described herein. The proceeds of the 2020 Series B Senior Bonds will be used to (i) refund a portion of the Commission’s outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series and by prepaying a corresponding portion of its obligations under the related TIFIA Loan Agreement (collectively, the “*TIFIA Obligations*”), (ii) make a deposit to the 2020 Series B Senior Bonds Reserve Account, and (iii) pay certain costs of issuance of the 2020 Series B Senior Bonds, as described herein. The proceeds of the 2020 Series C Second Lien Bonds will be used to (i) refund and prepay the remaining portion of the Commission’s outstanding TIFIA Obligations, (ii) make a deposit to the 2020 Series C Second Lien Obligations Reserve Account, and (iii) pay certain costs of issuance of the 2020 Series C Second Lien Bonds, as described herein. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

### **Sources of Payment and Security**

The 2020 Senior Bonds are limited obligations of the Commission payable solely from and secured solely by a first lien on, pledge of and security interest in the Trust Estate on an equal and ratable basis with any Senior Lien Obligations issued in accordance with the provisions of the Indenture, subject to the provisions of the Indenture permitting the prior application thereof for the purposes described therein.

The 2020 Series C Second Lien Bonds are limited obligations of the Commission payable solely from and secured solely by a second lien on, pledge of and security interest in the Trust Estate on an equal and ratable basis with any Second Lien Obligations issued in accordance with the provisions of the Indenture, subject to the provisions of the Indenture permitting the prior application thereof for the purposes described therein.

The Trust Estate is comprised of (i) Toll Revenues, (ii) all interest or other income from investment of money in the Funds and Accounts established under the Indenture (excluding the Rebate Fund and the Surplus Fund and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument), (iii) all Swap Revenues, and (iv) all amounts (including the proceeds of Obligations) held in the Funds and Accounts established under the Indenture (except for amounts on deposit in the Rebate Fund and the Surplus Fund and amounts on deposit in any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument). The Trust Estate does not include toll revenues generated by the RCTC 15 Express Lanes, Sales Tax Revenues generated by the Measure A Sales Tax levied by the Commission, proceeds of any of the Commission’s sales tax revenue bonds, state or federal grant funds or any other revenues of the Commission beyond Toll Revenues and the other components of the Trust Estate described above. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS.”

The Commission currently has Outstanding \$123,825,000 aggregate principal amount of 2013 Series A Senior Bonds, \$[80,604,924] in accreted value of its Toll Revenue Senior Lien Bonds, 2013

Series B (Capital Appreciation Obligations) (the “2013 Series B Senior Bonds”) and \$480,855,269 principal amount plus compounded interest of TIFIA Obligations, which are Subordinate Obligations under the Indenture. Upon the issuance of the 2020 Series Bonds, all of the 2013 Series A Bonds and all of the TIFIA Obligations will be refunded and no longer Outstanding. See “PLAN OF REFUNDING” and “ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

#### **2020 Series A Senior Bonds Designated as 2013 Bonds Reserve Account Obligations**

The 2020 Series A Senior Bonds are designated as 2013 Bonds Reserve Account Obligations pursuant to the Third Supplemental Indenture. As such, the Trust Estate securing the 2020 Series A Senior Bonds includes amounts held in the 2013 Bonds Reserve Account within the Senior Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series A Senior Bonds, proceeds of the 2020 Series A Senior Bonds in the amount of \$\_\_\_\_\_, representing the additional amount needed to meet the 2013 Bonds Reserve Requirement following issuance of the 2020 Series A Senior Bonds and refunding of the 2013 Series A Senior Bonds, will be deposited in the 2013 Bonds Reserve Account. Funds held in the 2013 Bonds Reserve Account shall secure only the 2013 Bonds Reserve Account Obligations, and such amounts shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2013 Bonds Reserve Account Obligations, which at closing will consist of the 2020 Series A Senior Bonds and the 2013 Series B Senior Bonds. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS – 2020 Series A Bonds Designated as 2013 Bonds Reserve Account Obligations.”

#### **2020 Series B Senior Bonds Reserve Account**

The Trust Estate securing the 2020 Series B Senior Bonds includes amounts held in the 2020 Series B Senior Bonds Reserve Account within the Senior Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series B Senior Bonds, proceeds of the 2020 Series B Senior Bonds in the amount of \$\_\_\_\_\_, representing the 2020 Series B Senior Bonds Reserve Requirement, will be deposited in the 2020 Series B Senior Bonds Reserve Account. Funds held in the 2020 Series B Senior Bonds Reserve Account shall secure only the 2020 Series B Senior Bonds Reserve Account Obligations, and such amounts shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2020 Series B Senior Bonds Reserve Account Obligations, which at closing will consist of the 2020 Series B Senior Bonds. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS – 2020 Series B Senior Bonds Reserve Account.”

#### **2020 Series C Second Lien Obligations Reserve Account**

The Trust Estate securing the 2020 Series C Second Lien Bonds includes amounts held in the 2020 Series C Second Lien Obligations Reserve Account within the Second Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series C Second Lien Bonds, proceeds of the 2020 Series C Second Lien Bonds in the amount of \$\_\_\_\_\_, representing the 2020 Series C Second Lien Bonds Reserve Requirement, will be deposited in the 2020 Series C Second Lien Obligations Reserve Account. Funds held in the 2020 Series C Second Lien Obligations Reserve Account shall secure only the 2020 Series C Second Lien Obligations Reserve Account Obligations and shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2020 Series C Second Lien Obligations Reserve Account Obligations, which at closing will consist of the 2020 Series C Second Lien Bonds. See “SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS – 2020 Series C Second Lien Obligations Reserve Account.”

## **Limited Obligations**

THE 2020 SERIES BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2020 SERIES BONDS.

## **Amendments to Indenture**

[to come]

## **The Commission**

The Commission is a county transportation commission duly organized and existing pursuant to the County Transportation Commissions Act, being Division 12 of the Public Utilities Code of the State of California (Section 130000 et seq.) (as amended, the “Act”). The Commission began to oversee the funding and coordination of public transportation services in 1977 within the County of Riverside (the “County”). The Commission serves as the tax authority and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a ½ cent sales tax within the County to fund transportation improvements. See “RIVERSIDE COUNTY TRANSPORTATION COMMISSION.”

The County was organized in 1893 from territory in San Bernardino and San Diego Counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and San Bernardino Counties. The County is the fourth largest county (by area) in the State of California (the “State”) and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County.

The Commission has also been designated as the congestion management agency (the “CMA”) for the County. As the CMA, the Commission has developed a congestion management program that more effectively utilizes transportation funds by linking land use, transportation and air quality efforts. The Commission serves as the service authority for freeway emergencies and operates the freeway service patrol (the “FSP”) for the County. The results of these programs – 136 call boxes along County roadways and 27 FSP tow trucks providing assistance to more than 44,600 motorists annually – are among the most visible of the Commission’s programs. For additional information regarding the Commission, see “RIVERSIDE COUNTY TRANSPORTATION COMMISSION.”

## **RCTC 91 Express Lanes**

The RCTC 91 Express Lanes consist of two tolled express lanes of approximately eight miles in each direction in the median of State Route 91 (“SR-91”) in Riverside County, connecting with the OCTA 91 Express Lanes (as defined herein) at the Orange County/Riverside County line and continuing east to the Interstate 15 (“I-15”)/SR-91 interchange, as well as a tolled direct connector of one lane in each direction from SR-91 to I-15 South, related improvements and an electronic toll collection and enforcement system. The RCTC 91 Express Lanes opened to motorists on March 20, 2017.

The Commission is responsible for operating and maintaining the RCTC 91 Express Lanes. The Commission contracts with Cofiroute USA, LLC (“Cofiroute”) to serve as the primary operator of the

RCTC 91 Express Lanes and contracts with the California Department of Transportation (“*Caltrans*”) to maintain the RCTC 91 Express Lanes. Cofiroute also serves as the operator of the OCTA 91 Express Lanes in Orange County, California. Tolls on each of the OCTA 91 Express Lanes and the RCTC 91 Express Lanes are charged independently. When travelling along SR-91, vehicles use either or both of such tolled express lanes, or may use the general purpose lanes (which are free of charge). Notwithstanding their physical connection and the use of the same Toll Operator, the OCTA 91 Express Lanes and the RCTC 91 Express Lanes are independent enterprises and their finances are not commingled. The Commission is also responsible for constructing, operating and maintaining tolled express lanes along I-15 (the “*RCTC 15 Express Lanes*”). As with the OCTA 91 Express Lanes, the RCTC 91 Express Lanes and the RCTC 15 Express Lanes are independent enterprises and their finances are not commingled.

Cofiroute’s current management responsibilities for the RCTC 91 Express Lanes include revenue collection, customer accounts, violation enforcement, violation processing, and incident management and response.

The Commission contracts with Kapsch TrafficCom USA Inc. (“*Kapsch*”) to perform first line maintenance of tolling and traffic equipment for the RCTC 91 Express Lanes.

See “RCTC 91 EXPRESS LANES” and “OPERATION AND MAINTENANCE OF THE RCTC 91 EXPRESS LANES.”

### **Traffic and Revenue Study**

The Commission has engaged Stantec Consulting Services Inc. (“*Stantec*”) to serve as the traffic and revenue consultant for the RCTC 91 Express Lanes. In this capacity, Stantec has prepared the “RCTC 91 Express Lanes Investment Grade Traffic and Revenue Study – Investment Grade Study Refresh 2018,” dated November 27, 2018 (the “*Investment Grade Study Refresh*”), as supplemented by Stantec’s Bringdown Letter dated February \_\_, 2020 (the “*Bringdown Letter*,” and together with the Investment Grade Study Refresh, the “*Updated Study*”), which are attached hereto as APPENDIX B-1 and APPENDIX B-2, respectively. **The traffic and revenue projections reached in the Updated Study are based on various assumptions. No assurances can be given that actual conditions will not materially and adversely differ from such assumed conditions. The Investment Grade Study Refresh attached hereto as APPENDIX B-1 and the Bringdown Letter attached hereto as APPENDIX B-2 each should be read in its entirety.** See also “TRAFFIC AND REVENUE ESTIMATES.”

### **Engineer’s Technical Report**

The Commission has engaged Parsons Transportation Group Inc. (“*Parsons*”) to serve as the Commission’s Express Lanes Engineer. In this capacity, Parsons has prepared an Engineer’s Technical Report dated February \_\_, 2020 (the “*Engineer’s Technical Report*”), which is attached hereto as APPENDIX C. Matters addressed in the Engineer’s Technical Report are based on various assumptions. No assurances can be given that actual conditions will not materially and adversely differ from such assumed conditions. The Engineer’s Technical Report attached hereto as APPENDIX C should be read in its entirety. See also “ENGINEER’S TECHNICAL REPORT.”

### **Additional Obligations**

The Indenture permits the Commission, subject to certain conditions, to issue from time to time additional Senior Lien Obligations secured on a parity with the 2020 Senior Bonds, additional Second

Lien Obligations secured on a parity with the 2020 Series C Second Lien Bonds and additional Subordinate Lien Obligations secured on a basis subordinate to the 2020 Senior Bonds and the 2020 Series C Second Lien Bonds, provided that, with respect to any Subordinate Obligations in the form of a TIFIA Loan, such Subordinate Lien Obligations may be deemed to be Senior Lien Obligations following the occurrence of a Bankruptcy Related Event. In such event, such Subordinate Lien Obligations in the form of a TIFIA Loan would be secured by and payable from the Trust Estate on a parity with the 2020 Senior Bonds, the 2013 Series B Senior Bonds and any other Outstanding Senior Lien Obligations.. After the issuance of the 2020 Series Bonds, the Commission's outstanding Senior Lien Obligations will include, in addition to the 2020 Senior Bonds, \$[80,604,924] in accreted value of its 2013 Series B Senior Bonds. See "SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS – Additional Senior Lien Obligations" and "- Additional Second Lien Obligations or Subordinate Obligations" and "PLAN OF REFUNDING."

## **THE 2020 SERIES BONDS**

### **General**

The 2020 Series Bonds will be dated their date of delivery, will bear interest from that date payable on December 1, 2020 and on each June 1 and December 1 thereafter at the rates per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, and will mature on June 1 in the years, shown on the inside cover of this Official Statement. Interest on each 2020 Series Bond will be payable to the registered owner thereof from the latest of (i) its delivery date, (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such 2020 Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

The principal of, premium, if any, and interest on the 2020 Series Bonds will be payable in lawful currency of the United States of America. While the 2020 Series Bonds are Book-Entry Obligations, payment of debt service will be made to the Securities Depository or its Nominee, and in accordance with arrangements among the Commission, the Trustee and the Securities Depository. During any period in which the 2020 Series Bonds are not Book-Entry Obligations, the principal of and premium, if any, will be payable by wire or check at the Principal Office of the Trustee upon the presentation and surrender of such 2020 Series Bonds as the same become due and payable, and the interest on the 2020 Series Bonds will be paid by wire or check drawn upon the Trustee and mailed on the applicable interest payment date to the persons in whose names the 2020 Series Bonds are registered on the registration books maintained by the Trustee at the close of business on the 15<sup>th</sup> day of the month preceding the month in which such Interest Payment Date occurs (the "*Record Date*") for such interest payment.

### **Book-Entry System**

DTC will act as securities depository for the 2020 Series Bonds. The 2020 Series Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered bond will be issued for each maturity of such 2020 Series Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Ultimate purchasers of 2020 Series Bonds will not receive physical certificates representing their interest in the 2020 Series Bonds. Payment of the principal of and interest on the 2020 Series Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee so long as DTC or Cede & Co. is the registered owner of the 2020 Series Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants. See "APPENDIX G – BOOK-ENTRY SYSTEM."

**Redemption\***

**Optional Redemption of 2020 Series A Senior Bonds.** The 2020 Series A Senior Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series A Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium. [make-whole call prior to optional par call date to be determined]

**Optional Redemption of 2020 Series B Senior Bonds.** The 2020 Series B Senior Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series B Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

**Optional Redemption of 2020 Series C Second Lien Bonds.** The 2020 Series C Second Lien Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series C Second Lien Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

**Mandatory Redemption of 2020 Series A Senior Bonds From Sinking Fund Installment.** The 2020 Series A Senior Bonds maturing on June 1, 20\_\_ (the “2020 Series A Senior Term Bonds”) are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series A Senior Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

Sinking Fund Installment Dates (June 1)	Sinking Fund Installments
*	\$

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\* Final Maturity

**Mandatory Redemption of 2020 Series B Senior Bonds From Sinking Fund Installment.** The 2020 Series B Senior Bonds maturing on June 1, 20\_\_ (the “2020 Series B Senior Term Bonds”) are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series B Senior Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

Sinking Fund Installment Dates (June 1)	Sinking Fund Installments
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\* Preliminary, subject to change.

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\* Final Maturity

**Mandatory Redemption of 2020 Series C Second Lien Bonds From Sinking Fund Installment.** The 2020 Series C Second Lien Bonds maturing on June 1, 20\_\_ (the “2020 Series C Second Lien Term Bonds”) are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series C Second Lien Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

<u>Sinking Fund Installment Dates (June 1)</u>	<u>Sinking Fund Installments</u>
*	\$

\* Final Maturity

**Selection of 2020 Series A Senior Bonds for Redemption.** The Commission will designate which maturities of 2020 Series A Senior Bonds are to be called for optional redemption. In the event 2020 Series A Senior Bonds which are Term Bonds are designated for redemption, the Commission may designate the Sinking Fund Installments, or portions thereof, that are to be reduced as allocated to such redemption. The Trustee shall promptly notify the Commission in writing of the 2020 Series A Senior Bonds so selected for redemption.

If the 2020 Series A Senior Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2020 Series A Senior Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations. The particular 2020 Series A Senior Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

If the 2020 Series A Senior Bonds are registered in book-entry only form, and so long as DTC or a successor Securities Depository is the sole registered owner of the 2020 Series A Senior Bonds, if less than all of the 2020 Series A Senior Bonds of a maturity are called for prior redemption, the particular 2020 Series A Senior Bonds or portions thereof to be redeemed shall be selected on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that, so long as the 2020 Series A Senior Bonds are held in book-entry form, the selection for redemption of such 2020 Series A Senior Bonds shall be made in accordance with the operational arrangements of DTC then in effect that at issuance provided for adjustment of the principal by a factor provided pursuant to DTC operational arrangements. If the Trustee does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the 2020 Series A Senior Bonds shall be selected for redemption by lot in accordance with DTC procedures.



***Selection of 2020 Series B Senior Bonds and 2020 Series C Second Lien Bonds to be Redeemed.*** The Commission will designate which maturities of each of the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds are to be called for optional redemption. In the event 2020 Series B Senior Bonds or the 2020 Series C Second Lien Bonds which are Term Bonds are designated for redemption, the Commission may designate the Sinking Fund Installments, or portions thereof, that are to be reduced as allocated to such redemption. The Trustee will promptly notify the Commission in writing of the 2020 Series B Senior Bonds or the 2020 Series C Second Lien Bonds so selected for redemption. If less than all of the 2020 Series B Senior Bonds or 2020 Series C Second Lien Bonds of a maturity are called for prior redemption, the Trustee shall select the 2020 Series B Senior Bonds or 2020 Series C Second Lien Bonds of such maturity to be redeemed, from the Outstanding 2020 Series B Senior Bonds or the Outstanding 2020 Series C Second Lien Bonds, as applicable, of such maturity not previously called for redemption, in minimum denominations of \$5,000 (of principal), by lot in any manner which the Trustee in its sole discretion shall deem appropriate.

Notwithstanding the foregoing paragraph, so long as the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds are registered in the name of Cede & Co., as nominee of DTC, and less than all of such 2020 Series B Senior Bonds or 2020 Series C Second Lien Bonds within a maturity are being redeemed, the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds to be redeemed will be determined by DTC pursuant to its procedures. Neither the Commission nor the Trustee will have any responsibility to Direct Participants, Indirect Participants, or the persons for whom Direct Participants act as nominees, with respect to the providing of notice of redemption or the selection of 2020 Series B Senior Bonds or the 2020 Series C Second Lien Bonds for redemption.

***Notice and Conditional Redemption.*** Each notice of redemption of 2020 Series Bonds will be mailed by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to each Owner and to the Municipal Securities Rulemaking Board (the “MSRB”). Notice of redemption to the Owners will be given by first class mail. Each notice of redemption will state the date of such notice, the issue date of the 2020 Series Bonds to which such notice relates, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, in the case of 2020 Series Bonds to be redeemed in part only, the identity of the 2020 Series Bonds to be redeemed. Except in the case of conditional optional redemption, each such notice will also state that on said date there will become due and payable on each of said 2020 Series Bonds the redemption price thereof, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon will cease to accrue, and will require that such 2020 Series Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Commission nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any 2020 Series Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Commission nor the Trustee will be liable for any inaccuracy in such numbers. Failure of any Owner to receive any notice of redemption or any defect therein will not affect the sufficiency of any proceedings for redemption.

Any notice of optional redemption of the 2020 Series Bonds may be conditional, and if any condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, said notice will be of no force and effect and the Commission will not be required to redeem the 2020 Series Bonds thereby called for redemption, such 2020 Series Bonds shall not become due and payable, and the redemption will be cancelled and the Trustee will within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. In addition, the Commission may, at its option, on or prior to the date fixed for optional redemption in any notice of redemption of the

2020 Series Bonds, rescind and cancel such notice of redemption by Written Request of the Commission to the Trustee, and any optional redemption of 2020 Series Bonds and notice thereof will be rescinded and cancelled and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled. Any optional redemption of 2020 Series Bonds and notice thereof will be rescinded and cancelled if for any reason on the date fixed for optional redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2020 Series Bonds called for optional redemption and such failure to optionally redeem the 2020 Series Bonds called for redemption will not be a default under the Indenture.

***Effect of Redemption.*** Notice of redemption of such 2020 Series Bonds 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 2020 Series Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the 2020 Series Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price specified in the Indenture, together with interest accrued thereon to the date fixed for redemption, interest on the 2020 Series Bonds so called for redemption shall cease to accrue, such 2020 Series Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of such 2020 Series Bonds shall have no rights in respect thereof except to receive payment of such redemption price and accrued interest to the date fixed for redemption.

***Purchase In Lieu of Redemption.*** In lieu of mandatory redemption from Sinking Fund Installments, the Commission may surrender to the Trustee for cancellation 2020 Series Bonds that are Term Bonds purchased on the open market and such 2020 Series Bonds that are Term Bonds will be cancelled by the Trustee. If any 2020 Series Bonds that are Term Bonds are so cancelled, the Commission may designate the Sinking Fund Installments or portions thereof that are to be reduced as allocated to such cancellation.

## **SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS**

*The information provided below regarding sources of payment and security for the 2020 Series Bonds reflects the amendments to the Indenture that will become effective upon the issuance of the 2020 Series Bonds and that purchasers of the 2020 Series Bonds are consenting to by their purchase of such 2020 Series Bonds. See “AMENDMENTS TO INDENTURE.”*

### **Sources of Payment**

The 2020 Senior Lien Bonds are limited obligations of the Commission payable solely from and secured solely by a first lien on, pledge of and security interest in the Trust Estate on an equal and ratable basis with any Senior Lien Obligations issued in accordance with the provisions of the Indenture, including without limitation the 2013 Series B Senior Bonds, subject to the provisions of the Indenture permitting the prior application thereof for the purposes described therein.

The 2020 Series C Second Lien Bonds are limited obligations of the Commission payable solely from and secured solely by a second lien on, pledge of and security interest in the Trust Estate on an equal and ratable basis with any Second Lien Obligations issued in accordance with the provisions of the Indenture, subject to the provisions of the Indenture permitting the prior application thereof for the purposes described therein.

***Trust Estate.*** The “Trust Estate,” as described in the Indenture, is composed of (i) Toll Revenues, (ii) all interest or other income from investment of money in the Funds and Accounts

established under the Indenture (excluding the Rebate Fund and the Surplus Fund, and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument), (iii) all Swap Revenues, and (iv) all amounts (including the proceeds of Obligations) held in certain Funds and Accounts established under the Indenture (except for amounts on deposit in the Rebate Fund and the Surplus Fund within the Project Fund, and amounts on deposit in any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument). The Trust Estate does not include toll revenues generated by the RCTC 15 Express Lanes, Sales Tax Revenues generated by the Commission's Measure A Sales Tax or proceeds of any of the Commission's sales tax revenue bonds, State or federal grant funds or any other revenues of the Commission beyond Toll Revenues and the other components of the Trust Estate described above.

***Toll Revenues.*** "Toll Revenues," as defined in the Indenture, means (a) toll revenues, user fees, fines, rents or other similar charges payable for use of the Toll Road, as well as fines and penalties and interest thereon collected as a result of a failure to pay any such amounts, (b) proceeds of insurance payable to or received by the Commission with respect to the Toll Road (whether by way of claims, return of premiums, ex gratia settlements or otherwise), including proceeds from business interruption insurance and loss of advance profits insurance, except for proceeds of fire and other casualty insurance that are deposited to the Insurance and Condemnation Proceeds Account of the Project Fund and actually applied or reserved for application to the repair, restoration or replacement of the Toll Road, (c) proceeds of any condemnation awards with respect to the Toll Road, except to the extent deposited to the Insurance and Condemnation Proceeds Account of the Project Fund and actually applied or reserved for application to the replacement of the Toll Road, (d) liquidated damages for delayed completion of a Project payable to the Commission under a construction contract relating to the Toll Road or a portion thereof, (e) proceeds of credit support provided by the Toll Operator pursuant to the Operating Agreement, and (f) any other incidental or related fees or charges; but excluding therefrom revenues from sale of excess right-of-way property and cash advances representing deposits against future toll payments from users or potential users of the Toll Road.

***Toll Road.*** "Toll Road," as defined in the Indenture, means lanes of a street, road or highway upon which the Commission has all right, power and authority pursuant to law to impose tolls, and upon which tolls are imposed by the Commission using any of the following tolling strategies: (a) general purpose or generally-applicable tolls, (b) tolls that may be levied and may vary according to levels of congestion anticipated or experienced or according to the occupancy of the vehicle, (c) any combination of (a) and (b), and (d) any other tolling strategy the Commission may determine appropriate on a facility-by-facility basis; and the related tolling facilities, as such tolled lanes and related facilities may from time to time be expanded, improved, upgraded, enlarged, or enhanced, but only to the extent that: (i) the Commission irrevocably designates in writing that such toll lanes and related facilities, and any expansion, improvement, upgrade, enlargement or enhancement constitutes a Toll Road generating Toll Revenues thereunder and (ii) that (x) the additional Operation and Maintenance Expenses associated with any such expansion, improvement, upgrade, enlargement or enhancement and (y) any additional Obligations issued to finance the costs of any such expansion, improvement, upgrade, enlargement or enhancement, shall not result in debt service coverage ratios for the Subordinate Obligations lower than those described in toll and revenue covenants in the Indenture "Toll Road" does not include any Special Project, as defined in the Indenture. "Toll Road" currently means the RCTC 91 Express Lanes. See "RCTC 91 EXPRESS LANES."

***Revenue.*** "Revenue," as defined in the Indenture, means (i) Toll Revenues; (ii) all interest or other income from investment of money in the Funds and Accounts established under the Indenture (excluding the Rebate Fund, the Surplus Fund, the Operation and Maintenance Fund, and any Fund or Account established to hold the proceeds of a drawing on any Credit Support Instrument); and (iii) all Swap Revenues; provided that in no event shall "Revenue" include Subsidy Payments.

**Net Revenue.** “Net Revenue,” as defined in the Indenture, means for any Fiscal Year, Revenue less Operation and Maintenance Expenses for that Fiscal Year (excluding, in such calculations, (i) any extraordinary or one-time revenues from Revenue for such Fiscal Year, and (ii) any extraordinary or one-time expenses from Operation and Maintenance Expenses for such Fiscal Year, but only if and to the extent such extraordinary or one-time expenses are paid or payable from extraordinary or one-time revenues being excluded from Revenue for such Fiscal Year) as set forth in (a) the audited financial statements of the Commission for Fiscal Years for which audited financial statements are available, (b) to the extent that audited financial statements are not available, the unaudited financial statements of the Commission for Fiscal Years for which unaudited financial statements are available or (c) to the extent that neither audited financial statements nor unaudited financial statements are available, projections of the Commission. Net Revenue shall not include any amount on deposit in the Senior Lien Obligations Reserve Fund, the Second Lien Obligations Reserve Fund or the Subordinate Obligations Reserve Fund. Additionally, when calculating Net Revenue for purposes of incurring additional Obligations and setting toll rates, Net Revenue shall only include the amounts received under clauses (b), (c) and (d) of the definition of Toll Revenues to the extent that any such amounts are applied to, or reserved for, the payment of principal of or interest on Obligations.

### **Limited Obligations**

THE 2020 SERIES BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE COMMISSION SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2020 SERIES BONDS.

The 2020 Series Bonds are not secured by a mortgage or deed of trust on, or other security interest in, the RCTC 91 Express Lanes.

### **Funds and Accounts; Flow of Funds under Indenture**

The Indenture establishes the following Funds and Accounts, which are established and created and maintained in trust by the Trustee:

- Toll Revenue Fund
- Project Fund, and within the Project Fund, the Senior Lien Obligations Account, the Second Lien Obligations Account, the Subordinate Obligations Account and the Insurance and Condemnation Proceeds Account
- Rebate Fund
- Senior Lien Obligations Fund and, within the Senior Lien Obligations Fund, the Senior Lien Obligations Interest Account and the Senior Lien Obligations Principal Account
- Senior Lien Obligations Reserve Fund and, within the Senior Lien Obligations Reserve Fund, the 2013 Bonds Reserve Account and the 2020 Series B Senior Bonds Reserve Account
- Second Lien Obligations Fund and, within the Second Lien Obligations Fund, the Second Lien Obligations Interest Account and the Second Lien Obligations Principal Account
- Second Lien Obligations Reserve Fund and, within the Second Lien Obligations Reserve Fund, the 2020 Series C Second Lien Obligations Reserve Account

- Subordinate Obligations Fund and, within the Subordinate Obligations Fund, the Subordinate Obligations Interest Account, the Subordinate Obligations Principal Account and the Subordinate Obligations Prepayment Account
- Subordinate Obligations Reserve Fund
- Repair and Rehabilitation Fund
- Capital Expenditures Fund
- Residual Fund

The Indenture also establishes the Operation and Maintenance Fund and the Surplus Fund, which are created and maintained by the Commission. The funds in the Operation and Maintenance Fund shall be applied by the Commission to pay Operation and Maintenance Expenses in accordance with the terms of the Indenture. See “Operation and Maintenance Fund” below. The funds in the Surplus Fund are not subject to the lien and pledge of the Indenture, and the Commission has the exclusive right to withdraw or otherwise dispose of or transfer funds on deposit in the Surplus Fund to any account (or to such Person) as directed by the Commission in writing in its sole discretion. See “Residual Fund; Surplus Fund” below.

***Deposit of Toll Revenues.*** As long as any Obligations or Reserve Facility Costs remain unpaid, the Commission assigns and will cause Toll Revenues to be transmitted by the Toll Operator on at least a weekly basis directly to the Trustee for deposit in the Toll Revenue Fund. Investment income on amounts held by the Trustee in the Toll Revenue Fund shall also be deposited in the Toll Revenue Fund. All moneys at any time held in the Toll Revenue Fund shall be held in trust for the benefit of the holders of the Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Indenture, the Trustee shall be entitled to and shall collect and receive all of the Revenue (including Toll Revenues), and any Revenue collected or received by or on behalf of the Commission shall be deemed to be held, and to have been collected or received, by or on behalf of the Commission as the agent of the Trustee and shall forthwith be paid by the Commission to the Trustee.

***Toll Revenue Fund.*** The Trustee shall make the following transfers and payments from the Toll Revenue Fund in the amounts, at the times and only for the purposes specified below and in the following order of priority (it being agreed that no amount shall be transferred on any date pursuant to any clause below until amounts sufficient as of that Monthly Funding Date (to the extent applicable) for all the purposes specified under the prior clauses shall have been transferred or set aside):

First, on each Monthly Funding Date, to the Operation and Maintenance Fund, the amount necessary to increase the balance of the Operation and Maintenance Fund to an amount equal to the Operation and Maintenance Expenses then due and payable, plus one-sixth (1/6) of the Operations and Maintenance Expenses projected in accordance with the most recently-adopted Annual Operating Budget of the Commission to be due and payable during the Fiscal Year continuing or commencing on the day after such Monthly Funding Date;

Second, on each Monthly Funding Date, any payments then due and payable by the Commission to the Rebate Fund or any similar rebate fund established with respect to any future tax-exempt borrowing transaction under the Indenture;

Third, (x) on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, to the Senior Lien Obligations Interest Account the sum of (A)(1) in the case of

Outstanding Senior Lien Obligations with semiannual interest payment dates, one-sixth (1/6) of the amount of the interest payable on such Senior Lien Obligations on the next interest payment date; (2) in the case of Outstanding Senior Lien Obligations with quarterly interest payment dates, one-third (1/3) of the amount of the interest payable on such Senior Lien Obligations on the next interest payment date; and (3) in the case of Outstanding Senior Lien Obligations with monthly interest payment dates, the amount of interest payable on such Senior Lien Obligations on the next interest payment date; plus (B) the sum of any continuing shortfall in transfers required to have been made to the Senior Lien Obligations Interest Account on any preceding Monthly Funding Date; plus (C) if such Monthly Funding Date is also an interest payment date or the last Monthly Funding Date before an interest payment date on any Senior Lien Obligations, any other amount required to make the amount credited to the Senior Lien Obligations Interest Account equal to the amount payable on such Senior Lien Obligations on such interest payment date; and (y) on each Monthly Funding Date, to the applicable Swap Parties, scheduled Hedging Obligations due under any Qualified Swap Agreements, if any, net of any scheduled amounts payable to the Commission with respect to such scheduled Hedging Obligations;

Fourth, on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, commencing twelve months before the first annual principal payment date (including any mandatory sinking fund redemption date) or six months before the first semi-annual principal payment date (including any mandatory sinking fund redemption date), to the Senior Lien Obligations Principal Account, the sum of (A)(1) in the case of Outstanding Senior Lien Obligations with annual principal or mandatory sinking fund payment dates, one-twelfth (1/12) of the principal and mandatory sinking fund redemptions due on such Senior Lien Obligations; and (2) in the case of Outstanding Senior Lien Obligations with semi-annual principal or mandatory sinking fund payment dates, one-sixth (1/6) of the principal and mandatory sinking fund redemptions due on such Senior Lien Obligations; and (B) the sum of any shortfall in transfers required to have been made to the Senior Lien Obligations Principal Account on any previous Monthly Funding Date; and (C) if the Monthly Funding Date is also a principal payment date (or mandatory sinking fund redemption date) or the last Monthly Funding Date before a principal payment date (or mandatory sinking fund redemption date) on any Senior Lien Obligations, any other amount required to make the amount credited to the Senior Lien Obligations Principal Account equal to the amount of principal due on such Senior Lien Obligations on such principal payment date or mandatory sinking fund redemption date;

Fifth, on each Monthly Funding Date, to the Senior Lien Obligations Reserve Fund (or the applicable Account therein) the amount necessary so that the balance therein equals the applicable Senior Lien Obligations Reserve Requirement; provided, however, that in the event that the Trustee shall have withdrawn moneys in the Senior Lien Obligations Reserve Fund or any Account therein for the purpose of paying principal of or interest on the applicable Senior Lien Obligations when due as provided in the Indenture, the Trustee shall limit such deposit to the Senior Lien Obligations Reserve Fund or the applicable Account therein, on each of the next twelve Monthly Funding Dates after such withdrawal, to an amount equal to one-twelfth (1/12<sup>th</sup>) of the aggregate amount of each such withdrawal until the amount on deposit in the Senior Lien Obligations Reserve Fund (or the applicable Account therein) is equal to the applicable Senior Lien Obligations Reserve Requirement; provided further however, that in the event such requirements cannot be fully funded, the funds available shall be transferred to each Account in the Senior Lien Obligations Reserve Fund ratably in accordance with its respective shortfall;

Sixth, (x) on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, to the Second Lien Obligations Interest Account the sum of (A)(1) in the case of Outstanding Second Lien Obligations with semiannual interest payment dates, one-sixth (1/6) of the amount of the interest payable on such Second Lien Obligations on the next interest payment date; (2) in the case of Outstanding Second Lien Obligations with quarterly interest payment dates, one-third (1/3) of the amount of the interest payable on such Second Lien Obligations on the next interest payment date;

and (3) in the case of Outstanding Second Lien Obligations with monthly interest payment dates, the amount of interest payable on such Second Lien Obligations on the next interest payment date; plus (B) the sum of any continuing shortfall in transfers required to have been made to the Second Lien Obligations Interest Account on any preceding Monthly Funding Date; plus (C) if such Monthly Funding Date is also an interest payment date or the last Monthly Funding Date before an interest payment date on any Second Lien Obligations, any other amount required to make the amount credited to the Second Lien Obligation Interest Account equal to the amount payable on such Second Lien Obligations on such interest payment date, and (y) on each Monthly Funding Date, to the applicable Swap Parties, scheduled payments due under any Hedging Obligations, if any, net of any scheduled amounts payable to the Commission with respect to such scheduled Hedging Obligations, under any Swaps entered into in connection with such Second Lien Obligations;

Seventh, on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, commencing twelve months before the first annual principal payment date (including any mandatory sinking fund redemption date) or six months before the first semi-annual principal payment date (including any mandatory sinking fund redemption date), to the Second Lien Obligations Principal Account, the sum of (A)(1) in the case of Outstanding Second Lien Obligations with annual principal or mandatory sinking fund payment dates, one-twelfth (1/12) of the principal and mandatory sinking fund redemptions due on such Second Lien Obligations; and (2) in the case of Outstanding Second Lien Obligations with semi-annual principal or mandatory sinking fund payment dates, one-sixth (1/6) of the principal and mandatory sinking fund redemptions due on such Second Lien Obligations; and (B) the sum of any shortfall in transfers required to have been made to the Second Lien Obligations Principal Account on any previous Monthly Funding Date; and (C) if the Monthly Funding Date is also a principal payment date (or mandatory sinking fund redemption date) or the last Monthly Funding Date before a principal payment date (or mandatory sinking fund redemption date) on any Second Lien Obligations, any other amount required to make the amount credited to the Second Lien Obligations Principal Account equal to the amount of principal due on such Second Lien Obligations on such principal payment date or mandatory sinking fund redemption date;

Eighth, on each Monthly Funding Date, to the Second Lien Obligations Reserve Fund (or the applicable Account therein), the amount necessary so that the balance therein equals the applicable Second Lien Obligations Reserve Requirement; provided, however, that in the event that the Trustee shall have withdrawn moneys in the Second Lien Obligations Reserve Fund therein for the purpose of paying principal of or interest on the applicable Second Lien Obligations when due as provided in the Indenture, the Trustee shall limit such deposit to the Second Lien Obligations Reserve Fund, on each of the next twelve Monthly Funding Dates after such withdrawal, to an amount equal to one-twelfth (1/12<sup>th</sup>) of the aggregate amount of each such unreplenished withdrawal until the amount on deposit in the Second Lien Obligations Reserve Fund is equal to the applicable Second Lien Obligations Reserve Requirement; provided, further however, that in the event such requirements cannot be fully funded, the funds available shall be transferred to each Account in the Second Lien Obligations Reserve Fund ratably in accordance with its respective shortfall;

Ninth, (x) on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, to the Subordinate Obligations Interest Account the sum of (A)(1) in the case of Outstanding Subordinate Obligations with semi-annual interest payment dates, one-sixth (1/6) of the interest payable on such Subordinate Obligations on the next interest payment date; (2) in the case of Outstanding Subordinate Obligations with quarterly interest payment dates, one-third (1/3) of the amount of the interest payable on such Subordinate Obligations on the next interest payment date; and (3) in the case of outstanding Subordinate Obligations with monthly interest payment dates, the interest payable on such Subordinate Obligations on the next interest payment date; plus (B) the sum of any continuing shortfall in transfers required to have been made to the Subordinate Obligations Interest Account on any

preceding Monthly Funding Date; plus (C) if such Monthly Funding Date is also an interest payment date or the last Monthly Funding Date before an interest payment date on any Subordinate Obligations, any other amount required to make the amount credited to the Subordinate Obligations Interest Account equal to the interest payable on such Subordinate Obligations on such interest payment date; provided, however, that with respect to Subordinate Obligations in the form of or securing payment of a TIFIA Loan, only the interest component of TIFIA Mandatory Debt Service shall be set aside pursuant to this Ninth clause;

Tenth, on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable, commencing twelve months before the first annual principal payment date (including any mandatory sinking fund redemption date) or six months before the first semi-annual principal payment date (including any mandatory sinking fund redemption date), to the Subordinate Obligations Principal Account the sum of (A)(1) in the case of Outstanding Subordinate Obligations with annual principal payment dates, one-twelfth (1/12) of the principal due on such Subordinate Obligations on the next principal payment date; and (2) in the case of Outstanding Subordinate Obligations with semi-annual principal payment dates, one-sixth (1/6) of the principal redemptions due on such Subordinate Obligations on the next principal payment date; plus (B) the sum of any shortfall in transfers required to have been made to the Subordinate Obligations Principal Account on any previous Monthly Funding Date; plus (C) if the Monthly Funding Date is also a principal payment date or the last Monthly Funding Date before a principal payment date (or mandatory sinking fund redemption date) on any Subordinate Obligations, any other amount required to make the amount credited to the Subordinate Obligations Principal Account equal to the amount of principal due on such Subordinate Obligations on such principal payment date or mandatory sinking fund redemption date; ; provided, however, that with respect to Subordinate Obligations in the form of or securing payment of a TIFIA Loan, only the principal component of TIFIA Mandatory Debt Service shall be set aside pursuant to this Tenth clause;

Eleventh, on each Monthly Funding Date, to the Subordinate Obligations Reserve Fund (or the applicable Account therein), the amount, if any, necessary to increase the balance therein (taking into account amounts then on deposit therein) to the Subordinate Obligations Reserve Requirement;

Twelfth, in the event the Commission has Subordinate Obligations Outstanding in the form of or securing payment of a TIFIA Loan, on each Monthly Funding Date commencing on the Monthly Funding Date that is six months prior to the date on which TIFIA Scheduled Debt Service is first due and payable, to the Subordinate Obligations Interest Account, an amount which equals one-sixth (1/6) of the TIFIA Scheduled Debt Service (excluding any amounts to be applied to TIFIA Mandatory Debt Service in accordance with the Ninth and Tenth clauses above) due and payable on the immediately succeeding payment date for such TIFIA Loan;

Thirteenth, on each Monthly Funding Date, to the extent sufficient funds are then available after application of funds for the purposes specified in the prior clauses First through Twelfth, to the Repair and Rehabilitation Fund, an amount equal to the Scheduled Repair and Rehabilitation Fund Required Deposit for such Monthly Funding Date. If sufficient funds are not then available on a particular Monthly Funding Date, after application of funds for the purposes specified in the prior clauses First through Twelfth, to fund the Scheduled Repair and Rehabilitation Fund Required Deposit or if the Commission has elected to defer all or a portion of the Scheduled Repair and Rehabilitation Fund Required Deposit for a prior Monthly Funding Date or Monthly Funding Dates, the Commission may use funds on each subsequent Monthly Funding Date to satisfy the cumulative shortfall in the Scheduled Repair and Rehabilitation Fund Required Deposit from previous Monthly Funding Dates;

Fourteenth, on each Monthly Funding Date, to the Capital Expenditures Fund to the extent necessary to fund such Fund so that the balance therein (taking into account all amounts then on deposit therein) equals the aggregate amount of Capital Expenditures Fund Permitted Expenditures as set forth in



a Written Request of the Commission, which amount may be \$0 if no Written Request of the Commission is provided prior to such Monthly Funding Date;

Fifteenth, on each Monthly Funding Date and on each other date on which the following amounts shall be due and payable to the counterparties to Qualified Swap Agreements or Swaps, an amount equal to any Hedging Termination Obligations payable upon a termination of any such Qualified Swap Agreements or Swaps; and

Sixteenth, on each Monthly Funding Date, and only to the extent funds are then available after application of funds for the purposes specified in the prior First through Fifteenth clauses, on such Monthly Funding Date, to the Residual Fund, all remaining amounts, if any.

Amounts in the Residual Fund shall be applied as described in “*Residual Fund; Surplus Fund*” below.

To the extent that on any Calculation Date or any other date of determination requested by the Commission the Commission determines that (i) the amounts on deposit in the Senior Lien Obligations Reserve Fund are in excess of the applicable Senior Lien Obligations Reserve Requirement, (ii) the amounts on deposit in the Second Lien Obligations Reserve Fund are in excess of the applicable Second Lien Obligations Reserve Requirement, (iii) the amounts on deposit in the Subordinate Obligations Reserve Fund are in excess of the applicable Subordinate Obligations Reserve Requirement, (iv) the amounts on deposit in the Repair and Rehabilitation Fund are certified by the Commission to be in excess of what is required for expected Repair and Rehabilitation Fund Permitted Expenditures, or (v) the amounts on deposit in the Capital Expenditures Fund are certified by the Commission to no longer be needed for making Capital Expenditures Fund Permitted Expenditures, then in each such case, as applicable, the excess amounts shall be transferred into the Toll Revenue Fund.

***Insurance and Condemnation Proceeds Account.*** Proceeds of fire and other casualty insurance payable to or received by the Commission with respect to the Toll Road (whether by way of claims, return of premiums, ex gratia settlements or otherwise), and proceeds of any condemnation awards payable to or received by the Commission with respect to the Toll Road shall be transferred to the Trustee and deposited by the Trustee into the Insurance and Condemnation Proceeds Account. Amounts on deposit in the Insurance and Condemnation Proceeds Account may be used by the Commission to pay the costs of restoration, repair or rehabilitation of the Toll Road or portion thereof to which such insurance or condemnation proceeds relate; provided, however, that any portion of such amounts that the Commission elects not to use for such restoration, repair or rehabilitation of the Toll Road or that are in excess of the amount needed for such restoration, repair or rehabilitation of the Toll Road, as evidenced by a Certificate of the Commission delivered to the Trustee, shall be transferred to the Redemption Fund and applied to the prepayment of principal of Outstanding Highest Priority Obligations. Funds therein shall be disbursed pursuant to a Funds Transfer Certificate in accordance with the provisions of the Indenture.

***Operation and Maintenance Fund.*** Upon receipt of amounts transferred to the Operation and Maintenance Fund under the Indenture, the Commission shall thereafter apply the funds in the Operation and Maintenance Fund for the payment of Operation and Maintenance Expenses in accordance with the most recently adopted annual budget of the Commission, as prescribed by the Indenture.

***Capital Expenditures Fund.*** The Trustee shall cause amounts in the Toll Revenue Fund, to the extent available, to be deposited into the Capital Expenditures Fund on each Monthly Funding Date.

On each date on which Capital Expenditures Fund Permitted Expenditures are due and payable or reasonably expected to become due and payable, monies on deposit in the Capital Expenditures Fund

shall be applied by the Trustee pursuant to a Written Request of the Commission to pay such Capital Expenditures Fund Permitted Expenditures.

If, after transferring any funds then on deposit in the Residual Fund in accordance with the Indenture, on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Obligations Fund, the Second Lien Obligations Fund or the Subordinate Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Obligations, Second Lien Obligations and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Capital Expenditures Fund in the following order of priority; first, to the Senior Lien Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Obligations; second, to the Second Lien Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Second Lien Obligations and third, to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

Any amounts on deposit in the Capital Expenditures Fund that are certified by the Commission to no longer be needed for making Capital Expenditures Fund Permitted Expenditures will be transferred to the Toll Revenue Fund.

***Senior Lien Obligations Reserve Fund.*** On the date of issuance of any Series of Senior Lien Obligations that has a Senior Lien Obligations Reserve Requirement, the Senior Lien Obligations Reserve Requirement for those Senior Lien Obligations shall be deposited in the Senior Lien Obligations Reserve Fund in an Account solely for the benefit of those Senior Lien Obligations. Alternatively, the Supplemental Indenture for any Series of Senior Lien Obligations may establish a pooled Senior Lien Obligations Reserve Requirement for that Series of Senior Lien Obligations and any one or more subsequently issued Series of Senior Lien Obligations with the same pooled Senior Lien Obligations Reserve Requirement, in which case the Senior Lien Obligations Reserve Requirement for such Series of Senior Lien Obligations shall be deposited in the Senior Lien Obligations Reserve Fund in an Account solely for the benefit of those Senior Lien Obligations and any additional Senior Lien Obligations with the same pooled Senior Lien Obligations Reserve Requirement, and on the date of issuance of any such additional Senior Lien Obligations, there shall be deposited in the Account the amount necessary to increase the balance in the Account to an amount equal to the Senior Lien Obligations Reserve Requirement for all Senior Lien Obligations secured by that Account.

The Third Supplemental Indenture establishes the 2020 Series B Senior Bonds Reserve Account within the Senior Lien Obligations Reserve Fund, to be funded in the amount of the 2020 Series B Senior Bonds Reserve Requirement, solely for the benefit of the holders of the 2020 Series B Senior Bonds and any Senior Lien Bonds issued to refinance all or a portion of the 2020 Series B Senior Bonds. The Third Supplemental Indenture also designates the 2020 Series A Senior Bonds as 2013 Bonds Reserve Account Obligations and as such the 2020 Series A Senior Bonds will be secured by the 2013 Bonds Reserve Account together with the 2013 Series B Senior Bonds.

Monies on deposit in each Account within the Senior Lien Obligations Reserve Fund shall be applied by the Trustee as follows:

- (1) If on any (x) interest payment date for Senior Lien Obligations secured by an Account within the Senior Lien Obligations Reserve Fund, (y) principal payment date for such Senior Lien Obligations or (z) redemption date on which such Senior Lien Obligations are subject to mandatory sinking fund redemption, the amount on deposit in the applicable Account of the

Senior Lien Obligations Fund, determined after taking into account all amounts transferred to such Account of the Senior Lien Obligations Fund in accordance with clauses Third and Fourth of the clauses describing the Indenture flow of funds, and amounts transferred from the following Funds in the following order of priority, the Residual Fund, the Capital Expenditures Fund, the Repair and Rehabilitation Fund and the Toll Revenue Fund in accordance with the Indenture on or prior to such date, is not sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Senior Lien Obligations, then moneys shall be transferred to the Senior Lien Obligations Interest Account and/or the Senior Lien Obligations Principal Account, as applicable, from the applicable Account of the Senior Lien Obligations Reserve Fund which, together with moneys then on deposit in the applicable Account of the Senior Lien Obligations Fund, will be sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Senior Lien Obligations on such date. Moneys shall be transferred first to the Senior Lien Obligations Interest Account until such Account, together with any available funds then on deposit in the Senior Lien Obligations Interest Account is sufficiently funded with respect to such Senior Lien Obligations and thereafter, to the Senior Lien Obligations Principal Account until such Account, together with any available funds then on deposit in the Senior Lien Obligations Principal Account is sufficiently funded with respect to such Senior Lien Obligations.

(2) Upon the maturity of the Senior Lien Obligations secured by funds on deposit in an Account of the Senior Lien Obligations Reserve Fund or upon the earlier redemption of all or any portion of such Senior Lien Obligations, the Commission may direct the Trustee to transfer amounts on deposit in the applicable Account within the Senior Lien Obligations Reserve Fund to the Senior Lien Obligations Principal Account for application to the final payment of principal of all or a portion of the Senior Lien Obligations secured thereby or to an escrow account established for defeasance of such Senior Lien Obligations pursuant to the Indenture, provided that, if less than all of the Senior Lien Obligations mature or are redeemed, the amount remaining on deposit in such Account of the Senior Lien Obligations Reserve Fund following any such transfer shall not be less than the Senior Lien Obligations Reserve Requirement applicable to the Senior Lien Obligations secured thereby to remain Outstanding.

(3) Except as provided in paragraph (2) above, any amounts on deposit in an Account of the Senior Lien Obligations Reserve Fund in excess of the applicable Senior Lien Obligations Reserve Requirement shall be transferred to the Toll Revenue Fund.

The Senior Lien Obligations Reserve Requirement for any Series of Senior Lien Obligations may be permitted or required by the Supplemental Indenture establishing the Senior Lien Obligations Reserve Requirement to be funded in whole or in part with a Reserve Facility. The terms and conditions for any Reserve Facility shall be set forth in the Reserve Facility or the Supplemental Indenture establishing the Senior Lien Obligations Reserve Requirement to be met in whole or in part by the Reserve Facility, provided that those terms and conditions shall conform to and be consistent with the provisions set forth in the Indenture. The Trustee shall withdraw cash (and liquidate investments to produce cash) and draw on Reserve Facilities in or with respect to any Account in the Senior Lien Obligations Reserve Fund to fund payments of principal of and interest on Senior Lien Obligations supported by such Account in the Senior Lien Obligations Reserve Fund in the manner and in the order specified in the Indenture and in the applicable Supplemental Indenture. The Indenture shall not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full.

If the Commission subsequently incurs a Subordinate Obligation in the form of a TIFIA Loan that is secured by an Account within the Subordinate Obligations Reserve Fund, upon the occurrence of a Bankruptcy Related Event of which the Trustee shall be notified in writing, such Account within the

Subordinate Obligations Reserve Fund will become an Account within the Senior Lien Obligations Reserve Fund, will be funded on a parity with any other Accounts within the Senior Lien Obligations Reserve Fund and will be available only to pay principal and interest on the Parity Obligation in the form of or securing payment of such TIFIA Loan. The Parity Obligation in the form of a TIFIA Loan will not be secured by any other Account within the Senior Lien Obligations Reserve Fund.

***Second Lien Obligations Reserve Fund.*** On the date of issuance of any Series of Second Lien Obligations that has a Second Lien Obligations Reserve Requirement, the Second Lien Obligations Reserve Requirement for those Second Lien Obligations shall be deposited in the Second Lien Obligations Reserve Fund in an Account solely for the benefit of those Second Lien Obligations. Alternatively, the Supplemental Indenture for any Series of Second Lien Obligations may establish a pooled Second Lien Obligations Reserve Requirement for that Series of Second Lien Obligations and any one or more subsequently issued Series of Second Lien Obligations with the same pooled Second Lien Obligations Reserve Requirement, in which case the Second Lien Obligations Reserve Requirement for such Series of Second Lien Obligations shall be deposited in the Second Lien Obligations Reserve Fund in an Account solely for the benefit of those Second Lien Obligations and any additional Second Lien Obligations with the same pooled Second Lien Obligations Reserve Requirement, and on the date of issuance of any such additional Second Lien Obligations, there shall be deposited in the Account the amount necessary to increase the balance in the Account to an amount equal to the Second Lien Obligations Reserve Requirement for all Second Lien Obligations secured by that Account.

The Fourth Supplemental Indenture establishes the 2020 Series C Second Lien Obligations Reserve Account within the Second Lien Obligations Reserve Fund, to be funded in the amount of the 2020 Series C Second Lien Obligations Reserve Requirement, solely for the benefit of the holders of the 2020 Series C Second Lien Bonds and any Second Lien Obligations issued to refinance all or a portion of the 2020 Series C Second Lien Bonds.

Monies on deposit in each Account within the Second Lien Obligations Reserve Fund shall be applied by the Trustee as follows:

(1) If on any (x) interest payment date for Second Lien Obligations secured by an Account within the Second Lien Obligations Reserve Fund, (y) principal payment date for such Second Lien Obligations or (z) redemption date on which such Second Lien Obligations are subject to mandatory sinking fund redemption, the amount on deposit in the applicable Account of the Second Lien Obligations Fund, determined after taking into account all amounts transferred to such Account of the Second Lien Obligations Fund in accordance with clauses Sixth and Seventh of the clauses describing the Indenture flow of funds, and amounts transferred from the following Funds in the following order of priority, the Residual Fund, the Capital Expenditures Fund, the Repair and Rehabilitation Fund and the Toll Revenue Fund in accordance with the Indenture on or prior to such date, is not sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Second Lien Obligations, then moneys shall be transferred to the Second Lien Obligations Interest Account and/or the Second Lien Obligations Principal Account, as applicable, from the applicable Account of the Second Lien Obligations Reserve Fund which, together with moneys then on deposit in the applicable Account of the Second Lien Obligations Fund, will be sufficient to pay interest and/or principal and/or the redemption price (excluding any redemption premium) due on such Second Lien Obligations on such date. Moneys shall be transferred first to the Second Lien Obligations Interest Account until such Account, together with any available funds then on deposit in the Second Lien Obligations Interest Account is sufficiently funded with respect to such Second Lien Obligations and thereafter, to the Second Lien Obligations Principal Account until such Account,

together with any available funds then on deposit in the Second Lien Obligations Principal Account is sufficiently funded with respect to such Second Lien Obligations.

(2) Upon the maturity of the Second Lien Obligations secured by funds on deposit in an Account of the Second Lien Obligations Reserve Fund or upon the earlier redemption of all or any portion of such Second Lien Obligations, the Commission may direct the Trustee to transfer amounts on deposit in the applicable Account within the Second Lien Obligations Reserve Fund to the Second Lien Obligations Principal Account for application to the final payment of principal of all or a portion of the Second Lien Obligations secured thereby or to an escrow account established for defeasance of such Second Lien Obligations pursuant to the Indenture, provided that, if less than all of the Second Lien Obligations mature or are redeemed, the amount remaining on deposit in such Account of the Second Lien Obligations Reserve Fund following any such transfer shall not be less than the Second Lien Obligations Reserve Requirement applicable to the Second Lien Obligations secured thereby to remain Outstanding.

(3) Except as provided in paragraph (2) above, any amounts on deposit in an Account of the Second Lien Obligations Reserve Fund in excess of the applicable Second Lien Obligations Reserve Requirement shall be transferred to the Toll Revenue Fund.

The Second Lien Obligations Reserve Requirement for any Series of Second Lien Obligations may be permitted or required by the Supplemental Indenture establishing the Second Lien Obligations Reserve Requirement to be funded in whole or in part with a Reserve Facility. The terms and conditions for any Reserve Facility shall be set forth in the Reserve Facility or the Supplemental Indenture establishing the Second Lien Obligations Reserve Requirement to be met in whole or in part by the Reserve Facility, provided that those terms and conditions shall conform to and be consistent with the provisions set forth in the Indenture. The Trustee shall withdraw cash (and liquidate investments to produce cash) and draw on Reserve Facilities in or with respect to any Account in the Second Lien Obligations Reserve Fund to fund payments of principal of and interest on Second Lien Obligations supported by such Account in the Second Lien Obligations Reserve Fund in the manner and in the order specified in the Indenture and in the applicable Supplemental Indenture. The Indenture shall not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full.

***Repair and Rehabilitation Fund.*** The Trustee shall, in accordance with clause Thirteenth of the clauses describing the Indenture flow of funds, cause amounts in the Toll Revenue Fund, to the extent available, to be deposited into the Repair and Rehabilitation Fund from time to time in an amount equal to the Scheduled Repair and Rehabilitation Fund Required Deposit. Any amounts on deposit in the Repair and Rehabilitation Fund certified by the Commission as no longer being needed for Repair and Rehabilitation Fund Permitted Expenditures shall be transferred to the Toll Revenue Fund.

On each date on which Repair and Rehabilitation Fund Permitted Expenditures are due and payable or reasonably expected to become due and payable, monies on deposit in the Repair and Rehabilitation Fund shall be applied by the Trustee pursuant to a Written Request of the Commission to pay such Repair and Rehabilitation Fund Permitted Expenditures.

If, after transferring any funds then on deposit in the Residual Fund and in the Capital Expenditures Fund in accordance with the Indenture, on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Obligations Fund, the Second Lien Obligations Fund or the Subordinate Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Obligations, Second Lien Obligations and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Repair and Rehabilitation Fund in the following order of priority; first, to the Senior Lien

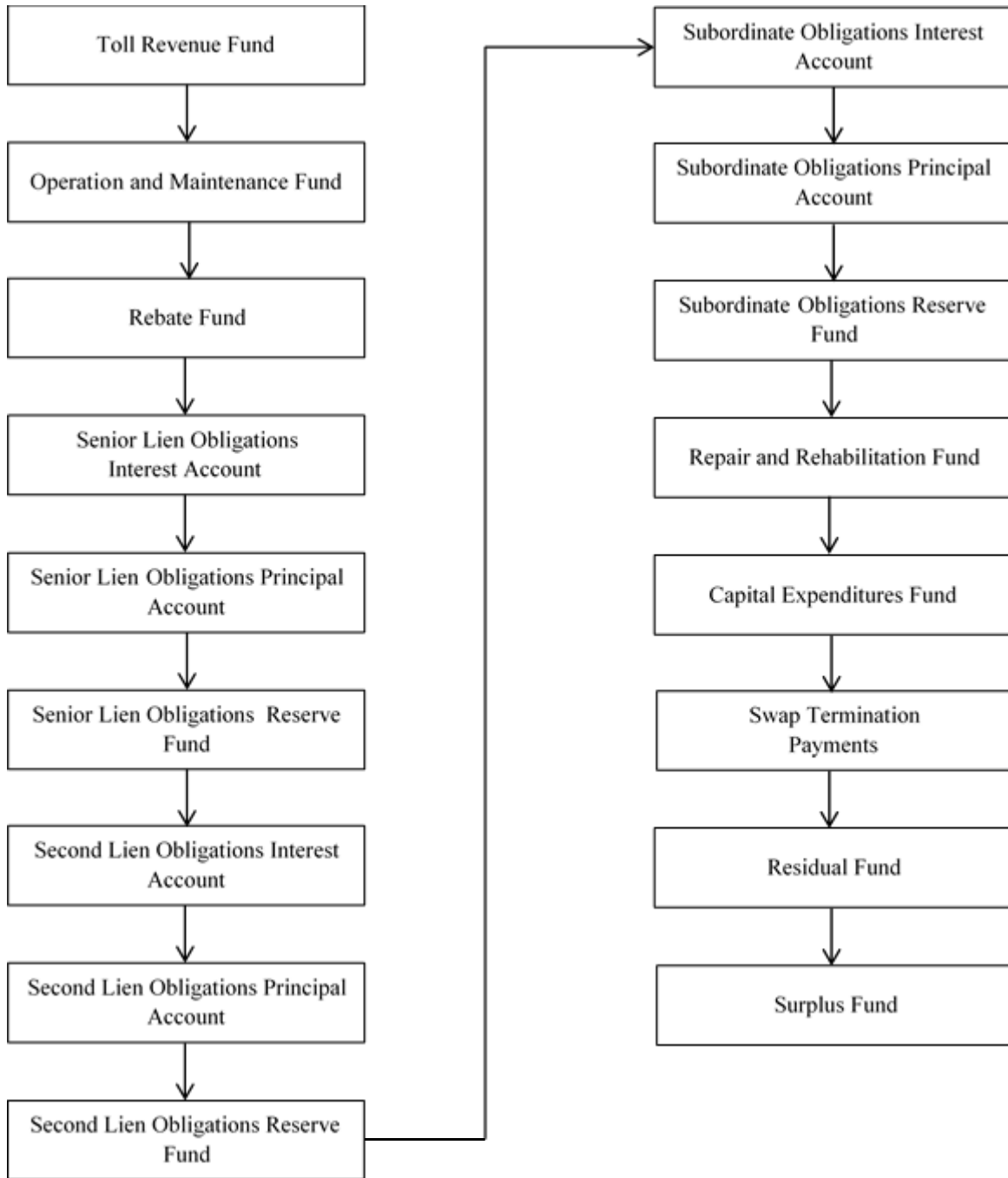
Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Obligations; second, to the Second Lien Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Second Lien Obligations and third, to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

***Residual Fund; Surplus Fund.*** If on the Business Day prior to an interest payment date or principal payment date, the amount then on deposit in the Senior Lien Obligations Fund (including the 2013 Bonds Reserve Account and the 2020 Series B Senior Bonds Reserve Account therein), the Second Lien Obligations Fund (including the 2020 Series C Second Lien Bonds Reserve Account therein) or the Subordinate Obligations Fund is insufficient to pay the principal of, and/or interest on, the related Senior Lien Obligations, Second Lien Obligations and/or Subordinate Obligations secured thereby then due, the Trustee shall make the following transfers from amounts on deposit in the Residual Fund in the following order of priority; first, to the Senior Lien Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Senior Lien Obligations; second, to the Second Lien Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Second Lien Obligations and third, to the Subordinate Obligations Fund, the amount necessary to pay principal and interest due and payable on such interest payment date or principal payment date on the Subordinate Obligations.

Funds on deposit in the Surplus Fund and funds credited to such Fund will not be subject to the lien and pledge of the Indenture, and the Commission will have the exclusive right to withdraw or otherwise dispose of or transfer funds on deposit in the Surplus Fund to any account (or to such Person) as directed by the Commission in writing in its sole discretion.

A graphical summary of the flow of Toll Revenues described above is presented in the following chart:

**RCTC 91 EXPRESS LANES  
TOLL REVENUES FLOW OF FUNDS**



## **2020 Series A Senior Bonds Designated as 2013 Bonds Reserve Account Obligations**

The 2020 Series A Senior Bonds are designated as 2013 Bonds Reserve Account Obligations pursuant to the Third Supplemental Indenture. As such, the Trust Estate securing the 2020 Series A Senior Bonds includes amounts held in the 2013 Bonds Reserve Account within the Senior Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series A Senior Bonds, proceeds of the 2020 Series A Senior Bonds in the amount of \$\_\_\_\_\_, representing the additional amount needed to meet the 2013 Bonds Reserve Requirement following issuance of the 2020 Series A Senior Bonds and refunding of the 2013 Series A Senior Bonds, will be deposited in the 2013 Bonds Reserve Account. Funds held in the 2013 Bonds Reserve Account shall secure only the 2013 Bonds Reserve Account Obligations, and such amounts shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2013 Bonds Reserve Account Obligations, which at closing will consist of the 2020 Series A Senior Bonds and the 2013 Series B Senior Bonds.

The First Supplemental Indenture defines “2013 Bonds Reserve Requirement” to mean, with respect to the 2020 Series A Senior Bonds and any other 2013 Bonds Reserve Account Obligations, an amount, calculated as of the most recent Issue Date of 2013 Bonds Reserve Account Obligations, equal to the least of (i) Maximum Annual Debt Service on the Outstanding 2013 Bonds Reserve Account Obligations, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2013 Bonds Reserve Account Obligations, or (iii) ten percent (10%) of the original principal amount of the 2013 Bonds Reserve Account Obligations.

## **2020 Series B Senior Bonds Reserve Account**

The Trust Estate securing the 2020 Series B Senior Bonds includes amounts held in the 2020 Series B Senior Bonds Reserve Account within the Senior Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series B Senior Bonds, proceeds of the 2020 Series B Senior Bonds in the amount of \$\_\_\_\_\_, representing the 2020 Series B Senior Bonds Reserve Requirement, will be deposited in the 2020 Series B Senior Bonds Reserve Account. Funds held in the 2020 Series B Senior Bonds Reserve Account shall secure only the 2020 Series B Senior Bonds Reserve Account Obligations, and such amounts shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2020 Series B Senior Bonds Reserve Account Obligations, which at closing will consist of the 2020 Series B Senior Bonds.

The Third Supplemental Indenture defines “2020 Series B Senior Bonds Reserve Requirement” to mean, with respect to the 2020 Series B Senior Bonds and any other 2020 Series B Senior Bonds Reserve Account Obligations, an amount, calculated as of the most recent Issue Date of 2020 Series B Senior Bonds Reserve Account Obligations, equal to the least of (i) Maximum Annual Debt Service on the Outstanding 2020 Series B Senior Bonds Reserve Account Obligations, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2020 Series B Senior Bonds Reserve Account Obligations, or (iii) ten percent (10%) of the original principal amount of the 2020 Series B Senior Bonds Reserve Account Obligations.

## **2020 Series C Second Lien Obligations Reserve Account**

The Trust Estate securing the 2020 Series C Second Lien Bonds includes amounts held in the 2020 Series C Second Lien Obligations Reserve Account within the Second Lien Obligations Reserve Fund. On the date of delivery of the 2020 Series C Second Lien Bonds, proceeds of the 2020 Series C Second Lien Bonds in the amount of \$\_\_\_\_\_, representing the 2020 Series C Second Lien Bonds Reserve Requirement, will be deposited in the 2020 Series C Second Lien Obligations Reserve Account.



Funds held in the 2020 Series C Second Lien Obligations Reserve Account shall secure only the 2020 Series C Second Lien Obligations Reserve Account Obligations, and such amounts shall be applied pursuant to the Indenture to make up any shortfall in the payment of interest, principal and/or redemption price (excluding any redemption premium) due on the 2020 Series C Second Lien Obligations Reserve Account Obligations, which at closing will consist of the 2020 Series C Second Lien Bonds.

The Fourth Supplemental Indenture defines “2020 Series C Second Lien Bonds Reserve Requirement” to mean, with respect to the 2020 Series C Second Lien Bonds and any other 2020 Series C Second Lien Obligations Reserve Account Obligations, an amount, calculated as of the most recent Issue Date of 2020 Series C Second Lien Obligations Reserve Account Obligations, equal to the least of (i) Maximum Annual Debt Service on the Outstanding 2020 Series C Second Lien Obligations Reserve Account Obligations, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2020 Series C Second Lien Obligations Reserve Account Obligations, or (iii) ten percent (10%) of the original principal amount of the 2020 Series C Second Lien Obligations Reserve Account Obligations.

### **Rate Covenant and Annual Budget**

The Commission covenants that it shall at all times, beginning in the first full Fiscal Year following the Substantial Completion Date for the RCTC 91 Express Lanes, establish, levy, maintain and collect tolls in connection with the Toll Road and establish such charges for use of the property constituting part of the Toll Road, including, without limitation and as permitted by law, leasehold payments, concession payments, rents and other charges, as shall be sufficient, collectively, to produce Net Revenue in each Fiscal Year, equal to or in excess of the ratios set forth in each of (1), (2), and (3) below:

(1) one hundred fifty percent (150%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations;

(2) one hundred thirty percent (130%) of the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations, Second Lien Obligations and Subordinate Obligations; and

(3) one hundred percent (100%) of the Annual Debt Service in such Fiscal Year on all Outstanding Obligations, plus the amounts required to be deposited into the Senior Lien Obligations Reserve Fund, the Second Lien Obligations Reserve Fund, the Subordinate Obligations Reserve Fund and the Repair and Rehabilitation Fund and any other Fund established by a Supplemental Indenture to be funded by Revenue.

In making the calculations in (1), (2), and (3) above, the Commission may take into consideration as a credit against Annual Debt Service any amounts received, or reasonably expected to be received, in the Fiscal Year from or as a result of any additional security irrevocably granted or pledged to the Bondholders by the Commission with respect to the Obligations in accordance with the Indenture; provided, that if such grant or pledge is not for the benefit of all Obligations, the amounts expected to be received may only be taken into account when making the calculation with respect to the Obligations receiving the benefit of such grant or pledge.

Beginning in the first full Fiscal Year following the Substantial Completion Date for the RCTC 91 Express Lanes, the Commission covenants: (i) to compute projected Net Revenue for each Fiscal Year and the projected ratios described in (1), (2) and (3) above (each, a “*Coverage Ratio*”) within ten Business Days after the beginning of that Fiscal Year (such date of computation being hereinafter referred to as a “*Coverage Calculation Date*”); (ii) to furnish promptly to the Trustee a Certificate of the Commission

setting forth the results of such computations; and (iii) if any Coverage Ratio is less than the applicable rate requirement, to take such action as promptly as practicable after the Coverage Calculation Date (including, without limitation, increasing Toll Revenues through toll increases) as the Commission projects is necessary to cause each projected Coverage Ratio for that Fiscal Year to equal or exceed the rate requirement for each such Fiscal Year.

Within 60 days after the end of each Fiscal Year, the Commission will file with the Trustee a report setting forth the Net Revenue for such Fiscal Year. **The failure of toll rates to yield an amount sufficient to achieve each Coverage Ratio shall not be deemed to constitute an Event of Default so long as the Commission complies with the requirements set forth below.** If any such report indicates that the Net Revenue for such Fiscal Year was less than the amount required, then as soon as practicable after delivering such report to the Trustee and, while there are Outstanding Obligations in the form of or securing payment of a TIFIA Loan, to the TIFIA Lender, the Commission shall take such actions as it deems appropriate for the current Fiscal Year for purposes of meeting or exceeding such requirement. If any such report indicates that the Net Revenue for such Fiscal Year was less than the amount required for a second consecutive Fiscal Year, then as soon as practicable after delivering such report to the Trustee and, while there are Outstanding Obligations in the form of or securing payment of a TIFIA Loan, to the TIFIA Lender, the Commission shall employ a Traffic Consultant to review and analyze the operations of the Toll Road and to submit to the Board, as soon as practicable (but not later than such date as will enable the Board to act upon it within 180 days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by the Commission with respect to (i) revising the toll rates or the Commission's toll rate policies, (ii) altering its methods of operation, or (iii) taking other action projected to produce the amount so required to comply in each year with each Coverage Ratio (or, if less, the maximum amount deemed feasible by the Traffic Consultant and that the Traffic Consultant estimates will not adversely affect the amount of Net Revenue). Promptly upon its receipt of such written report (and, in any case, within 180 days after the end of the Fiscal Year in question), after giving due consideration thereto, the Commission will revise the toll rates or toll policies, as permitted by law, alter its methods of operation, or take such other action as it deems appropriate. Such revisions, alterations, or actions need not comply with the recommendations of the Traffic Consultant so long as Net Revenue projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by the Commission are at least equal to the amount required under the Indenture.

The Commission further covenants that such toll rates for traffic using the Toll Road will be established and maintained in a reasonable way to cover all traffic (other than vehicles used for maintaining the Toll Road; police, fire, and other public emergency vehicles; buses owned and operated by any public agency; vehicles with multiple passengers or which allow for a limited number of passengers, including motorcycles, according to policies determined by the State or the Commission; electric, hybrid-electric and other vehicles that meet emission-reduction policies determined by the State or the Commission; vehicles which are otherwise exempt from payment of tolls under State or federal law; and any vehicles during a public emergency declared by the Commission) consistent with the requirements hereof, but with such classifications as the Commission may deem appropriate.

Notwithstanding any provision to the contrary, nothing in the Indenture shall be deemed to require the Commission to collect tolls and other fees with respect to which the Commission has determined, based upon a report from a Traffic Consultant, that the costs of collection would exceed the amount of tolls and other fees expected to be collected; and provided further that nothing contained in the Indenture shall prevent the Commission from temporarily reducing or eliminating tolls and other fees in connection with programs which it intends to use to increase Net Revenue.

The Commission covenants that, for each Fiscal Year, it will take such actions as may be required of it to prepare and will adopt an annual budget in accordance with applicable law, including the Act, and the Toll Agreements. The Commission further covenants that it will provide to the Trustee (A) no later than 30 days prior to the commencement of each Fiscal Year, an operating plan and a preliminary budget, and (B) not later than the first day of each Fiscal Year, a copy of the Commission's final budget (such copy of the final budget being referred to herein as the "Annual Operating Budget"). The Trustee shall have no responsibility to review such preliminary budget or Annual Operating Budget and shall only retain such documents as a repository for the holders of the Obligations.

### **Existing Obligations**

The Commission currently has Outstanding \$123,825,000 aggregate principal amount of 2013 Series A Senior Bonds, \$[80,604,924] in accreted value of its 2013 Series B Senior Bonds and \$480,855,269 principal amount plus compounded interest of TIFIA Obligations, which are Subordinate Obligations under the Indenture. Upon the issuance of the 2020 Series Bonds, all of the 2013 Series A Bonds and all of the TIFIA Obligations will be refunded and no longer Outstanding. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF BOND PROCEEDS."

### **Additional Senior Lien Obligations**

Upon the issuance of the 2020 Senior Bonds and the application of proceeds thereof, the Commission's outstanding Senior Lien Obligations will include, in addition to the 2020 Senior Bonds, \$[80,604,924] in accreted value of the 2013 Series B Senior Bonds. See "PLAN OF REFUNDING." Additional Senior Lien Obligations may be issued if from time to time the requirements described in clauses (a), (b) or (c) below are met.

(a) The Senior Lien Obligations are issued for purposes of refunding Outstanding Senior Lien Obligations by providing funds for the payment of any or all of the following:

(1) The Bond Obligation, redemption or purchase price (including premium, if any) of the Outstanding Senior Lien Obligations to be refunded;

(2) All expenses incident to the calling, retiring or paying of such Outstanding Senior Lien Obligations, the Costs of Issuance of such refunding Senior Lien Obligations, and any termination payments or other payments to the holders of obligations of the Commission entered into pursuant to California Government Code Section 5922 (or any similar statute) related to such Outstanding Obligations;

(3) Interest on all Outstanding Senior Lien Obligations to be refunded to the date such Senior Lien Obligations will be called for redemption or paid at maturity; and

(4) Interest on the refunding Senior Lien Obligations from the date thereof to the date of payment or redemption of the Senior Lien Obligations to be refunded;

provided that the Commission delivers a Certificate of the Commission to the effect that the Commission projects that the Average Annual Debt Service on all Outstanding Obligations after the issuance of the proposed additional Senior Lien Obligations will be less than the Average Annual Debt Service on all Outstanding Obligations prior to the issuance of such proposed Senior Lien Obligations; and provided further, that, if the maturity date of such additional Senior Lien Obligations to be issued extends to a date later than the final maturity date of the Obligations being refunded, then Net Revenue in each Fiscal Year from and after the final maturity date of

such refunded Obligations is projected to be not less than one hundred thirty percent (130%) of the Annual Debt Service payable in each such Fiscal Year with respect to all Outstanding Obligations, including the proposed additional Senior Lien Obligations.

Additionally, while the Commission has Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the Commission shall have received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, to such issuance.

(b) The Commission delivers a report of the Traffic Consultant to the effect that, as of the date of issuance of the additional Senior Lien Obligations:

(1) Net Revenue during the preceding Calculation Period ending not more than ninety (90) days prior to the date of delivery of the proposed additional Senior Lien Obligations, was sufficient to satisfy the Toll Road rate covenant of the Indenture (which report may assume that a revision of the tolls that was approved and implemented by the Commission subsequent to the beginning of such Calculation Period had been in effect for the entire Calculation Period), and

(2) projected Net Revenue for each Fiscal Year over the term of the proposed additional Senior Lien Obligations is expected to be sufficient to satisfy the Toll Road rate covenant of the Indenture in each Fiscal Year. In calculating projected Net Revenue, the Traffic Consultant shall take into account amounts projected to be received from any adopted change in toll policy (provided that no additional approvals need to be obtained and no additional requirements need to be satisfied in order to implement any such toll policy) and any additional toll lanes and facilities to be designated as included within the definition of Toll Road.

Additionally, while the Commission has Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the Commission shall have received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, to such issuance.

(c) The Senior Lien Obligations constitute Completion Obligations; provided, however, that prior to the incurrence of such Completion Obligations, the Commission shall furnish to the Trustee: (i) a certificate of a licensed architect or Consulting Engineer estimating the costs of completing the facilities for which such Completion Obligations are to be incurred, (ii) a Certificate of the Commission certifying that the amount of such Completion Obligations to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or Consulting Engineer in respect of which such Completion Obligation is to be incurred and pay capitalized interest, if any, on Commission Obligations Outstanding during the completion period, and (iii) written evidence from the applicable credit rating agency or agencies that such Senior Lien Obligations will be rated at an investment grade rating by such credit rating agency; provided, further, that, while the Commission has outstanding Obligations in the form of or securing payment of a TIFIA Loan held by the TIFIA Lender, the Commission has received the written consent of the TIFIA Lender in accordance with the applicable TIFIA Loan Agreement to such issuance.

### **Additional Second Lien Obligations or Subordinate Obligations**

Upon the issuance of the 2020 Series C Second Lien Bonds and the application of proceeds thereof, the Commission's outstanding Second Lien Obligations will consist of solely the 2020 Series C Second Lien Bonds, and the Commission will have no Subordinate Obligations Outstanding. See "PLAN OF REFUNDING." Additional Second Lien Obligations or Subordinate Obligations (including Subordinate Obligations in the form of or securing payment of one or more TIFIA Loans) may be issued if from time to time the requirements described in clauses (a), (b) or (c) below are met.

(a) The Second Lien Obligations or Subordinate Obligations, as applicable, are issued for purposes of refunding Outstanding Senior Lien Obligations, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations by providing funds for the payment of any or all of the following:

(1) The Bond Obligation, redemption or purchase price (including premium, if any) of the Outstanding Senior Lien Obligations, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations to be refunded;

(2) All expenses incident to the calling, retiring or paying of such Outstanding Senior Lien Obligations, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations, the Costs of Issuance of such refunding Second Lien Obligations or Subordinate Obligations, and any termination payments or other payments to the holders of obligations of the Commission entered into pursuant to California Government Code Section 5922 (or any similar statute) related to such Outstanding Senior Lien Obligations, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations;

(3) Interest on all Outstanding Senior Lien Obligations, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations to be refunded to the date such Senior Lien Obligations, Second Lien Obligations or Subordinate Obligations will be called for redemption or paid at maturity; and

(4) Interest on the refunding Second Lien Obligations or Subordinate Obligations from the date thereof to the date of payment or redemption of the Senior Lien Obligations, Second Lien Obligations or Subordinate Obligations to be refunded;

provided that the Commission delivers a Certificate of the Commission to the effect that the Commission projects that the Average Annual Debt Service on all Outstanding Obligations after the issuance of the proposed additional Second Lien Obligations or Subordinate Obligations will be less than the Average Annual Debt Service on all Outstanding Obligations prior to the issuance of such proposed Second Lien Obligations or Subordinate Obligations; and provided further, that, if the maturity date of such additional Second Lien Obligations or Subordinate Obligations to be issued extends to a date later than the stated final maturity date of the Obligations being refunded, then Net Revenue in each Fiscal Year from and after the stated final maturity date of such refunded Obligations is projected to be not less than one hundred thirty percent (130%) of the Annual Debt Service payable in each such Fiscal Year with respect to all Outstanding Obligations, including the proposed additional Second Lien Obligations or Subordinate Obligations.

Additionally, while the Commission has Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the Commission shall have received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, to such issuance.

(b) The Commission delivers a report of the Traffic Consultant to the effect that, as of the date of issuance of the additional Second Lien Obligations or Subordinate Obligations:

(1) Net Revenue during the preceding Calculation Period ending not more than ninety (90) days prior to the date of delivery of the proposed additional Second Lien Obligations or Subordinate Obligations, was sufficient to satisfy the Toll Road rate covenant of the Indenture (which report may assume that a revision of the tolls that was approved and implemented by the Commission subsequent to the beginning of such Calculation Period had been in effect for the entire Calculation Period), and

(2) projected Net Revenue for each Fiscal Year over the term of the proposed additional Second Lien Obligations or Subordinate Obligations is expected to be sufficient to satisfy the Toll Road rate covenant of the Indenture in each Fiscal Year. In calculating projected Net Revenue, the Traffic Consultant shall take into account amounts projected to be received from any change in toll policy (provided that no additional approvals need to be obtained and no additional requirements need to be satisfied in order to implement any such toll policy) and any additional toll lanes and facilities to be designated as included within the definition of Toll Road.

Additionally, while the Commission has Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the Commission shall have received the written consent of the TIFIA Lender, if required under the applicable TIFIA Loan Agreement, to such issuance.

(c) Such Second Lien Obligations or Subordinate Obligations constitute Completion Obligations; provided, however, that prior to the incurrence of such Completion Obligations, the Commission shall furnish to the Trustee: (i) a certificate of a licensed architect or Consulting Engineer estimating the costs of completing the facilities for which such Completion Obligations are to be incurred and pay capitalized interest, if any on Commission Obligations Outstanding during the completion period, and (ii) a Certificate of the Commission certifying that the amount of such Completion Obligations to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or Consulting Engineer in respect of which such Completion Obligation is to be incurred; provided, further, that, while the Commission has outstanding Obligations in the form of or securing payment of a TIFIA Loan held by the TIFIA Lender, the Commission has received the written consent of the TIFIA Lender in accordance with the applicable TIFIA Loan Agreement to such issuance.

## AMENDMENTS TO INDENTURE

[to come]

## PLAN OF REFUNDING

***Refunding of 2013 Series A Senior Bonds.*** The 2013 Series A Senior Bonds were issued pursuant to the Master Indenture, as supplemented by the First Supplemental Indenture, in the aggregate principal amount of \$123,825,000, all of which remains Outstanding. Pursuant to the terms of an Escrow Agreement, dated as of April 1, 2020 (the “*Escrow Agreement*”), by and between the Commission and U.S. Bank National Association, as escrow agent (the “*Escrow Agent*”), a portion of the proceeds of the 2020 Series A Senior Bonds, together with other available moneys (collectively, the “*Escrow Deposit*”), will be deposited into the Escrow Fund established under the Escrow Agreement (the “*Escrow Fund*”). The Escrow Deposit will be sufficient to purchase Defeasance Securities, the principal and interest of which when due will provide moneys that, together with uninvested moneys deposited with the Escrow Agent, will be sufficient to pay (i) the interest on the 2013 Series A Senior Bonds through June 1, 2023 (the “*Redemption Date*”) and (ii) the principal amount of the 2013 Series A Senior Bonds plus accrued and unpaid interest thereon (the “*Redemption Price*”) on the Redemption Date. Upon the Escrow Agent’s receipt of the Escrow Deposit and purchase of the Defeasance Securities, the 2013 Series A Senior Bonds will be defeased and will no longer be Outstanding under the Indenture. The 2013 Series A Senior Bonds are listed in the table below.

### Refunded Bonds

#### Riverside County Transportation Commission Toll Revenue Senior Lien Bonds

**2013 Series A  
(Current Interest Bonds)**

**Redemption Price: 100%**

<b>Maturity Date (June 1)</b>	<b>Par Amount Outstanding</b>	<b>CUSIP (Base No. 76912D)</b>
2044	\$39,315,000	AA6
2048	84,510,000	AB4

***Prepayment of TIFIA Obligations.*** To finance a portion of the construction costs of the RCTC 91 Express Lanes, the Commission borrowed approximately \$421,054,409 plus compounded interest under a TIFIA Loan Agreement with the United States Department of Transportation, evidenced by the Commission’s Toll Revenue Subordinate Bonds, 2013 TIFIA Series (collectively, the “*TIFIA Obligation*”). The current outstanding amount of the TIFIA Obligation is \$480,855,269. The Commission intends to apply a portion of the proceeds of the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds to prepay the TIFIA Obligation in full, on the date of issuance of the 2020 Series Bonds. See “ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”

***Verification.*** Causey Demgen & Moore P.C., certified public accountants (the “Verification Agent”), will deliver a report stating that the firm has verified the accuracy of mathematical computations concerning the adequacy of the amounts deposited in the Escrow Fund to defease the 2013 Series A Senior Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

The estimated sources and uses of the 2020 Series Bonds are as follows:

	<u>2020 Series A Senior Bonds</u>	<u>2020 Series B Senior Bonds</u>	<u>2020 Series C Second Lien Bonds</u>
<b>Sources</b>			
Principal Amount			
Premium/(Discount)			
TIFIA Loan Reserve Release			
Total Sources	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Uses</b>			
Escrow Fund Deposit			
Prepayment of TIFIA Obligations			
2013 Bonds Reserve Account Deposit			
2020 Series B Senior Bonds Reserve Account Deposit			
2020 Series C Second Lien Bonds Reserve Account Deposit			
2020 Series A Senior Bonds Capitalized Interest Account Deposit			
Underwriters' Discount			
Costs of Issuance			
Total Uses	<u>                    </u>	<u>                    </u>	<u>                    </u>



## DEBT SERVICE REQUIREMENTS

The following table is the annualized debt service schedule for the 2020 Series Bonds assuming no redemption other than mandatory sinking fund redemption.

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(1)

99223117.5

## **RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

### **General**

The Commission is a county transportation commission duly organized and existing pursuant to the County Transportation Commissions Act, being Division 12 of the Public Utilities Code of the State of California (Section 130000 et seq.) (as amended, the “Act”). The Commission began to oversee the funding and coordination of public transportation services in 1977 within the County of Riverside (the “County”). The Commission serves as the tax authority and implementation agency for the voter-approved Measure A Transportation Improvement Program, which imposes a ½ cent sales tax within the County to fund transportation improvements.

The County was organized in 1893 from territory in San Bernardino and San Diego Counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and San Bernardino Counties. The County is the fourth largest county (by area) in the State of California (the “State”) and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County

The Commission is charged with a number of important responsibilities in serving the residents of the County. Administering the sales tax program has been by far the most prominent of these responsibilities. The Commission, which has the responsibility of placing future transportation ballot measures before the public, was successful in November 2002 in obtaining more than two-thirds voter approval of the Measure A Sales Tax.

In addition to the Commission’s Measure A responsibilities, the Commission has also been designated as the congestion management agency for the County. As the CMA, the Commission has developed a congestion management program that more effectively utilizes transportation funds by linking land use, transportation and air quality efforts.

The Commission serves as the Service Authority for Freeway Emergencies and operates the freeway service patrol (the “FSP”) for the County. The results of these programs – 136 call boxes along the County roadways and 27 FSP tow trucks providing assistance to more than 44,600 motorists annually – are among the most visible of the Commission’s programs.

In 1998, the State Legislature gave new authority to the Commission by changing the way funding is distributed from the State Transportation Improvement Program, which is funded through state and federal gas taxes. In simple terms, counties no longer apply to the State for funding their most urgent transportation needs. Instead, State transportation dollars are given directly as an entitlement, leaving the decision making about transportation spending up to the designated county transportation commission like the Commission. While this gives the Commission greater control over how transportation dollars are spent, it also requires a much higher level of local communication and participation to determine how these dollars are spent throughout a county with many transportation needs. The Commission has the responsibility to program funds received under the California Transportation Development Act, a statewide source of funding for transit purposes, primarily to the County’s major public transit providers, although the Commission has no responsibility to provide transit services.

### **The Transportation Expenditure Plan**

On November 5, 2002, 69.2% of the voters of the County approved Measure “A” – The Riverside County Transportation Commission Transportation Expenditure Plan (the “Expenditure Plan”) and Retail

Transaction and Use Tax Ordinance (the “Ordinance”), which renewed a half-cent sales tax for transportation levied by the Commission within the County through 2039.

The Ordinance provides that sales tax revenues generated by Measure A (“Sales Tax Revenues”) be distributed to the specific geographic areas of Riverside County (*i.e.*, Western County, Coachella Valley, and Palo Verde Valley) based on their proportionate share of revenues generated in the County, and that funds (including proceeds of bonds secured by such sales tax revenues) be allocated for highway and regional arterial projects, local streets and roads, transit and commuter rail, new corridors and economic development. In the Western County, \$370 million is to be used for new corridor projects, \$1.020 billion for highway projects, \$300 million for regional arterial projects, \$390 million for public transit, \$970 million for local street and road improvements, \$270 million for bond financing costs, and the remaining \$40 million for economic development projects. In the Coachella Valley, fifty percent is to be earmarked for its highway and regional arterial system, thirty-five percent for local streets and roads, and the remaining fifteen percent for transit. All Palo Verde Valley funds are designated for the maintenance of local streets and roads.

Sales Tax Revenues and proceeds of bonds payable from Sales Tax Revenues may not be expended on improvements to the RCTC 91 Express Lanes directly relating to the tolled lanes, but may instead be expended on ancillary projects authorized in the Expenditure Plan, including general purpose lane construction and right-of-way acquisition.

### **Commissioners**

Section 130053 of the California Public Utilities Code specifies that the Commission consists of five members of the County Board of Supervisors, one member from each incorporated city in the County (each of whom must be a mayor or member of the City Council) and one non-voting member appointed by the governor of the State of California. The role of the Commission is to act as a policy-making board for Riverside County transportation activities.

To enhance County-wide participation and improve its decision-making, the Commission made a major change in its structure in 1999 by expanding the Board from eight members to 30. The Board expanded in 2008, 2010 and 2011 with the addition of four members in total representing newly incorporated cities. The current Board now has 34 members. The expanded Commission ensures better representation throughout the County and provides the participatory framework for continued success in carrying out these responsibilities.

### **Executive Staff**

The Commission’s key staff members, the position held by each and a brief statement of the background of each staff member are set forth below.

**Anne Mayer, Executive Director.** Anne Mayer was appointed in October 2007 as the Executive Director of the Commission. She is responsible for overall management of the Commission including execution of operational policies and procedures and all personnel decisions. Ms. Mayer joined the Commission in May 2005 as Deputy Executive Director. Prior to joining the Commission, she was the District 8 Director for the California Department of Transportation (“Caltrans”). Ms. Mayer is a Professional Engineer in the State of California with over 36 years of experience in the public works field. Ms. Mayer holds a civil engineering degree from Michigan State University.

**John Standiford, Deputy Executive Director.** In January 2008, John Standiford was appointed as Deputy Executive Director for the Commission. He joined the Commission in 1999 and was the Public Affairs Director prior to his current appointment. Mr. Standiford also served as the Manager of Government and Media Relations for the OCTA, where he worked for more than seven years. Earlier in his career, Mr. Standiford worked for three state legislators from the Los Angeles area. He received his bachelor and master's degrees from the University of California, Irvine.

**Theresa Trevino, Chief Financial Officer.** Ms. Trevino joined the Commission as the Chief Financial Officer in January 2004. Her responsibilities include financial, budget, procurement, investment and debt management of a multi-modal program that includes highway, transit, rail, motorist assistance, and tolling. Ms. Trevino manages one of the largest self-help transportation sales tax financing programs in California and the toll revenue financing program. Ms. Trevino previously worked as Manager of Accounting and Financial Reporting for the OCTA. Ms. Trevino's 19-year public accounting career included 16 years with Ernst & Young LLP. As Senior Manager in its Assurance and Advisory Business Services practice serving government clients, she led the development of the Southern California practice. She is a Certified Public Accountant in California and completed the Leadership Academy of the International Bridge, Tunnel and Turnpike Association. Ms. Trevino received a bachelor of science degree in accounting from Loyola Marymount University with Magna Cum Laude Honors.

**Michael Blomquist, Toll Program Director.** Michael Blomquist has served as the Toll Program Director since 2008 after joining the Commission in 2007. He is responsible for managing the toll program which includes the planning, design, construction, and operation of the Commission's tolled express lane facilities. He previously worked in the consulting engineering arena in various project and program management roles on large design-build freeway projects in California, Oregon, and Utah. He has 29 years of experience in transportation infrastructure and is a Professional Engineer in the State of California. Mr. Blomquist has completed the Leadership Academy of the International Bridge, Tunnel and Turnpike Association. He holds a bachelors of science degree in civil engineering from the California Polytechnic State University at San Luis Obispo and a masters degree in business from the California State University at Fullerton.

## **RCTC 91 EXPRESS LANES**

The RCTC 91 Express Lanes, constructed by the Commission along the median of State Route 91 ("SR-91") in Riverside County, consist of two tolled express lanes in each direction running approximately eight miles, between the Orange County/Riverside County line to the west and the Interstate 15 ("I-15") interchange to the east, as well as a tolled direct connector of one lane in each direction from SR-91 to I-15 south, related improvements and an electronic toll collection and enforcement system. At the Orange County/Riverside County line, the RCTC 91 Express Lanes connect with the tolled express lanes (the "OCTA 91 Express Lanes") operated by the Orange County Transportation Authority ("OCTA"), using a two-mile long mixing area (allowing vehicles to use either or both sections of the tolled lanes). The portion of SR-91 that includes the 91 Express Lanes provides motorists with two tolled express lanes and five general purpose lanes in each direction.

The RCTC 91 Express Lanes have fully automated tolling, including the application of managed lane variable pricing based on the day and time of travel. The variable pricing approach adjusts toll rates based on the number of vehicles on the road in a manner designed to maintain "free flow" conditions. Toll rates may be changed in accordance with the toll policy approved by the Commission's Board without the need to have separate Board approval for each increase. Tolls on each of the OCTA 91 Express Lanes and the RCTC 91 Express Lanes are charged independently. When travelling along SR-91, vehicles may use either or both of such tolled express lanes, or may use the general purpose lanes (which are free of charge).

The RCTC 91 Express Lanes opened to motorists on March 20, 2017. Ridership on the RCTC 91 Express Lanes and the revenues generated have exceeded forecasts made in the original Traffic and Revenue Study and Engineer’s Technical Report prepared in connection with the issuance of the Commission’s toll revenue bonds in 2013. See “TRAFFIC AND REVENUE ESTIMATES” and “ENGINEER’S TECHNICAL REPORT.”

Construction costs for the RCTC 91 Express Lanes totaled approximately \$1.4 billion, and were partially financed through the issuance pursuant to the Master Indenture of \$123,825,000 in aggregate principal amount of the 2013 Series A Senior Bonds, \$52,829,601.60 in initial principal amount of the 2013 Series B Senior Bonds, 2013 and the proceeds of a TIFIA Loan in the initial principal amount of \$421,054,409 plus compounded interest, evidenced by the Commission’s Toll Revenue Subordinate Bonds, 2013 TIFIA Series. The Commission intends to refund all of the 2013 Series A Senior Bonds and prepay the TIFIA Obligations in full with proceeds of the 2020 Series Bonds. See “PLAN OF REFUNDING” herein.

In addition to the RCTC 91 Express Lanes, the Commission is also responsible for the construction, operation and maintenance of tolled express lanes along I-15 running north and south from SR-91 (the “RCTC 15 Express Lanes”). Since completion of construction of the RCTC 91 Express Lanes, the Commission has completed a westbound SR-91 weave lane between the express lanes and general purpose lanes and accelerated a project to widen the westbound SR-91 general purpose lanes at the Orange County/Riverside County line, while the Express Lanes Connector between I-15 and SR-91 (described below) and the proposed 241/91 Express Lane Direct Connector projects have been delayed.

The Commission is currently undertaking the construction of a direct connector project between the RCTC 91 Express Lanes to and from the northern segment of the RCTC 15 Express Lanes (the “Express Lanes Connector”). The Express Lanes Connector will provide for a seamless trip between the RCTC 91 Express Lanes and the northern segment of the RCTC 15 Express Lanes. The toll system for the Express Lanes Connector will be designed to identify when and where a vehicle enters the system in order to determine the combined toll for the inter-facility trip.

The total construction cost of the Express Lanes Connector is approximately \$[220,000,000], of which \$180,000,000 will be funded through an appropriation of the State Legislature pursuant to Senate Bill 132. The remainder of the cost will be paid with surplus funds of the RCTC 91 Express Lanes. The Commission plans to enter into a design-build contract for construction of the Express Lanes Connector in the first or second quarter of 2020, with completion expected in 2023. The Express Lanes Connector will be part of the RCTC 15 Express Lanes facility but based on an analysis undertaken by Stantec, 70% of the revenue to be generated by the Express Lanes Connector is estimated to be allocated to the RCTC 91 Express Lanes and will constitute Toll Revenues under the Indenture. This 70% revenue stream is reflected in Stantec’s Updated Study. See “APPENDIX B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018” and “APPENDIX B-2 – STANTEC BRINGDOWN LETTER.”

## **OPERATION AND MAINTENANCE OF THE RCTC 91 EXPRESS LANES**

### **General**

The operation and maintenance of the RCTC 91 Express Lanes is performed primarily by two contractors: Cofiroute USA LLC (“Cofiroute”) and Kapsch TrafficCom USA (“Kapsch”). Cofiroute provides the back office system, customer service operations and traffic operations center services.

Cofiroute is responsible for transaction processing, customer service, violation processing and incident management. Cofiroute provides these services for both the Commission and OCTA pursuant to an agreement among OCTA, RCTC and Cofiroute with an effective date of January 28, 2020 (the “Toll Operator Agreement”). The Toll Operator Agreement has an initial term that expires January 31, 2027, with an option on the part of OCTA and RCTC to extend the term for an additional 36 months. Notwithstanding their physical connection and the use of the same toll operator, the OCTA 91 Express Lanes and the RCTC 91 Express Lanes are independent enterprises and their finances are not commingled.

The Commission contracted with Kapsch in 2018 to replace the roadside system in order to comply with California regulation Title 21 requiring the acceptance of 6C transponders and to facilitate tolling between the RCTC 91 Express Lanes and future RCTC 15 Express Lanes and Express Lanes Connector, pursuant to a “Toll Service Provider Agreement.” Under the Toll Service Provider Agreement, Kapsch is responsible for the provision of the roadside system, and the operation and maintenance of the system for the RCTC 91 Express Lanes, RCTC 15 Express Lanes and Express Lanes Connector. Kapsch also provides the roadside system and operation and maintenance for the OCTA 91 Express Lanes.

The Commission is responsible for roadway maintenance of the RCTC 91 Express Lanes infrastructure (e.g. pavement, barriers, channelizers, sign structures, etc.) pursuant to terms of a Toll Facilities Agreement between the Commission and Caltrans. The Commission in turn contracts with Caltrans to perform this maintenance. Caltrans is also responsible for the operations and maintenance for all SR-91 roadway elements outside the RCTC 91 Express Lanes.

### **Toll Contractors**

Cofiroute, headquartered in Irvine, California, is a wholly-owned subsidiary of Cofiroute S.A., headquartered in Paris, France. Cofiroute S.A. is the largest private toll road operator in France, with operations in Germany and the United Kingdom as well. Cofiroute S.A. is part of the VINCI Group, a public company with more than 180,000 employees in over 100 countries.

Kapsch is an international provider of intelligent transportation systems in more than 50 countries around the globe. As part of the Kapsch Group, Kapsch, with headquarters in Vienna, has subsidiaries and branches in more than 30 countries. It has been listed in the Prime Market of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). Kapsch has about 5,000 employees.

The Commission's payments to Cofiroute and Kapsch are a primary component of Operation and Maintenance Expenses of the RCTC 91 Express Lanes. See "APPENDIX C - ENGINEER'S TECHNICAL REPORT" for a detailed discussion of such Operation and Maintenance Expenses.

### **Toll Operator Agreement**

Under the Toll Operator Agreement, Cofiroute is required to perform all aspects of the core services for the RCTC 91 Express Lanes in the functional areas outlined below:

- Program Management and Administration, Information Systems Technology and Telecommunications;
- Customer Service, Violations Enforcement and Processing;
- Traffic Operations Center;
- Incident Management; and
- Emergency Services Coordination.

Cofiroute also manages the posting of toll rates on the changeable message signs along the RCTC 91 Express Lanes and reports on traffic volumes, providing the basis for quarterly toll rate adjustments to ensure that congestion on the RCTC 91 Express Lanes is managed.

The Commission's payments under the Toll Operator Agreement are a primary component of Operation and Maintenance Expenses of the RCTC 91 Express Lanes. **[detail of payments to come]** See "APPENDIX C – ENGINEER'S TECHNICAL REPORT" for a detailed discussion of such Operation and Maintenance Expenses.

Cofiroute is required by the Toll Operator Agreement to provide the following insurance coverage:

- Commercial General Liability with a minimum limit of \$5,000,000 per occurrence and \$10,000,000 general aggregate
- Automobile Liability with a combined single limit of not less than \$5,000,000
- Workers' Compensation with a minimum limit of \$1,000,000 each accident
- Commercial Crime with limits of not less than \$5,000,000 per claim covering employee dishonesty, forgery and alteration, monies and securities, and computer crime;
- Technology Errors and Omissions including privacy and network security liability coverage, with limits of not less than \$15,000,000 per incident and in the annual aggregate

As security for the performance of its obligations under the Toll Operator Agreement, Cofiroute is required to provide an Operation and Maintenance Bond and a Performance Bond issued by sureties authorized to do business in the State with an A.M Best Rating of A-, Class VIII, or better, or as otherwise approved by OCTA and RCTC in their sole discretion. Initially, such Operation and Maintenance Bond shall be in the amount of \$30.9 million (decreasing annually to \$10.8 million in the third year of the contract) and such Performance Bond shall be in the amount of \$14.3 million

### **Toll Services Provider Agreement**

Under the Toll Services Provider Agreement, Kapsch is responsible for the provision and maintenance of all elements of the RCTC 91 Express Lanes roadside toll collection system, with maintenance related activities for the system provided on a continuous 24/7 basis. Such elements include all hardware, equipment, software and firmware maintenance for the toll points of the roadside toll collection system. Prior to 2018, these functions were previously performed by Cofiroute under its prior Toll Operator Agreement with the Commission.

### **Electronic Tolling**

The RCTC 91 Express Lanes include an all-electronic toll collection system. All users are required to have a prepaid account with a tolling agency that will issue a FasTrak transponder to the customer. FasTrak transponders are fully interoperable with all toll roads and express lanes in California. The RCTC 91 Express Lanes were designed to make the transition from using the OCTA 91 Express Lanes to the RCTC 91 Express Lanes as seamless as possible (although two separate tolls will be charged to vehicles electing to use both of such tolled express lanes).

Tolls are collected along the route between specific points, known as toll points. At each toll point, an overhead antenna reads the transponder identification, encrypting the number for security causing a charge to be levied to the customer's account for the toll amount. Each toll point is also a location at which cameras record images of a vehicle's license plate for violation enforcement purposes.

Toll transponder technology is prescribed by State regulation and overseen by Caltrans. In 2017, Caltrans amended its regulations to change the current transponder technology, which had been in place since 1993, to a new technology referred to as 6C. This amended regulation was supported by the Commission and all other operating toll agencies in the State. The regulation requires toll agencies to begin transitioning to 6C technology by January 1, 2019. The new technology offers several benefits, including smaller, more physically appealing transponders (some in the form of a sticker) that do not require batteries, and cost savings that can be passed on to customers. Instead of a customer account with a single transponder that is shared among vehicles, the new 6C technology makes it feasible for the Commission to require each vehicle to have its own transponder, thereby increasing the number of transponders per account. The Commission's revised account fee policy includes such a requirement and specifies decreased administrative fees to allow it to remain competitive with other toll agencies. The Commission estimates that its revised account fee policy will decrease annual revenues for the RCTC 91 Express Lanes by approximately \$763,000 on average, for each year through calendar year 2040.

Cofiroute is responsible for the collection, counting, handling, storage, transferring to the Commission's and OCTA's armored car service, and verification of the disposition of all collected funds. This includes cash payments, payments by credit card, check, or other sources associated with both RCTC 91 Express Lanes accounts and collections from violations and/or fines.

Pursuant to the Toll Operator Agreement, the Commission, OCTA and Bank of the West, as custodian (the "*Custodian*"), have entered into a Master Custodial Account Agreement, dated as of January 31, 2017 (the "*Custodial Account Agreement*"), which governs the custody and processing of all toll revenues generated on the OCTA 91 Express Lanes and the RCTC 91 Express Lanes. The Custodian holds all prepaid funds of SR-91 FasTrak customers in a single master account in trust for such customers until such time as the customers utilize either the OCTA 91 Express Lanes or the RCTC 91 Express Lanes, and will transfer funds either to OCTA's bank account or to the Trustee on behalf of RCTC as it receives toll transaction information from Cofiroute. Aside from collecting funds for FasTrak accounts funded without the use of credit cards and collecting toll violation payments, Cofiroute does not have access to or any beneficial interest in funds generated by toll transactions on the RCTC 91 Express Lanes.

## **Toll Rates**

In June 2012, the Commission adopted an "enhanced" toll policy. Under this policy, tolls were to be set by time of day, based on traffic demand observed during the prior three-month period. The toll rates were to be reset quarterly and different rates would be applicable from time to time throughout each weekday and on weekends. The Commission's enhanced toll policy was similar to OCTA's toll policy as it tied toll increases to traffic volumes, but allowed for increases of off-peak toll rates once certain volume thresholds were exceeded.

During the first 16 months of operation, the RCTC 91 Express Lanes experienced demand that materially exceeded original projections, leading to frequent toll rate adjustments. As a result, in October 2018 the Commission amended its toll policy to (i) provide for separate tolling for each express lane in each direction, (ii) adjust peak volume pricing triggers and peak toll amounts, in order to optimize throughput at free flow speeds and balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more occupants in the vehicle who are offered discounted tolls, and (iii) establish annual inflation adjustments tied to the Consumer Price Index for the region. See "APPENDIX



B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY— INVESTMENT GRADE STUDY REFRESH 2018” and “APPENDIX B-2 – STANTEC BRINGDOWN LETTER.”

### **Toll Violations Enforcement**

According to California statutes, where video imaging or a photo is used for enforcement, the toll agency can pursue the vehicle’s owner for collection of the toll plus penalties. Such enforcement measures are to be taken when the vehicle owner is not a registered program customer, has insufficient funds in his or her account, or has a closed account.

Pursuant to the toll collection system of the RCTC 91 Express Lanes, vehicle and license plate images are captured whenever a vehicle passes under a toll gantry. Cofiroute and Kapsch are responsible for performing image reviews to identify and verify license plate numbers. Such license plate numbers may be linked to valid accounts resulting in the related transaction being posted as a toll charge to the account and no violation notice being issued. If the numbers are not linked to valid accounts and it is determined that a violation has occurred, Cofiroute’s back office system will send the information to the State Department of Motor Vehicles (“DMV”) to obtain the owner’s vehicle registration information, including name and address. Under the Toll Operator Agreement, Cofiroute will be responsible for mailing all violation notices, for tracking violations to completion, and for all violation payment processing. If violation notices are ignored and violation payments remain uncollected for longer than the requisite 90-day notice period, the Commission has the right to have Cofiroute engage a collection agency. For those cases that are deemed uncollectible after all reasonable efforts are made to achieve collection, Cofiroute provides the Commission with information as to the amount of the write-off. See “PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE,” “RISK FACTORS – Operating Risks – *Less Than Projected Non-Toll Revenue*” and “APPENDIX C – ENGINEER’S TECHNICAL REPORT.”

## **TRAFFIC AND REVENUE ESTIMATES**

### **General**

[table of T&R performance since opening to come]

The Commission has relied on the RCTC 91 Express Lanes Investment Grade Traffic and Revenue Study – Investment Grade Study Refresh 2018, dated November 27, 2018 (the “*Investment Grade Study Refresh*”), as supplemented by Stantec’s Bringdown Letter dated February \_\_, 2020 (the “*Bringdown Letter*,” and together with the Investment Grade Study Refresh, the “*Updated Study*”), prepared by Stantec Consulting Services Inc. (“*Stantec*”) for its projection of gross revenues generated by the RCTC 91 Express Lanes. See “PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE,” “APPENDIX B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018” and “APPENDIX B-2 – STANTEC BRINGDOWN LETTER.” This section includes a brief summary of selected provisions of the Updated Study and is not a full statement of the contents of the Updated Study. Accordingly, the following summary is qualified in its entirety by reference to and is subject to the full text of the Updated Study. The Updated Study is expressly subject to the limitations and disclaimers set forth therein, including qualifications and assumptions made, procedures followed, matters considered and any limitation on the scope of work contained therein.

## **Stantec Consulting Services Inc.**

Stantec Consulting Services Inc. has a professional staff of approximately 22,000 employees and 400 offices across six continents and has been serving public and private clients since 1954. Stantec has a group of approximately 3,000 transportation professionals of which approximately 40 professionals are actively involved with toll facility clients. Stantec's toll facility experience includes working with more than 100 clients in more than 30 states and internationally. Stantec's investment grade traffic and revenue reports have been the basis for the sale of over \$55 billion in revenue bonds.

### **Scope of Traffic and Revenue Study**

During the initial phases of construction of the RCTC 91 Express Lanes, the Commission engaged Stantec to serve as traffic and revenue consultant. Stantec prepared the "Riverside County 91 Express Lanes Extension Investment Grade Study" dated May 9, 2012, as supplemented by Stantec's Supplemental Letter dated June 12, 2013 (collectively, the "*Original Study*"). The Original Study formed the basis for projections used in connection with the issuance and sale of the Commission's 2013 Senior Bonds.

The Commission subsequently engaged Stantec in 2018 to update the Original Study, leading Stantec to prepare the Investment Grade Study Refresh. The Investment Grade Study Refresh was developed as part of an effort to re-assess the near-term and long-term potential of the RCTC 91 Express Lanes, and to assess the revenue impacts of proposed corridor improvements. The Investment Grade Study Refresh includes forecasts of likely toll traffic and revenue for the RCTC 91 Express Lanes from fiscal years 2018-19 through 2065-66. The Bringdown Letter provides a further update of the Investment Grade Study Refresh.

The Updated Study, among other things, (i) accounts for actual RCTC 91 Express Lanes operating results since March 2017; (ii) updates relevant employment, population and household data; (iii) analyzes new regional projects that affect the traffic network and new regional land development; and (iv) accounts for actual express lane traffic capacities.

With regard to operating results, the Updated Study observes that from the start, utilization of the RCTC 91 Express Lanes has outpaced expectations. Currently, the RCTC 91 Express Lanes see weekday utilization in excess of 42,000 vehicles per day. The Original Study estimated that weekday toll transactions in Fiscal Year 2019-20 would be 27,650 vehicles per day. This high utilization is due primarily to the fact that the SR-91 corridor (both express lanes and general purpose lanes) is heavily traveled, carrying over 300,000 vehicles per day.

The Updated Study notes actual gross revenues generated by the RCTC 91 Express Lanes of nearly \$48 million in Fiscal Year 2017-18, and forecasts gross revenues of \$47.66 million in Fiscal Year 2019-20, increasing to \$63.93 million in Fiscal Year 2024-25, while annual toll transactions are forecasted to grow to 11.93 million in the same period. These amounts are roughly 8% greater than the corresponding amounts forecasted in the Original Study for the forecast period of Fiscal Year 2018-19 through Fiscal Year 2065-66. See "RISK FACTORS – Operating Risks – *Less Than Projected Use of RCTC 91 Express Lanes*," "APPENDIX B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018" and "APPENDIX B-2 – STANTEC BRINGDOWN LETTER."

## ENGINEER'S TECHNICAL REPORT

*This section includes a brief description of the scope of the Engineer's Technical Report and is not a full statement of the contents of the Engineer's Technical Report. Accordingly, the following summary is qualified in its entirety by reference to and is subject to the full text of the Engineer's Technical Report. The Engineer's Technical Report is expressly subject to the limitations and disclaimers set forth therein, including qualifications and assumptions made, procedures followed, matters considered and any limitation on the scope of work contained therein.*

### General

The Commission has engaged Parsons Transportation Group, Inc. ("*Parsons*") to serve as the Commission's Express Lanes Engineer. In this capacity, Parsons has prepared an Engineer's Technical Report dated February \_\_, 2020 (the "*Engineer's Technical Report*") attached hereto as APPENDIX C, which provides a development history of the RCTC 91 Express Lanes and confirms that all construction, right-of-way acquisition and related work is complete, discusses the tolling strategy and other information relevant to the operations, maintenance, rehabilitation and repair of the RCTC 91 Express Lanes, forecasts revenues and expenses of the RCTC 91 Express Lanes and discusses major toll operations risks. As noted in the Engineer's Technical Report, Parsons had significant involvement in the planning, development and financing of the RCTC 91 Express Lanes, and prepared the Engineer's Technical Report dated June 12, 2013 in connection with the issuance and sale of the 2013 Senior Bonds.

### Parsons Transportation Group Inc.

Parsons is a construction management and professional services firm with six offices in Southern California, employing more than 500 transportation professionals with experience in planning, preliminary engineering, environmental, final design, transportation technology, design-build and program management with emphasis on freeway corridors. Parsons is a wholly-owned subsidiary of Parsons Corporation, which was founded in 1944. Parsons Corporation is an engineering, construction, technical and management services firm with offices across 34 states and 15 countries, with more than 14,000 employees worldwide.

### Scope of Engineer's Technical Report

The Engineer's Technical Report analyzes operations of the RCTC 91 Express Lanes. This analysis includes estimated projections of Non-Toll Revenue and Operation and Maintenance Expenses, a discussion of the operational and maintenance aspects of the toll lanes, tolling strategies and toll operation risks of the RCTC 91 Express Lanes. While the Engineer's Technical Report distinguishes between Toll Transaction Revenue, which is generated by usage of the RCTC SR-91 Express Lanes by FasTrak account holders, and Non-Toll Revenue, which is based on FasTrak account program fees and toll violation fees, both Toll Transaction Revenue and Non-Toll Revenue as described in the Engineer's Technical Report constitute "Toll Revenues" as defined in the Indenture.

[to be revised after Parsons review]

## HISTORICAL FINANCIAL INFORMATION

Set forth below is a table showing net revenues and Senior Lien Bonds debt service coverage for the RCTC 91 Express Lanes for the period from the start of revenue service on March 20, 2017 to June 30, 2017 and for the full fiscal years ended June 30, 2018 and June 30, 2019.

**RCTC 91 Express Lanes  
Net Revenues\*  
Fiscal Year Ended June 30**

	<u>2019</u>	<u>2018</u>	<u>2017<sup>†</sup></u>
<b>Revenues:</b>			
Toll Revenue	\$49,318,361	\$42,313,699	\$ 8,195,904
Non-toll revenue	9,105,100	8,133,125	1,929,391
Interest income, including unrealized gains (losses)	2,764,137	(32,662)	3,435
<b>Total Revenues</b>	<u>\$61,187,598</u>	<u>\$50,414,162</u>	<u>\$10,128,730</u>
<b>Expenses:</b>			
Management and operational services	\$ 9,664,844	\$ 9,136,307	\$2,691,372
Other	3,029,518	2,638,622	613,012
<b>Total Expenses</b>	<u>\$12,694,362</u>	<u>\$11,774,929</u>	<u>\$3,304,384</u>
<b>Net Revenues</b>	<u>\$48,493,236</u>	<u>\$38,639,233</u>	<u>\$6,824,346</u>
<b>Senior Lien Bonds Debt Service<sup>‡</sup></b>	\$7,119,938	\$3,559,969	\$ -
<b>Senior Lien Bonds Debt Service Coverage</b>	<u>6.81</u>	<u>10.85</u>	<u>N/A</u>

**PROJECTED CASH FLOW AND DEBT SERVICE COVERAGE**

The table on the following page presents, for the fiscal years ending June 30, \_\_\_\_ through June 30, \_\_\_\_, both inclusive, the Toll Revenues for usage of the RCTC 91 Express Lanes as estimated by Stantec, and certain Toll Revenues and non-toll transaction sources and the Operation and Maintenance Expenses of the RCTC 91 Express Lanes as estimated by Parsons, as well as estimated debt service and debt service coverage ratios for the Outstanding Senior Lien Obligations and the Second Lien Obligations. See “APPENDIX B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018,” “APPENDIX B-2 – STANTEC BRINGDOWN LETTER” and “APPENDIX C – ENGINEER’S TECHNICAL REPORT.” Actual operating results achieved during the projection period may vary from those presented below and such variations may be material. See “RISK FACTORS – Operating Risks” and “– Forward-Looking Statements.”

\* Amounts are derived from audited financial statements of RCTC 91 Express Lanes Fund. See “FINANCIAL STATEMENTS” and “APPENDIX A – RCTC 91 EXPRESS LANES FUND FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2019.”

<sup>†</sup> 2017 represents partial fiscal year; RCTC 91 Express Lanes opened for revenue service on March 20, 2017.

<sup>‡</sup> Interest due on the 2013 Series A Toll Revenue Bonds through December 1, 2017 was paid from the 2013 Series A Capitalized Interest Account.

Source: The Commission

**Projected Cash Flow and Debt Service Coverage  
(Dollars in Thousands)**

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(1)

Source: The Commission.

## RISK FACTORS

*The following is a discussion of certain risk factors that should be considered in evaluating an investment in the 2020 Series Bonds. This discussion does not purport to be either comprehensive or definitive. The order in which risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may well be other risks associated with an investment in the 2020 Series Bonds in addition to those set forth herein.*

[additional Risk Factors to be discussed]

### Limited Obligations

The 2020 Series Bonds are limited obligations of the Commission payable solely from, and secured solely by a first lien on and pledge of the Trust Estate, which consists primarily of Toll Revenues. Other than the pledge of the Trust Estate, the Commission has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the RCTC 91 Express Lanes or any expansions or extensions thereto, as security for payment of the 2020 Series Bonds.

### Rate Covenant Not a Guarantee

The ability of the Commission to pay the debt service with respect to the 2020 Series Bonds depends on the ability of the Commission to generate Toll Revenues at the levels required by the Indenture, which in turn depends on use of the Toll Road by a sufficient number of toll-paying vehicles. Although the Commission has covenanted in the Indenture to establish toll rates at specified levels as more particularly described herein, and expects that sufficient Toll Revenues will be generated through the imposition and collection of such tolls, the Commission's covenant does not constitute a guarantee that sufficient Net Revenues will be available to pay debt service with respect to the 2020 Series Bonds.

### Limited Remedies Under the Indenture

The remedies available to owners of the 2020 Series Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring the Commission and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture. **NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE 2020 SERIES BONDS.** Therefore, owners of the 2020 Series Bonds will be able to collect principal and interest that become due after an Event of Default only from the Trust Estate (after payment of Trustee costs and Operation and Maintenance Expenses) included in the pledge under the Indenture and only when such principal and interest is scheduled to be paid. The remedies available under the Indenture depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the 2020 Series Bonds will be qualified to the extent that the enforceability of certain legal rights related to the 2020 Series Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

## Operating Risks

The ability for the RCTC 91 Express Lanes to generate Toll Revenues in amounts sufficient to pay debt service on the 2020 Series Bonds when due is subject to and could be materially and adversely affected by the risks inherent in the operation of any toll facility. The ability to repay the 2020 Series Bonds will be dependent on the volume of traffic that utilizes the RCTC 91 Express Lanes, as well as the ability of the Toll Operator's computer systems to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among others, the ability to manage toll violations; the ability to control expenses; the availability of adequately trained personnel; population, employment and income trends within the region; the congestion on alternative freeways, highways, and streets; time savings experienced by utilizing the RCTC 91 Express Lanes; the toll rates; the availability and price of fuel; and the construction of new or improved competitive roadways or other transit facilities.

**Demographic and Economic Changes.** As past recessions have shown, macro-economic and demographic conditions can have a dramatic impact on economic activity, including the willingness and ability of consumers to use the RCTC 91 Express Lanes. Adverse changes to population, household and employment levels and growth and income levels will directly affect the use of the RCTC 91 Express Lanes.

**No Non-Compete Provisions.** When travelling along SR-91, vehicles will be able to use either or both of the OCTA 91 Express Lanes or the RCTC 91 Express Lanes, or may use the general purpose lanes (which do not require payment of a toll). The Indenture contains no restrictions on the ability of the Commission or Caltrans to construct new or improved roadways or other transit facilities that may compete with the RCTC 91 Express Lanes.

**Motor Fuel Prices and Taxes.** There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel prices could adversely affect the Toll Revenues of the RCTC 91 Express Lanes. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the regions served by the RCTC 91 Express Lanes and the Toll Revenues of the RCTC 91 Express Lanes.

**Changes in Law.** The operation of the RCTC 91 Express Lanes is subject to various laws, regulations and policies, including, among others, laws governing environmental protections and tax regulations. To the extent that the Commission or any other parties that are involved with the RCTC 91 Express Lanes are required to expend additional funds not budgeted in order to be in compliance with new or amended laws, regulations or policies, such unanticipated expenditures could have a negative impact on the Toll Revenues generated by the RCTC 91 Express Lanes. Laws, regulations and policies governing, among other things, air pollution, noise abatement and control, hazardous waste, solid waste, water quality and endangered species may become more stringent in the future, possibly requiring additional compliance efforts and having a material adverse effect on the and operation of the RCTC 91 Express Lanes.

Additionally, political pressure or legislative action could affect the ability of the Commission, Caltrans, the U.S. Department of Transportation or the Federal Highway Administration to budget for or tax or spend in respect of toll roads and other highway and transportation projects, or shift the focus of government spending to other modes of transportation, resulting in decreased use of the RCTC 91 Express Lanes. Further, action by the State Legislature to continue or expand the exemption enjoyed by electric vehicles or certain carpools from paying all or a portion of tolls on tolled express lanes in the State could have a material adverse effect on Toll Revenues generated by the RCTC 91 Express Lanes.

***Less Than Projected Use of RCTC 91 Express Lanes.*** The revenue forecasts in the Updated Study are based upon certain assumptions described in such reports and upon certain additional assumptions described therein. See “APPENDIX –B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018” and “APPENDIX B-2 – STANTEC BRINGDOWN LETTER.” Based upon such assumptions, Stantec has expressed its opinion that such revenue forecasts are reasonable and have been prepared in accordance with accepted practice for such studies. As provided in therein, however, such reports are not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, any of the estimates and assumptions in such reports are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Commission. Failure to achieve or realize any of the assumptions described above may have a material adverse effect upon the amount of Toll Revenues actually generated.

***Higher Than Projected Maintenance Costs.*** Successful operation of the RCTC 91 Express Lanes requires timely and complete maintenance. Although the Commission has covenanted in the Indenture to keep the RCTC 91 Express Lanes in good repair, no assurance can be given that sufficient funds will be available to adequately maintain the RCTC 91 Express Lanes. Any significant deterioration in the RCTC 91 Express Lanes may result in increased operating costs and in reduced usage (or temporary lane closures) and may adversely affect the amount of Net Revenue available to pay debt service with respect to the 2020 Series Bonds.

***Less Than Projected Non-Toll Revenue.*** A component of Toll Revenues is described in the Engineer’s Technical Report as “Non-Toll Revenue” or “NTR.” Non-Toll Revenue is defined as sources of revenue not directly tied to transactions, but derived primarily through administration of various customer convenience programs, violation administration, and interest income from investment of funds. Parsons has developed a projection of the Commission’s Non-Toll Revenue based on historical data from the RCTC 91 Express Lanes and the OCTA 91 Express Lanes. There is no assurance that the actual amount of Non-Toll Revenue will reach estimated levels or increase at the rate projected in the Engineer’s Technical Report. The Commission and OCTA could modify its customer convenience programs, or institute other pricing and promotion policies, that adversely affect Non-Toll Revenue. In addition, the generation of Non-Toll Revenue could be adversely affected by legislative or judicial action limiting toll violation penalties or FasTrak account fees. Weak economic conditions may decrease the number of customer accounts, or increase the number of uncollectible accounts, which also would adversely affect Non-Toll Revenue. The establishment of lower cost user programs by other toll agencies in the region could also decrease the number of customer accounts and adversely affect the generation of Non-Toll Revenue. In addition, ineffective enforcement mechanisms used against toll violators may adversely affect the generation of Non-Toll Revenue. That portion of Non-Toll Revenue consisting of interest income could be adversely affected by decreases (or less than projected increases) in short-term interest rates. Finally, the projection of Non-Toll Revenue in the Engineer’s Technical Report is based on the current provisions of the RCTC/OCTA Cooperative Agreement specifying a fifty-fifty percentage split of certain non-toll revenues (the “*Percentage Revenue Split*”). The RCTC/OCTA Cooperative Agreement expressly provides for a re-evaluation of the Percentage Revenue Split on or before ten years from the opening date of the RCTC 91 Express Lanes and every ten years thereafter. There is no assurance that the Commission and OCTA will continue to agree on the same Percentage Revenue Split. See “APPENDIX C – ENGINEER’S TECHNICAL REPORT.”

***Technological and Societal Changes.*** Neither the Commission nor Stantec can predict the technological and societal changes that may affect the use of the RCTC 91 Express Lanes during the period that the 2020 Series Bonds remain Outstanding. Societal changes may include, for example, the increased use of telecommuting. Since the growth in traffic on the RCTC 91 Express Lanes can be



expected to be sensitive to changes in overall SR-91 corridor usage, higher levels of telecommuting could have an adverse impact on usage of the RCTC 91 Express Lanes. Technological advancements may include broadening the use of electric and/or autonomous vehicles which, together with more stringent air quality standards, could change the characteristics of vehicles on the road. Existing State law, the Caltrans/RCTC Toll Facility Agreement and the RCTC/OCTA Cooperative Agreement provide for free or discounted usage of the RCTC 91 Express Lanes by such zero emission vehicles. The development of new types of switchable transponders and other technological advances may significantly change the way Toll Revenues are collected. Other technologies or societal changes could have a similar detrimental effect on the RCTC 91 Express Lanes and the generation of Toll Revenues.

***Seismic or Other Casualty to the RCTC 91 Express Lanes.*** In the event of an earthquake, or other similar significant damage to the RCTC 91 Express Lanes, complete closure of the RCTC 91 Express Lanes might be required during the time needed for repair. (During development of the RCTC 91 Express Lanes, the geological survey determined that the Chino Fault needed to be considered for potential rupture. This fault runs perpendicular to the SR-91 at the Burlington Northern Santa Fe Railroad Prado Overhead Bridge between Auto Center Drive and the SR-71 interchange.) Although certain insurance proceeds may be available to the Commission in the event of an earthquake, there can be no assurances that the occurrence of an earthquake causing damage to the RCTC 91 Express Lanes will not materially adversely affect the amount of Toll Revenues available to pay debt service with respect to the 2020 Series Bonds.

***Limitations on Capacity.*** Future traffic growth will affect peak hours as well as other hours of the day, and may be expected to increase peak hour congestion on the RCTC 91 Express Lanes. Stantec has projected that peak hour congestion will be \_\_\_\_\_. See “TRAFFIC AND REVENUE ESTIMATES,” “APPENDIX B-1 – RCTC 91 EXPRESS LANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY—INVESTMENT GRADE STUDY REFRESH 2018” and “APPENDIX B-2 – STANTEC BRINGDOWN LETTER.” This congestion can generally be mitigated by increasing appropriate toll rates, which would have the effect of reducing peak period volumes. There can be no assurance that the RCTC 91 Express Lanes will be able to accommodate the capacity necessary to generate toll revenues at levels sufficient to meet its financial obligations.

***Fuel Availability and Pricing.*** Another factor which may affect the traffic on the RCTC 91 Express Lanes is the cost of fuel and its availability. Over the past 25 years, the price and availability of crude oil has been negatively impacted from time to time to the point of disrupting normal travel patterns on the nation’s highways and toll roads. Any serious supply disruption could be expected to result in fluctuations in forecasted annual revenues.

## **Bankruptcy Risks**

***The Commission.*** The Commission is authorized to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against the Commission. Should the Commission file for bankruptcy, there could be adverse effects on the holders of the 2020 Series Bonds.

If the toll revenues are “special revenues” under the Bankruptcy Code, then toll revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. “Special revenues” are defined to include receipts derived from the ownership or operation of projects or systems that are or are intended to be primarily used to provide transportation services. Bankruptcy courts have significant discretion in the characterization of revenues as “special revenues.” While the toll revenues appear to satisfy this definition and thus be “special revenues,” no assurance can be given that a court would not hold that the toll revenues are not special revenues. The Toll Revenues that are pledged by the

Commission to the Trustee include revenues other than toll revenues. The portion of the Toll Revenues that are not toll revenues may or may not be “special revenues.”

If any or all of the Toll Revenues are determined not to be special revenues, then any such amounts collected after the commencement of the bankruptcy case will likely not be subject to the lien of the Indenture. The holders of the 2020 Series Bonds may not be able to assert a claim against any property of the Commission other than the Toll Revenues, and if any or all of the Toll Revenues are no longer subject to the lien of the Indenture, then there may be limited, if any, funds from which the holders of the 2020 Series 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, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, the Commission may be able to use Toll Revenues to pay necessary operating expenses of the RCTC 91 Express Lanes that are greater or different than the Operation and Maintenance Expenses defined in the Indenture, before the remaining Toll Revenues are made available to the Trustee to pay amounts owed to the holders of the 2020 Series Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If the Commission is in bankruptcy, the parties (including the Trustee and the holders of the 2020 Series Bonds) may be prohibited from taking any action to collect any amount from the Commission or to enforce any obligation of the Commission, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the 2020 Series Bonds from funds in the Trustee’s possession. The Commission may be able to require that all Toll Revenues be paid directly to it, notwithstanding the provisions of the transaction documents that require the Toll Revenues to be paid directly to the Trustee. The Rate Covenant (see “SOURCES OF PAYMENT AND SECURITY FOR THE 2020 SERIES BONDS – Rate Covenant and Annual Budget”) may not be enforceable in bankruptcy by the Trustee or the holders of the 2020 Series Bonds.

If the Commission has any Toll Revenues in its possession when it files for bankruptcy and such Toll Revenues have been commingled with other moneys, then the Trustee and the holders of the 2020 Series Bonds may not have a lien on such moneys and the Commission may not be required to turn over such moneys to the Trustee. If the Commission has possession of Toll Revenues (whether collected before or after commencement of the bankruptcy) and if the Commission does not voluntarily turn over such Toll Revenues to the Trustee, it is not entirely clear what procedures the Trustee and the holders of the 2020 Series Bonds would have to follow to attempt to obtain possession of such Toll Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Under such circumstances, there may be delays or reductions in payments on the 2020 Series Bonds.

The Commission may be able to borrow additional money that is secured by a lien on any of its property (including the Toll Revenues), which lien could have priority over the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the 2020 Series Bonds will be adequately protected. The Commission may be able to cause Toll Revenues to be released to it, free and clear of the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the 2020 Series Bonds will be adequately protected.

The Commission may be able to reject the agreement with the Toll Operator and enter into an agreement with a new operator, regardless of any restrictions in the transaction documents.

The Commission may be able, without the consent and over the objection of the Trustee and the holders of the 2020 Series 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 2020 Series Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the 2020 Series Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Commission that could result in delays or reductions in payments on the 2020 Series Bonds, or result in losses to the holders of the 2020 Series Bonds. Regardless of any specific adverse determinations in a Commission bankruptcy proceeding, the fact of a Commission bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2020 Series Bonds.

***Toll Operator.*** If the Toll Operator were to go into bankruptcy, it may stop performing its functions as operator of the RCTC 91 Express Lanes, and it may be difficult to find a third party to act as successor operator. Alternatively, the Toll Operator may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as operator. If it would be difficult to find a third party to act as operator, the parties, as a practical matter, may have no choice but to agree to the demands of the Toll Operator. The Toll Operator may also have the power, with the approval of the bankruptcy court, to assign its rights and obligations as operator to a third party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

If the Toll Operator is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the Toll Operator under the applicable documents or to collect any amount owing by the Toll Operator under the applicable documents, unless the permission of the bankruptcy court is obtained.

If the Toll Operator is in bankruptcy, then, despite the terms of the documents, the parties may be prohibited from terminating the Toll Operator and appointing a successor Toll Operator.

The Trustee and the holders of the 2020 Series Bonds may not have a perfected or priority interest in any Toll Revenues that are in the Toll Operator's possession at the time of the commencement of the bankruptcy. The Toll Operator may not be required to remit to the Trustee any Toll Revenues that are in its possession at the time it goes into bankruptcy. To the extent that the Toll Operator has commingled Toll Revenues with its own funds, the holders of the 2020 Series Bonds may be required to return to the Toll Operator as avoidable transfers payments received on the 2020 Series Bonds that are traceable to funds received from the Toll Operator.

There may be delays in payments on the 2020 Series Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Toll Operator that could result in delays or reductions in payments on the 2020 Series Bonds, or result in losses to the holders of the 2020 Series Bonds. Regardless of any specific adverse determinations in a Toll Operator bankruptcy proceeding, the fact of a Toll Operator bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2020 Series Bonds.

***Third Parties in Possession of Funds.*** It is contemplated that there will be arrangements in place where cash advances received by a third party, which may be a business organization (such as the Custodian under the Custodial Account Agreement) or a governmental entity (including OCTA), may be applied to the payment of tolls by a user of the RCTC 91 Express Lanes. See "OPERATION AND MAINTENANCE OF THE RCTC 91 EXPRESS LANES – Electronic Tolling." Such cash advances are not subject to the lien of the Indenture until they become tolls. The Indenture requires that such business organization or governmental entity must agree to take such actions as the Commission may determine

are reasonably necessary to assure that the Commission will receive timely payment of such tolls. Nonetheless, no assurance can be given that, should such a third party go into bankruptcy or become insolvent, such agreement will be effective to assure that the Commission will receive timely payment of such tolls.

If a third party in possession of cash advances is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the third party under the applicable documents or to collect any amount owing by the third party under the applicable documents, unless the permission of the bankruptcy court is obtained.

Should a third party in possession of cash advances go into bankruptcy, the Commission, the Trustee, and the holders of the 2020 Series Bonds may not have a lien on, or other interest in, the moneys held by such third party and the third party may not be required to turn over to the Commission or the Trustee such moneys when they become tolls. While such agreements may provide that the third party holds such cash advances in trust, no assurance can be given that a court will not conclude that the relevant agreement does not in fact create a valid trust arrangement. Users of the RCTC 91 Express Lanes may assert that because they have already paid the third party, they are entitled to use the RCTC 91 Express Lanes without paying a second time, regardless of whether the third party turns over funds to the Commission or the Trustee. Under such circumstances, there could be delays or reductions in payments on the 2020 Series Bonds.

The holders of the 2020 Series Bonds may be required to return to such third party as avoidable transfers payments received on the 2020 Series Bonds that are traceable to funds received from such third party.

There may be delays in payments on the 2020 Series Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a third party in possession of cash advances that could result in delays or reductions in payments on the 2020 Series Bonds, or result in losses to the holders of the 2020 Series Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding of such a third party, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2020 Series Bonds.

### **Limitation on Tolling Period**

The RCTC 91 Express Lanes are located on freeway right-of-way owned by Caltrans, and leased to the Commission pursuant to the Caltrans/RCTC Toll Facility Agreement, dated as of May 14, 2012 (the "*Toll Facility Agreement*"). The term of the Toll Facility Agreement is 50 years commencing as of the first day on which the RCTC 91 Express Lanes opened for public use and toll operations, which was March 20, 2017, and at the end of such period, the Commission shall have no further authority to impose or collect a toll. Moreover, at the end of the term of the Toll Facility Agreement, all property of the Commission related to the RCTC 91 Express Lanes, including signs, gantries and other tolling equipment, shall automatically become the property of Caltrans. The Toll Facility Agreement further provides that the term of the Toll Facility Agreement shall not be extended, unless authorized by the State Legislature.

### **Cybersecurity**

The Commission, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the Commission is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain

unauthorized access to the Commission's systems for the purposes of misappropriating assets or information or causing operational disruption or damage.

No assurances can be given that the security and operational control measures of the Commission will be successful in guarding against any and each cyber threat or breach. The cost of remedying damage or disruption caused by cyber-attacks could be substantial and in excess of any applicable insurance coverage.

## **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. Sea level rise may particularly impact coastal areas throughout California. The Commission cannot predict what impact climate change will have on the RCTC 91 Express Lanes in the future.

## **Forward-Looking Statements**

This Official Statement and Appendices hereto contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement and Appendices hereto that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the Study and the Engineer's Technical Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Commission, Stantec and Parsons, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "RISK FACTORS" caption of this Official Statement as well as additional factors beyond the Commission's control. The important risk factors and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Commission's revenues or operations. All subsequent forward-looking statements attributable to the Commission or persons acting on their behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Commission and the other aforementioned entities on the date hereof, and neither the Commission nor any of such other aforementioned entities assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and

conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

## FINANCIAL STATEMENTS

The financial statements of the Commission's RCTC 91 Express Lanes Fund for the Fiscal Year ended June 30, 2019, included in APPENDIX A of this Official Statement, have been audited by Macias Gini & O'Connell LLP, certified public accountants, as stated in their report therein. Macias Gini & O'Connell LLP, the Commission's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included therein, any procedures on the financial statements addressed in that report. Macias Gini & O'Connell LLP also has not performed any procedures relating to this Official Statement. The Commission represents that, except as described herein, there has been no material adverse change in the financial position of the RCTC 91 Express Lanes Fund since June 30, 2019.

## LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the 2020 Series Bonds or questioning or affecting the validity of the 2020 Series Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the Commission, nor the title of the present members of the Commission to their respective offices, is being contested.

There are presently three proposed class action lawsuits pending in federal and state courts challenging the notices issued on behalf of the Commission that are sent to toll violators on the RCTC 91 Express Lanes (collectively, the "Cofiroute Lawsuits"). The first is *Harvey J. Thompson v. Cofiroute USA, LLC, et. al.*, Orange County Superior Court, Case No. 30-2019-01108804-CU-MC-CXC ("*Thompson*"). Thompson alleges, on behalf of the proposed class, that he was issued a toll road violation. Upon receipt of the violation, Thompson protested the violation and it was determined that Thompson did not commit a toll road violation, or the violation was otherwise waived. In sending the determination letter to Thompson, Thompson claims that the letter issued contained improper marketing material. This lawsuit is filed on behalf of all motorists who received similar letters from February 7, 2018 to the present.

The second complaint is *Mathew Skogebo v. Cofiroute USA, LLC, et al.*, Orange County Superior Court, Case No. 30-2019-01118474-CU-MC-CXC ("*Skogebo*"). Skogebo alleges, on behalf of the proposed class, that the Commission referenced the wrong code section when issuing toll road violation notices. Specifically, Skogebo alleges that the notices issued by the Commission referenced Vehicle Code section 23302.5, when they should have referenced Vehicle Code section 23302. As a result, Skogebo alleges that the toll road violation notices were invalid, and thus the use of personally identifiable information (i.e., name and address) to send the toll road violation notices was improper. Skogebo alleges that because the notices were improper, the Commission's inclusion of an "advertisement" to sign up for a FasTrak constitutes impermissible advertising. Here, the proposed class consists of all motorists, who reside inside California, that received a toll road violation notice with this advertisement between October 15, 2017 and October 31, 2018.

The third complaint is *Sanket Thakur v. Cofiroute USA, LLC, et al.*, United States District Court, Case No. 8:19-CV-02233-AG-JDEx (“*Thakur*”). Thakur alleges, on behalf of the proposed class, that the Commission referenced the wrong code section when issuing toll road violation notices. Specifically, Thakur alleges that the notices issued by the Commission referenced Vehicle Code section 23302.5, when they should have referenced Vehicle Code section 23302. As a result, Thakur alleges that the Toll Road violation notices were invalid, and thus the use of personally identifiable information (i.e., name and address) to send the toll road violation notices was improper. Thakur alleges that because the notices were improper, the Commission’s inclusion of an “advertisement” to sign up for a FasTrak constitutes impermissible advertising. Here, the proposed class consists of all motorists, who reside outside California, that received a toll road violation notice with this advertisement between October 15, 2017 and October 31, 2018.

In all three Cofiroute Lawsuits, the crux of the respective Plaintiffs’ arguments is that the Commission violated Section 31490 of the Streets and Highway Code, which states that if “personally identifiable information has been knowingly sold or provided” a plaintiff may bring a lawsuit to recover penalties of \$2,500 to \$4,000 for each violation. In all three Cofiroute Lawsuits, the class has not yet been certified. The Commission is in the process of filing demurrers and motions to strike to all of the Cofiroute Lawsuits. The Commission believes that the toll road violation notices sent to violators were and are proper, and there was no improper advertising contained in the notices. While the Commission is unable to predict the outcome of the Cofiroute Lawsuits, the Commission does not expect any such outcome to materially and adversely affect its ability to pay debt service on the 2020 Series Bonds.

In 2018, two suits were filed in San Francisco Superior Court challenging toll increases on certain state-owned bridges in the San Francisco Bay Area. The plaintiffs in the Toll Increase Challenges, including the Howard Jarvis Taxpayers Association (collectively, “HJTA Plaintiffs”), alleged that such toll increases were, in fact, tax increases requiring either a two-thirds vote of members of each of the two houses of the State Legislature or, alternatively, approval of two-thirds of voters in an election authorizing such toll increases, under Article Section 3 of Article XIII A of the California Constitution or Section 1 of Article XIII C of the California Constitution, respectively. Defendants, California State Legislature, Bay Area Toll Authority and Metropolitan Transportation Commission (collectively, “Bay Area Toll Defendants”), responded to the Toll Increase Challenges, arguing that such toll increases were charges for entrance to or use of state property imposed by the State Legislature in accordance with Section 3 of Article XIII A of the California Constitution. On April 3, 2019, and on July 11, 2019, the San Francisco Superior Court granted the Bay Area Toll Defendants’ respective motions for judgment on the pleadings without leave to amend in the Toll Increase Challenges, and subsequently the respective judgments were entered by the San Francisco Superior Court (collectively, the “Bay Area Toll Judgments”).

HJTA Plaintiffs have appealed the Bay Area Toll Judgments to the California Court of Appeal, First Appellate District, which appeal remains pending. The Commission cannot predict the outcome of such appeal or the impact, if any, that such outcome may have on tolls charged on the SR-91 or the Commission’s toll policies. [The Commission believes that tolls are charged on the SR-91 in accordance with all applicable law. See “RISK FACTORS – [State Legislation; Voter Initiatives].”]

## **LEGAL MATTERS**

The validity of the 2020 Series Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Commission. A complete copy of the proposed form of Bond Counsel’s opinion is contained in APPENDIX E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation paid to Bond Counsel, Disclosure Counsel and Underwriters’ Counsel is conditioned upon the successful issuance of the 2020 Series Bonds. Certain legal matters will be passed upon for the

Commission by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel, and by Best Best & Krieger LLP, Riverside, California, the Commission's General Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Commission ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds (collectively, the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The Commission has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these



covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Commission or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Commission has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Commission or the Beneficial Owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Commission and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Commission legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the Commission or the Beneficial Owners to incur significant expense.

## **Federally Taxable Bonds**

In the opinion of Bond Counsel to the Commission, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Series A Senior Bonds (the "Federally Taxable Bonds") is exempt from State of California personal income taxes. Interest on the Federally Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Federally Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in APPENDIX E hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Federally Taxable Bonds that acquire their Federally Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Federally Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Federally Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Federally Taxable Bonds pursuant to this offering for the issue price that is applicable to such Federally Taxable Bonds (i.e., the price at which a substantial amount of the Federally Taxable Bonds are sold to the public) and who will hold their Federally Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Federally Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the Commission of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Federally Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Federally Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Federally Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Federally Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Federally

Taxable Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Federally Taxable Bonds in light of their particular circumstances.

### ***U.S. Holders***

*Interest.* Interest on the Federally Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Federally Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Federally Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Federally Taxable Bond.

*Sale or Other Taxable Disposition of the Federally Taxable Bonds.* Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Commission) or other disposition of a Federally Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Federally Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Federally Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Federally Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Federally Taxable Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Federally Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Federally Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

*Defeasance of the Federally Taxable Bonds.* If the Commission defeases any Federally Taxable Bond, the Federally Taxable Bond may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Federally Taxable Bond.

*Information Reporting and Backup Withholding.* Payments on the Federally Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Federally Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Federally Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Federally Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under

penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### ***Non-U.S. Holders***

*Interest.* Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Federally Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the Commission through stock ownership and (2) a bank which acquires such Federally Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Federally Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

*Disposition of the Federally Taxable Bonds.* Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Commission or a deemed retirement due to defeasance of the Federally Taxable Bond) or other disposition of a Federally Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Commission) or other disposition and certain other conditions are met.

*U.S. Federal Estate Tax.* A Federally Taxable Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Federally Taxable Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

*Information Reporting and Backup Withholding.* Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Federally Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Federally Taxable Bond or a financial institution holding the Federally Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

### ***Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders***

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the 2020 Series Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Federally Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Federally Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

### **CONTINUING DISCLOSURE**

The Commission has agreed to execute the Continuing Disclosure Agreement and will covenant therein for the benefit of the beneficial owners of the 2020 Series Bonds to provide certain financial information and operating data relating to the Commission and the Toll Revenues by not later than nine months after the end of the Commission's prior fiscal year (the "*Annual Reports*"), and to provide notices of the occurrence of certain enumerated events (the "*Listed Events*"). The Annual Reports and notices of Listed Events will be filed with the MSRB. See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

During Fiscal Year 2018-19, Fitch Ratings upgraded its rating on the 2013 Series A Senior Bonds and the 2013 Series B Senior Bonds. The Commission filed a Listed Event notice for this rating change, but such notice was not filed timely.

### **RATINGS**

The 2020 Senior Bonds have received ratings of "\_\_\_" from Fitch Ratings and "\_\_\_" from S&P Global Ratings, and the 2020 Series C Second Lien Bonds have received ratings of "\_\_\_" from Fitch Ratings and "\_\_\_" from S&P Global Ratings. An explanation of the significance of each such rating may be obtained from the agency furnishing the rating. The ratings reflect only the views of such agencies at the time such ratings are given, and the Commission makes no representation as to the appropriateness of the ratings. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant.

Except as described under the caption “CONTINUING DISCLOSURE” herein, neither the Commission nor any of the Underwriters has undertaken any responsibility to bring to the attention of the registered owners of the 2020 Series Bonds any proposed revision or withdrawal of the ratings of the 2020 Series Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such ratings could have an adverse effect on the market price or marketability of the 2020 Series Bonds.

### **MUNICIPAL ADVISOR**

The Commission has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as Municipal Advisor in connection with the authorization and delivery of the 2020 Series Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. A portion of the compensation paid to the Municipal Advisor is contingent upon the successful issuance of the 2020 Series Bonds.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The Verification Agent, Causey Demgen & Moore P.C., will verify the accuracy of mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Defeasance Securities deposited in the Escrow Account, together with amounts held as cash therein, to provide for payment of debt service on, and the redemption price of, the 2013 Series A Senior Bonds to the Redemption Date.

The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to its attention, after the date of its report.

### **UNDERWRITING**

The Underwriters of the 2020 Series Bonds listed on the cover page hereof (collectively, the “*Underwriters*”), have agreed, subject to certain conditions, to purchase (i) the 2020 Senior Bonds at the purchase price of \$\_\_\_\_\_ (representing the aggregate principal amount of the 2020 Senior Bonds, less original issue discount/plus net bond premium of \$\_\_\_\_\_, less an underwriter’s discount of \$\_\_\_\_\_), and (ii) the 2020 Series C Second Lien Bonds at the purchase price of \$\_\_\_\_\_ (representing the aggregate principal amount of the 2020 Series C Second Lien Bonds, less original issue discount/plus net bond premium of \$\_\_\_\_\_, less an underwriter’s discount of \$\_\_\_\_\_).

The Bond Purchase Agreement for the 2020 Series Bonds provides that the Underwriters will purchase all of the 2020 Series Bonds if any are purchased. The 2020 Series Bonds may be offered and sold by the Underwriters to certain dealers and others at yields lower than such public offering yields indicated on the inside cover hereof, and such public offering yields may be changed, from time to time, by the Underwriters.

The following five paragraphs have been provided by the Underwriters for inclusion in this Official Statement and the Commission does not assume any responsibility for the accuracy or completeness of such statements or information.

BofA Securities, Inc., one of the Underwriters of the 2020 Series Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2020 Series Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2020 Series Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2020 Series Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2020 Series Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), one of the underwriters of the 2020 Series Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the 2020 Series Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2020 Series Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the 2020 Series Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Commission and to persons and entities with relationships with the Commission, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Commission (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Commission. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any

time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.



**OTHER MATTERS**

The financial data and other information contained herein have been obtained from the Commission's records, financial statements, and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects. Copies may be obtained from the Commission.

**RIVERSIDE COUNTY TRANSPORTATION  
COMMISSION**

By: \_\_\_\_\_  
Executive Director

**APPENDIX A**

**RCTC 91 EXPRESS LANES FUND FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**APPENDIX B-1**

**RCTC 91 EXPRESS LANES  
INVESTMENT GRADE TRAFFIC AND REVENUE STUDY  
INVESTMENT GRADE STUDY REFRESH 2018**

**APPENDIX B-2**  
**STANTEC BRINGDOWN LETTER**

**APPENDIX C**  
**ENGINEER'S TECHNICAL REPORT**

**APPENDIX D**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**APPENDIX E**

**FORMS OF BOND COUNSEL OPINIONS**

April \_\_, 2020

Riverside County Transportation Commission  
Riverside, California

Riverside County Transportation Commission

Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable) and 2020 Series B

Toll Revenue Second Lien Refunding Bonds,  
2020 Series C

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(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Riverside County Transportation Commission (the “Issuer”) in connection with issuance of \$\_\_\_\_\_ aggregate principal amount of Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable) (the “2020 Series A Senior Bonds”), \$\_\_\_\_\_ aggregate principal amount of Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (the “2020 Series B Senior Bonds”), and \$\_\_\_\_\_ aggregate principal amount of Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C (the “2020 Series C Second Lien Bonds” and collectively with the 2020 Series A Senior Bonds and the 2020 Series B Senior Bonds, the “Bonds”), issued pursuant to a Master Indenture, dated as of June 1, 2013, as supplemented and amended by a First Supplemental Indenture, dated as of June 1, 2013, as supplemented and amended by a Second Supplemental Indenture, dated as of June 1, 2013, as supplemented and amended by a Third Supplemental Indenture, dated as of April 1, 2020, and as supplemented and amended by a Fourth Supplemental Indenture, dated as of April 1, 2020 (collectively referred to as the “Indenture”), each between the Issuer and U.S. Bank National Association, as successor trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Issuer, dated the date hereof (the “Tax Certificate”), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such

opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, 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 county transportation commissions in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated March \_\_, 2020 or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer.
3. Interest on the 2020 Series B Senior Bonds and the 2020 Series C Second Lien Bonds (collectively, the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Bonds is exempt from State of California personal income taxes. We express no



opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

**APPENDIX F**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## APPENDIX G

### BOOK-ENTRY SYSTEM

The information in this Appendix G concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s book-entry system has been obtained from DTC and the Commission and the Trustee take no responsibility for the completeness or accuracy thereof. The Commission and the Trustee cannot and do not give any assurances that DTC, Direct Participants (as defined below) or Indirect Participants (as defined below) will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2020 Series Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the 2020 Series Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2020 Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Appendix G. The Commission and the Trustee are not responsible or liable for the failure of DTC or any DTC Direct or Indirect Participant to make any payment or give any notice to a Beneficial Owner with respect to the 2020 Series Bonds or an error or delay relating thereto. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC’s Direct and Indirect Participants are on file with DTC.

DTC will act as securities depository for the 2020 Series Bonds. The 2020 Series 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 certificate will be issued for each maturity of the 2020 Series Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of 2020 Series Bonds under the DTC book-entry system must be made by or through Direct Participants, which will receive a credit for the 2020 Series Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2020 Series 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 2020 Series 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 2020 Series Bonds, except in the event that use of the book-entry system for the 2020 Series Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Series 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 2020 Series 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 2020 Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Series 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. Beneficial Owners of the 2020 Series Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Series Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Series Bond documents. For example, Beneficial Owners of the 2020 Series Bonds may wish to ascertain that the nominee holding the 2020 Series Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices (if applicable) shall be sent to DTC. If less than all of the 2020 Series Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2020 Series 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 Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Series 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 2020 Series 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 Commission or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the 2020 Series Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the Trustee, disbursement of

such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2020 Series Bonds at any time by giving notice to the Trustee and the Commission. Under certain circumstances, in the event that a successor depository is not obtained, 2020 Series Bond certificates are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry transfers for the 2020 Series Bonds through DTC (or a successor securities depository). In that event, 2020 Series Bond certificates will be printed and delivered as provided in the Indenture. In addition, the following provisions would apply: the principal or redemption price of the 2020 Series Bonds will be payable upon presentation thereof, at the principal corporate trust office of the Trustee, in San Francisco, California; interest on the 2020 Series Bonds will be payable by check mailed on each interest payment date to the registered owners thereof as shown on the registration books of the Trustee as of the close of business on the 15<sup>th</sup> day of the calendar month immediately preceding the applicable interest payment date (the “*record date*”), except that in the case of an owner of \$1,000,000 or more in aggregate principal amount of 2020 Series Bonds, upon written request of such owner to the Trustee received at least 10 days prior to the record date for the payment of interest, specifying the account or accounts to which such payment shall be made (which request shall remain in effect until revoked by such owner in a subsequent writing delivered to the Trustee), such interest shall be paid in immediately available funds by wire transfer to such account or accounts on the following interest payment date; and the 2020 Series Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

The information in this Appendix G concerning DTC and DTC’s book-entry system has been obtained from sources the Commission believes to be reliable, but the Commission takes no responsibility for the accuracy thereof.

**CONTINUING DISCLOSURE AGREEMENT**

**by and between**

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

**and**

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Dissemination Agent**

**Dated as of April 1, 2020**

**Relating to**

**\$ \_\_\_\_\_  
RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable)**

**\$ \_\_\_\_\_  
RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B**

**\$ \_\_\_\_\_  
RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION  
Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”), dated as of April 1, 2020, is by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION, a public entity duly established and existing under the laws of the State of California (the “Commission”), and DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Dissemination Agent (the “Dissemination Agent”).

### WITNESSETH:

**WHEREAS**, the Commission has issued \$\_\_\_\_\_ in aggregate principal amount of Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable) (the “2020 Series A Senior Bonds”), \$\_\_\_\_\_ in aggregate initial principal amount of Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (the “2020 Series B Senior Bonds”) and \$\_\_\_\_\_ in aggregate principal amount of Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C (the “2020 Series C Second Lien Bonds,” and together with the 2020 Series A Senior Bonds and the 2020 Series B Senior Bonds, the “2020 Series Bonds”) pursuant to a Master Indenture, dated as of June 1, 2013, between the Commission and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by a First Supplemental Indenture, dated as of June 1, 2013, a Second Supplemental Indenture, dated as of June 1, 2013, a Third Supplemental Indenture, dated as of April 1, 2020, and a Fourth Supplemental Indenture, dated as of April 1, 2020, each between the Commission and the Trustee (collectively, the “Indenture”); and

**WHEREAS**, this Disclosure Agreement is being executed and delivered by the Commission and the Dissemination Agent for the benefit of the owners and beneficial owners of the 2020 Series Bonds and in order to assist the underwriters of the 2020 Series Bonds in complying with the Rule (as defined herein);

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**Section 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Commission and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the 2020 Series Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12.

**Section 2. Definitions.** Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture. In addition, the following capitalized terms shall have the following meanings:

**“Annual Operating Budget”** means any annual operating budget provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**“Annual Report”** means any annual report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**“Annual Toll Road Report”** means any annual toll road report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**“Disclosure Representative”** means the Chief Financial Officer of the Commission, or such other officer or employee of the Commission as the Executive Director of the Commission or the Chief Financial Officer of the Commission shall designate in writing to the Dissemination Agent and the Trustee from time to time.

**“Dissemination Agent”** means an entity selected and retained by the Commission, or any successor thereto selected by the Commission. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C.

**“Effective Date”** means April \_\_, 2020.

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

**“Fiscal Year”** shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any twelve-month or fifty-two week period hereafter selected by the Commission, with notice of such selection or change in fiscal year to be provided as set forth herein.

**“Listed Events”** means any of the events listed in Section 5 hereof.

**“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 SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

**“Official Statement”** means the Official Statement, dated \_\_\_\_\_, 2020, relating to the 2020 Series Bonds.

**“Participating Underwriters”** means the underwriters of the 2020 Series Bonds required to comply with the Rule in connection with the offering of the 2020 Series Bonds.

**“Reports”** means, collectively, the Annual Report, the Annual Toll Road Report, the Annual Operating Budget, the Traffic and Operating Report and the Traffic and Revenue Report.

**“Repository”** means, until otherwise designated by the SEC, EMMA.



“**Rule**” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**SEC**” means the Securities and Exchange Commission.

“**Toll Road**” means the tolled lanes and facilities (including structures, on-ramps, connector roads, bridges, and roadways that are on, necessary for, or related to the construction or operation of the Toll Road) on that portion of SR-91 between the Orange County/Riverside County line and Interstate 15 that constitute the RCTC 91 Express Lanes, as described in the Official Statement.

“**Traffic and Operating Report**” means any traffic and operating report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Traffic and Revenue Report**” means any traffic and revenue report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**Section 3. Provision of Reports.** So long as any 2020 Series Bonds remain outstanding pursuant to the Indenture, the Commission shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, through EMMA:

(a) not later than 210 days after the end of each Fiscal Year, commencing with the report for the 2019-20 Fiscal Year, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. If the Fiscal Year changes for the Commission, the Commission shall give notice of such change in the manner provided under Section 5(e) hereof;

(b) not later than 180 days after the end of each Fiscal Year, commencing with the report for the 2019-20 Fiscal Year, an Annual Toll Road Report that is consistent with the requirements of Section 4 of this Disclosure Agreement;

(c) (A) no later than 30 days prior to the commencement of each Fiscal Year, an operating plan and a preliminary budget and (B) not later than the first day of each Fiscal Year, a final budget (collectively, an “Annual Operating Budget”), in each case commencing with the operating plan, preliminary budget and final budget for the 2019-20 Fiscal Year, that is consistent with the requirements of Section 4 of this Disclosure Agreement;

(d) Not later than ninety (90) days after the end of each fiscal quarter, commencing with the report for the quarter ending June 30, 2020, a Traffic and Operating Report that is consistent with the requirements of Section 4 of this Disclosure Agreement;

(e) Not later than sixty (60) days after the end of each fiscal quarter, commencing with the report for the quarter ending June 30, 2020, a Traffic and Revenue Report that is consistent with the requirements of Section 4 of this Disclosure Agreement;

(f) The Reports must be submitted in electronic format, accompanied by such identifying information as provided by the MSRB. Any or all of the Reports may be

submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(g) Not later than two (2) Business Days prior to the dates specified in subsections (a) through (f) above for providing Reports to each Repository, the Commission shall provide such Report to the Dissemination Agent. If by any such date, the Dissemination Agent has not received a copy of the related Report from the Commission, the Dissemination Agent shall contact the Commission to determine if the Commission is in compliance with this Section 3.

(h) If the Dissemination Agent is unable to verify that an Annual Report, an Annual Toll Road Report, an Annual Operating Budget, a Traffic and Operating Report or a Traffic and Revenue Report of the Commission has been provided to each Repository by the applicable date required in subsections (a) through (f) above, the Dissemination Agent shall send a notice to each Repository in substantially the form attached hereto as Exhibit A; and

(i) The Dissemination Agent shall:

- (1) determine the electronic filing address of, and then-current procedures for submitting Reports to the MSRB each year prior to the date for providing any such Report; and
- (2) to the extent known to the Dissemination Agent file a report with the Commission and (if the Dissemination Agent is not the Trustee) the Trustee certifying that each Report has been provided pursuant to this Disclosure Agreement, and stating the date such Report was provided.

**Section 4. Content of Reports.**

(a) The Commission's Annual Report shall contain or include by reference the following:

- (1) The audited financial statements of the Commission 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 Commission's 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, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

- (2) The debt service schedule for the 2020 Series 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.

(b) The Commission's Annual Toll Road Report shall contain or include by reference the audited financial statements of the Commission relating specifically to the Toll Road 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 Commission's audited financial statements for the Toll Road are not available by the time the Annual Toll Road Report is required to be filed pursuant to Section 3(b), the Annual Toll Road Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Toll Road Report when they become available.

(c) The Commission's Annual Operating Budget shall consist of an operating plan and preliminary budget and a final operating budget, in each case, on a cash flow basis, of projected traffic, Revenues, Operating and Maintenance Expenses, Repair and Rehabilitation Fund Permitted Expenditures, interest, and other costs for the next Fiscal Year.

(d) The Commission's Traffic and Operating Report shall include: (A) the operating data for the Project for the previous financial quarter, including total Revenue received and total Operating and Maintenance Expenses and Capital Expenditures Fund Permitted Expenditures incurred, (B) the variances for such period between the Revenue actually received and the budgeted Revenue as shown in the Annual Operating Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more, and (C) the variances for such period between the actual Operating and Maintenance Expenses incurred and the budgeted Operating and Maintenance Expenses as shown in the Annual Operating Budget, together with a brief narrative explanation of the reasons for any such variance of 20% or more.

(e) The Commission's Traffic and Revenue Report shall include: (A) quarterly traffic and revenue statistics on an actual and projected basis with a comparison to the prior year's quarter, including number of trips, revenue and average revenue per trip for full toll lanes, 3+ lanes and gross totals and averages, and (B) fiscal year-to-date traffic and revenue statistics on an actual and projected basis with a comparison to the prior fiscal year, including number of trips, revenue and average revenue per trip for full toll lanes, 3+ lanes and gross totals and averages.

(f) 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 Commission or public entities related thereto, which have been submitted to each Repository or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Commission shall clearly identify each such other document so included by reference.

(g) The contents, presentation and format of the Reports may be modified from time to time as determined in the judgment of the Commission to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Commission or to reflect changes in the business, structure, operations, legal form of the Commission or any mergers, consolidations, acquisitions or dispositions made by or affecting the Commission; provided that any such modifications shall comply with the requirements of the Rule.

**Section 5. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2020 Series Bonds (excluding, with respect to item (5) below, the 2020 Series A Bonds) and, 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 proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701-TEB);
- (6) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (7) unscheduled draws on credit enhancements reflecting financial difficulties;
- (8) substitution of credit or liquidity providers or their failure to perform; or
- (9) bankruptcy, insolvency, receivership or similar proceedings.
- (10) default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Commission, 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 Commission 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 Commission, 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 Commission.

(b) Pursuant to provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2020 Series Bonds, if material, in a timely manner not later than ten (10) Business Days after the occurrence of the event:

- (1) unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2020 Series Bonds or other material events affecting the tax status of the 2020 Series Bonds (excluding, in each case, the 2020 Series A Senior Bonds);
- (2) modifications to the rights of Holders;
- (3) optional, unscheduled or contingent Bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) non-payment related defaults;
- (6) consummation of a merger, consolidation or acquisition involving the Commission 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; or
- (7) appointment of a successor or additional trustee or the change of the name of a trustee; or
- (8) incurrence of a Financial Obligation of the Commission, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Commission determines would be material under applicable federal securities laws, the Commission shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture. If the Commission 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 Commission shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report the occurrence to the MSRB in a timely manner not more than ten (10) Business Days after the event.

(d) The Commission intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the SEC in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

(e) If the Dissemination Agent has been instructed by the Commission 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 Commission's obligations under this Disclosure Agreement shall terminate upon the legal defeasance or payment in full of all of the 2020 Series Bonds. If such termination occurs prior to the final maturity of the 2020 Series Bonds, the Commission shall give notice of such termination in the same manner as for a Listed Event under Section 5.

**Section 8. Dissemination Agent.** The Commission may, from time to time, appoint or engage another 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. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent; provided, it shall receive written notice of such designation at the time of such designation.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Commission may amend this Disclosure Agreement, provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent shall be made without the consent of such party, and any provision of this Disclosure Agreement may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Commission to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

**Section 10. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Commission 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 or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement.

**Section 11. Default.** In the event of a failure of the Commission or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee shall, at the written request of any Participating Underwriter or of the holders of at least twenty-five percent (25%) of the aggregate Bond Obligation of the 2020 Series Bonds then Outstanding (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, reasonable fees and expenses of its attorneys), or any Holder or beneficial owner of the 2020 Series Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Commission or the Dissemination Agent, as the case may be, 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 Commission 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.** The Dissemination Agent shall not be responsible for the form or content of any Report as provided in Section 4 above, or any notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Commission agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Commission under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Series Bonds.

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

To the Commission:	Riverside County Transportation Commission 4080 Lemon Street, 3 <sup>rd</sup> Floor Riverside, California 92501 Tel: (951) 787-7926 Fax: (951) 787-7920	Mail:  P.O. Box 12008 Riverside, California 92502
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To the Dissemination Agent: Digital Assurance Certification, L.L.C.  
390 North Orange Avenue, Suite 1750  
Orlando, Florida 32801  
Tel: (407) 515-1100  
Fax: (407) 515-6513

To the Trustee: U.S. Bank National Association  
633 West 5<sup>th</sup> Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Tel: (213) 615-6023  
Fax: (213) 615-6197

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 Commission, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the 2020 Series Bonds, and shall create no rights in any other person or entity.

**Section 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



**IN WITNESS WHEREOF**, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**RIVERSIDE COUNTY TRANSPORTATION  
COMMISSION**

By: \_\_\_\_\_  
Theresa Trevino  
Chief Financial Officer

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Riverside County Transportation Commission (the “Commission”)

Name of Issue: \$\_\_\_\_\_ Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable);

\$\_\_\_\_\_ Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds, 2020 Series B; and

\$\_\_\_\_\_ Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds, 2020 Series C  
(collectively, the “2020 Series Bonds”)

Date of Issuance: April \_\_, 2020

NOTICE IS HEREBY GIVEN that the Commission has not provided [an/a] [Annual Report] [Annual Toll Road Report] [Annual Operating Budget] [Traffic and Operating Report] [Traffic and Revenue Report] with respect to the above-named 2020 Series Bonds as required by this Continuing Disclosure Agreement, dated as of April 1, 2020, between the Commission and the Dissemination Agent. The Commission anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.**,  
as Dissemination Agent, on behalf of the Commission

cc: Riverside County Transportation Commission



**THIRD SUPPLEMENTAL INDENTURE**

**between**

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of April 1, 2020**

**Relating to the**

**Riverside County Transportation Commission  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable) and 2020 Series B**

**(Supplementing the Master Indenture  
Dated as of June 1, 2013)**

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THIS THIRD SUPPLEMENTAL INDENTURE, dated as of April 1, 2020 (this “Third Supplemental Indenture”), between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION, a public entity duly existing under the laws of the State of California (the “Commission”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as successor trustee (together with any successor thereto, the “Trustee”).

**WITNESSETH:**

WHEREAS, this Third Supplemental Indenture is supplemental to the Master Indenture, dated as of June 1, 2013 (as supplemented and amended from time to time pursuant to its terms, the “Indenture”), between the Commission and the Trustee;

WHEREAS, the Indenture provides that the Commission may issue Senior Lien Bonds from time to time as authorized by a Supplemental Indenture, which Senior Lien Bonds are to be secured by the Trust Estate in accordance with the Indenture;

WHEREAS, the Commission desires to provide at this time for the issuance of Senior Lien Bonds secured by the Trust Estate, such Bonds to be designated “Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable)” (the “2020 Series A Senior Bonds”) and “Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series B” (the “2020 Series B Senior Bonds”) and, together with the 2020 Series A Senior Bonds, the “2020 Senior Bonds”),” for the purposes of (i) refunding all of the Commission’s outstanding Toll Revenue Senior Lien Bonds, 2013 Series A (the “2013A Refunded Bonds”), (ii) refunding a portion of the Commission’s outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series (the “2013-1 TIFIA Series Refunded Bonds”) by prepaying the 2013 TIFIA Loan Agreement in part (which, together with the proceeds of the 2020 Series C Second Lien Bonds, will prepay the 2013 TIFIA Loan Agreement in full), (iii) funding the required cash deposits to the 2013 Bonds Reserve Account and the 2020 Series B Senior Bonds Reserve Account, (iv) funding capitalized interest on the 2020 Series A Senior Bonds, and (v) paying the costs of issuance incurred in connection with the 2020 Senior Bonds, all as provided in this Third Supplemental Indenture;

WHEREAS, the Commission desires to issue the 2020 Series A Senior Bonds as Bonds the interest on which is included in gross income for federal tax purposes; and

WHEREAS, by their purchase of the 2020 Series Bonds, Holders of the 2020 Series Bonds have consented to the amendments contained in this Third Supplemental Indenture as described in the official statement for the 2020 Series Bonds, and the Commission has prepared and filed a Certificate of the Commission (as defined in the Indenture), stating that Holders of a majority in aggregate Bond obligation of the Obligations Outstanding as of the issuance of the 2020 Series Bonds have consented to such amendments;

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

## ARTICLE XXIV

### DEFINITIONS

#### Section 24.01 Definitions.

(a) Definitions. Unless the context otherwise requires, or as otherwise provided in subsection (b) of this Section, all terms defined in the Indenture shall have the same meanings, respectively, in this Third Supplemental Indenture.

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

“**Authorized Denominations**” means, with respect to the 2020 Senior Bonds, \$5,000 principal amount and any integral multiple thereof.

“**Fourth Supplemental Indenture**” means that certain Fourth Supplemental Indenture, dated of even date herewith, by and between the Commission and the Trustee.

“**Interest Payment Date**” means, with respect to the 2020 Senior Bonds, June 1 and December 1 of each year until the redemption or maturity of such 2020 Senior Bonds, commencing with December 1, 2020.

“**Issue Date**” means, with respect to the 2020 Senior Bonds, the date on which the 2020 Senior Bonds are first delivered to the purchasers thereof.

“**Record Date**” means, with respect to the 2020 Senior Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

“**Refunding Bond Law**” means Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 *et seq.*).

“**Third Supplemental Indenture**” means this Third Supplemental Indenture, dated as of April 1, 2020.

“**2013A Refunded Bonds**” means all of the outstanding Riverside County Transportation Commission Toll Revenue Senior Lien Bonds, 2013 Series A identified on Schedule I hereto.

“**2013-1 TIFIA Series Refunded Bonds**” means a portion of the outstanding Riverside County Transportation Commission Toll Revenue Subordinate Bonds, 2013 TIFIA Series identified on Schedule I hereto.

“**2013A Refunded Bonds Escrow Agent**” means U.S. Bank National Association, a national banking association duly organized and existing under the laws of the



United States of America, as trustee and as escrow agent, and its successors and assigns pursuant to the terms of the 2013A Refunded Bonds Escrow Agreement.

**“2013A Refunded Bonds Escrow Agreement”** means the 2013A Refunded Bonds Escrow Agreement, dated as of April 1, 2020, between the Commission and the 2013A Refunded Bonds Escrow Agent, relating to the 2013A Refunded Bonds.

**“2013A Refunded Bonds Escrow Fund”** means the 2013A Refunded Bonds Escrow Fund, which shall be an irrevocable fund, established under the 2013A Refunded Bonds Escrow Agreement.

**“2020 Senior Bonds”** means, collectively, the 2020 Series A Senior Bonds and the 2020 Series B Senior Bonds.

**“2020 Senior Bonds Costs of Issuance Account”** means the 2020 Senior Bonds Costs of Issuance Account established within the Senior Lien Obligations Account within the Project Fund pursuant to Section 28.01.

**“2020 Series Bonds”** means, collectively, the 2020 Senior Bonds and the 2020 Series C Second Lien Bonds.

**“2020 Series Bonds Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement, dated as of April 1, 2020, by and between the Commission and Digital Assurance Certification, L.L.C., as dissemination agent, relating to the 2020 Series Bonds.

**“2020 Series A Senior Bonds”** means the Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable), authorized by Article XXVI of this Indenture.

**“2020 Series A Senior Bonds Capitalized Interest Account”** means the 2020 Series A Senior Bonds Capitalized Interest Account established within the Senior Lien Obligations Interest Account within the Senior Lien Obligations Fund pursuant to Section 28.01.

**“2020 Series B Senior Bonds”** means the Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series B, authorized by Article XXVI of this Indenture.

**“2020 Series B Senior Bonds Reserve Account”** means the 2020 Series B Senior Bonds Reserve Account established within the Senior Lien Obligations Reserve Fund pursuant to Section 28.01.

**“2020 Series B Senior Bonds Reserve Account Obligations”** means the 2020 Series B Senior Bonds and any Senior Lien Obligations that are in the future designated as 2020 Series B Senior Bonds Reserve Account Obligations in the Supplemental Indenture providing for their issuance.

**“2020 Series B Senior Bonds Reserve Requirement”** means, with respect to the 2020 Series B Senior Bonds Reserve Account Obligations, an amount, calculated as of the most recent Issue Date of 2020 Series B Senior Bonds Reserve Account Obligations, equal to the least of (i) Maximum Annual Debt Service on the Outstanding 2020 Series B Senior Bonds Reserve Account Obligations, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2020 Series B Senior Bonds Reserve Account Obligations, or (iii) ten percent (10%) of the original principal amount of the 2020 Series B Senior Bonds Reserve Account Obligations.

**“2020 Series B Senior Bonds Tax Certificate”** shall mean that certain Tax Certificate executed on behalf of the Commission in connection with the issuance of the 2020 Series B Senior Bonds and relating to the requirements of the Code.

**“2020 Series C Second Lien Bonds”** means the Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C, authorized by Article XXXIII of this Indenture as set forth in the Fourth Supplemental Indenture.

**Section 24.02 Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article XXIV.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Third Supplemental Indenture, refer to the Indenture.

## ARTICLE XXV

### FINDINGS, DETERMINATIONS AND DIRECTIONS

**Section 25.01 Findings and Determinations.** The Commission hereby finds and determines that the 2020 Senior Bonds shall be issued pursuant to Article XXVI hereof and upon the issuance of the 2020 Senior Bonds, any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State.

**Section 25.02 Recital in Bonds.** There shall be included in each of the definitive 2020 Senior Bonds, and also in each of the temporary 2020 Senior Bonds, if any are issued, a certification and recital 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 that 2020 Senior Bond, and in the issuing of that 2020 Senior Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State, the Act and the Refunding Bond Law, and that said 2020 Senior Bond, together with all other indebtedness of the Commission secured by the Trust Estate, is within every debt and other limit prescribed by the Constitution and statutes of the State, the Act and the Refunding

Bond Law, and that such certification and recital shall be in such form as is set forth in the forms of the 2020 Senior Bonds attached hereto as Exhibit A.

**Section 25.03 Effect of Findings and Recital.** From and after the issuance of the 2020 Senior Bonds, the findings and determinations herein shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2020 Senior Bonds is at issue, and no bona fide purchaser of any such 2020 Senior Bond containing the certification and recital shall be required to see to the existence of any fact, or to the performance of any condition, or to the taking of any proceeding, required prior to such issuance, or to the application of the purchase price for such 2020 Senior Bonds.

## ARTICLE XXVI

### AUTHORIZATION OF 2020 SENIOR BONDS

**Section 26.01 Principal Amount, Designation and Series.** Pursuant to the provisions of this Indenture, the Act and the Refunding Bond Law, a Series of Senior Lien Bonds entitled to the benefit, protection and security of such provisions, including without limitation the grant of the Trust Estate in the Indenture, is hereby authorized in the aggregate initial principal amount of \$[\_\_\_\_\_]. Such Senior Lien Bonds shall be issued as fixed rate Current Interest Obligations and shall be designated as, and shall be distinguished from the Senior Lien Bonds of all other Series by the title, “Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable).” Pursuant to the provisions of this Indenture, the Act and the Refunding Bond Law, a Series of Senior Lien Bonds entitled to the benefit, protection and security of such provisions, including without limitation the grant of the Trust Estate in the Indenture, is hereby authorized in the aggregate principal amount of \$[\_\_\_\_\_]. Such Senior Lien Bonds shall be issued as fixed rate Current Interest Obligations and shall be designated as, and shall be distinguished from the Senior Lien Bonds of all other Series by the title, “Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series B.”

**Section 26.02 Purpose.** The 2020 Senior Bonds are issued for the purposes of (i) refunding the 2013A Refunded Bonds, (ii) refunding the 2013-1 TIFIA Series Refunded Bonds by prepaying the 2013 TIFIA Loan Agreement in part (which together with the proceeds of the 2020 Series C Second Lien Bonds will prepay the 2013 TIFIA Loan Agreement in full), (iii) funding the required cash deposits to the 2013 Bonds Reserve Account and the 2020 Series B Senior Bonds Reserve Account, (iv) funding capitalized interest on the 2020 Series A Senior Bonds, and (v) paying the costs of issuance incurred in connection with the 2020 Senior Bonds.

**Section 26.03 Form, Denomination, Numbers and Letters.** The 2020 Senior Bonds shall be issued as Book-Entry Bonds in fully registered form in Authorized Denominations and shall be numbered by Series from one upward in consecutive numerical order preceded by the letter “R” prefixed to the number. The 2020 Series A Senior Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the 2020 Series A Senior Bonds and as the form of the certificate of authentication. The 2020 Series B Senior Bonds and the

certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the 2020 Series B Senior Bonds and as the form of the certificate of authentication.

**Section 26.04 Date, Maturities and Interest Rates.**

(a) The 2020 Series A Senior Bonds shall be issued as fixed rate Current Interest Obligations in the aggregate principal amount of \$[\_\_\_\_\_]. The 2020 Series A Senior Bonds shall be dated their Issue Date, shall bear interest from that date, payable on December 1, 2020, and semiannually thereafter on June 1 and December 1 of each year, at the following rates per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, and shall mature on June 1 in the following years and in the following amounts:

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
*	\$	%

\*Term Bond Final Maturity

(b) Interest on the 2020 Series A Senior Bond shall be payable to the Owner thereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

(c) As long as the 2020 Series A Senior Bonds are Book-Entry Bonds, principal of and premium, if any, and interest on the 2020 Series A Senior Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America.

(d) If the 2020 Series A Senior Bonds cease to be Book-Entry Bonds, principal of and premium, if any, on the 2020 Series A Senior Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of the Trustee and interest shall be payable by first class mail on each interest payment date to the Owners thereof as of the close of business on the Record Date; provided, however, that Owners of \$1,000,000 or more in aggregate principal amount of 2020 Series A Senior Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer.

(e) The 2020 Series B Senior Bonds shall be issued as Current Interest Obligations in the aggregate principal amount of \$[\_\_\_\_\_]. The 2020 Series B Senior Bonds shall be dated their Issue Date, shall bear interest from that date, payable on December 1, 2020, and semiannually thereafter on June 1 and December 1 of each year, at the following rates per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, and shall mature on June 1 in the following years and in the following amounts:

Maturity Date (June 1)	Principal Amount	Interest Rate
*	\$	%

\*Term Bond Final Maturity

(f) Interest on the 2020 Series B Senior Bond shall be payable to the Owner thereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

(g) As long as the 2020 Series B Senior Bonds are Book-Entry Bonds, principal of and premium, if any, and interest on the 2020 Series B Senior Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America.

(h) If the 2020 Series B Senior Bonds cease to be Book-Entry Bonds, principal of and premium, if any, on the 2020 Series B Senior Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of the Trustee and interest shall be payable by first class mail on each interest payment date to the Owners thereof as of the close of business on the Record Date; provided, however, that Owners of \$1,000,000 or more in aggregate principal amount of 2020 Series B Senior Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer.

**Section 26.05 Conditions to Delivery of 2020 Senior Bonds.** Each of the 2020 Senior Bonds shall be executed and delivered as authorized by this Third Supplemental Indenture and the Indenture, including Article II thereof, upon the receipt of payment therefor from the purchaser thereof.

**Section 26.06 Disposition of Proceeds of 2020 Senior Bonds.** The net proceeds from the sale of the 2020 Senior Bonds in the amount of \$[\_\_\_\_\_] shall be received by the Trustee and deposited by the Trustee as follows:

- (a) \$[\_\_\_\_\_] into the 2020 Senior Bonds Costs of Issuance Account;
- (b) \$[\_\_\_\_\_] into the 2020 Series A Senior Bonds Capitalized Interest Account;
- (c) \$[\_\_\_\_\_] into the 2013 Bonds Reserve Account, being the additional amount needed to satisfy the 2013 Bonds Reserve Requirement at the time of issuance of the 2020 Series A Senior Bonds, which are designed as 2013 Bonds Reserve Account Obligations as set forth in Section 28.03;

(d) \$[\_\_\_\_\_] into the 2020 Series B Senior Bonds Reserve Account, representing the 2020 Series B Senior Bonds Reserve Requirement at the time of issuance of the 2020 Series B Senior Bonds;

(e) the amount of \$[\_\_\_\_\_] shall be immediately transferred to the 2013A Refunded Bonds Escrow Agent for deposit into the 2013A Refunded Bonds Escrow Fund pursuant to the 2013A Refunded Bonds Escrow Agreement; and

(f) the remaining amount of \$[\_\_\_\_\_] shall be immediately transferred to the TIFIA Lender for prepayment of the 2013 TIFIA Loan Agreement in part. Such amount, together with a portion of the proceeds from the 2020 Series C Second Lien Bonds and certain funds on deposit in the Subordinate Obligations Reserve Account (2013 TIFIA Loan), as set forth in Section 33.06(c) and Section 33.07 of the Fourth Supplemental Indenture, will be applied to optionally prepay the 2013 TIFIA Loan Agreement in full.

## ARTICLE XXVII

### REDEMPTION OF 2020 SENIOR BONDS

#### **Section 27.01 Optional Redemption of 2020 Series A Senior Bonds.**

(a) The 2020 Series A Senior Bonds shall be subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20[\_\_\_] at the principal amount of 2020 Series A Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

The Commission shall give the Trustee written notice at least twenty (20) days (or such lesser time period acceptable to the Trustee) before any date fixed for the redemption of the 2020 Series A Senior Bonds to be redeemed pursuant to this subsection (a), designating the maturity or maturities of the 2020 Series A Senior Bonds to be redeemed, the portions thereof to be redeemed and the fact and date of such redemption.

(b) Any optional redemption of 2020 Series A Senior Bonds and notice thereof shall be rescinded and cancelled pursuant to the provisions of Section 4.03 if for any reason on the date fixed for redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2020 Series A Senior Bonds called for redemption.

#### **Section 27.02 Optional Redemption of 2020 Series B Senior Bonds.**

(a) The 2020 Series B Senior Bonds shall be subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20[\_\_\_] at the principal amount of 2020 Series B Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

The Commission shall give the Trustee written notice at least twenty (20) days (or such lesser time period acceptable to the Trustee) before any date fixed for the redemption of the 2020 Series B Senior Bonds to be redeemed pursuant to this subsection (a), designating the maturity or maturities of the 2020 Series B Senior Bonds to be redeemed, the portions thereof to be redeemed and the fact and date of such redemption.

(b) Any optional redemption of 2020 Series B Senior Bonds and notice thereof shall be rescinded and cancelled pursuant to the provisions of Section 4.03 if for any reason on the date fixed for redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2020 Series B Senior Bonds called for redemption.

**Section 27.03 Mandatory Redemption of 2020 Series A Senior Bonds From Sinking Fund Installments.**

(a) The 2020 Series A Senior Bonds maturing on June 1, 20[\_\_\_] shall also be subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due as specified in Section 27.03(b), in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium.

(b) The Sinking Fund Installments for the 2020 Series A Term Bond maturing on June 1, 20[\_\_\_] shall be due in the amounts and on the dates as follows:

<u>Sinking Fund Installment Dates (June 1)</u>	<u>Sinking Fund Installments</u>
*	\$

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\*Final Maturity

On or before the date such Sinking Fund Installments are due, the Trustee shall deposit such amounts to the Principal Account and amounts so transferred shall be applied as provided in Section 5.02 and this Section 27.03.

**Section 27.04 Mandatory Redemption of 2020 Series B Senior Bonds From Sinking Fund Installments.**

(a) The 2020 Series B Senior Bonds maturing on June 1, 20[\_\_\_] shall also be subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due as specified in Section 27.04(b), in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium.

(b) The Sinking Fund Installments for the 2020 Series B Term Bond maturing on June 1, 20[\_\_\_] shall be due in the amounts and on the dates as follows:

<u>Sinking Fund Installment Dates (June 1)</u>	<u>Sinking Fund Installments</u>
*	\$

---

\*Final Maturity

On or before the date such Sinking Fund Installments are due, the Trustee shall deposit such amounts to the Principal Account and amounts so transferred shall be applied as provided in Section 5.02 and this Section 27.04.

**Section 27.05 Selection of 2020 Series A Senior Bonds for Redemption.**

The Commission shall designate which maturities of 2020 Series A Senior Bonds are to be called for redemption pursuant to Section 27.01. In the event 2020 Series A Senior Bonds which are Term Bonds are designated for redemption, the Commission may designate the Sinking Fund Installments under Section 27.03, or portions thereof, that are to be reduced as allocated to such redemption. The Trustee shall promptly notify the Commission in writing of the 2020 Series A Senior Bonds so selected for redemption.

If the 2020 Series A Senior Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the 2020 Series A Senior Bonds shall be effected by the Trustee among owners on a pro-rata basis subject to minimum Authorized Denominations. The particular 2020 Series A Senior Bonds to be redeemed shall be determined by the Trustee, using such method as it shall deem fair and appropriate.

If the 2020 Series A Senior Bonds are registered in book-entry only form, and so long as DTC or a successor Securities Depository is the sole registered owner of the 2020 Series A Senior Bonds, if less than all of the 2020 Series A Senior Bonds of a maturity are called for prior redemption, the particular 2020 Series A Senior Bonds or portions thereof to be redeemed shall be selected on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided that, so long as the 2020 Series A Senior Bonds are held in book-entry form, the selection for redemption of such 2020 Series A Senior Bonds shall be made in accordance with the operational arrangements of DTC then in effect that at issuance provided for adjustment of the principal by a factor provided pursuant to DTC operational arrangements. If the Trustee does not provide the necessary information and identify the redemption as on a Pro Rata Pass-Through Distribution of Principal basis, the 2020 Series A Senior Bonds shall be selected for redemption by lot in accordance with DTC procedures. Redemption allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the Commission and the Beneficial Owners are to be made on a “Pro Rata Pass-Through Distribution of Principal” basis as described above. If the DTC operational arrangements do not allow for the redemption of the 2020 Series A Senior Bonds on a “Pro Rata Pass-Through



Distribution of Principal” basis as described above, then the 2020 Series A Senior Bonds shall be selected for redemption by lot in accordance with DTC procedures.

**Section 27.06**     **Selection of 2020 Series B Senior Bonds for Redemption.**

The Commission shall designate which maturities of 2020 Series B Senior Bonds are to be called for redemption pursuant to Section 27.02. In the event 2020 Series B Senior Bonds which are Term Bonds are designated for redemption, the Commission may designate the Sinking Fund Installments under Section 27.04, or portions thereof, that are to be reduced as allocated to such redemption. The Trustee shall promptly notify the Commission in writing of the 2020 Series B Senior Bonds so selected for redemption.

If less than all of the 2020 Series B Senior Bonds of a maturity are called for prior redemption, the Trustee shall select the 2020 Series B Senior Bonds of such maturity to be redeemed, from the Outstanding 2020 Series B Senior Bonds of such maturity not previously called for redemption, in minimum denominations of \$5,000 (of principal), by lot in any manner which the Trustee in its sole discretion shall deem appropriate.

**Section 27.07**     **Purchase in Lieu of Redemption.**

In lieu of mandatory redemption from Sinking Fund Installments, the Commission may surrender to the Trustee for cancellation 2020 Senior Bonds that are Term Bonds purchased on the open market and such 2020 Senior Bonds that are Term Bonds shall be cancelled by the Trustee. If any 2020 Senior Bonds that are Term Bonds are so cancelled, the Commission may designate the Sinking Fund Installments or portions thereof that are to be reduced as allocated to such cancellation.

## ARTICLE XXVIII

### ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

**Section 28.01**     **Funds and Accounts.**

To ensure the proper application of such portion of proceeds from the sale of the 2020 Senior Bonds to be applied to pay Costs of Issuance of the 2020 Senior Bonds, there is hereby established the 2020 Senior Bonds Costs of Issuance Account, which shall be held by the Trustee. To ensure the proper application of such portion of proceeds from the sale of the 2020 Series A Senior Bonds to be applied to pay capitalized interest on the 2020 Series A Senior Bonds, there is hereby established the 2020 Series A Senior Bonds Capitalized Interest Account, which shall be held by the Trustee. To ensure the proper application of such proceeds from the sale of the 2020 Series B Senior Bonds to be applied to satisfy the 2020 Series B Senior Bonds Reserve Requirement, there is hereby established the 2020 Series B Senior Bonds Reserve Account within the Senior Lien Obligations Reserve Fund, such account to be held by the Trustee.

**Section 28.02**     **2020 Senior Bonds Costs of Issuance Account.**

The proceeds of the 2020 Senior Bonds set aside and placed in the 2020 Senior Bonds Costs of Issuance Account shall remain therein until October 1, 2020 and expended for the purpose of paying the Costs of Issuance of the 2020 Senior Bonds. Before any payment from the 2020 Senior Bonds Costs of Issuance Account shall be made by the Trustee, the Commission shall file or cause to be

filed with the Trustee a requisition of the Commission (each a “Requisition”), such Requisition to be signed by an Authorized Representative and to include: (i) the item number of such payment; (ii) the name and address of, or name and wiring instructions for, the person to whom each such payment is due, which may be the Commission in the case of reimbursement for costs theretofore paid by the Commission; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; and (v) that obligations in the stated amounts have been incurred by the Commission and are presently due and payable and that each item thereof is a proper charge against the 2020 Senior Bonds Costs of Issuance Account and has not been previously paid from said account. On October 1, 2020, any amounts remaining in the 2020 Senior Bonds Costs of Issuance Account shall be transferred to the Toll Revenue Fund and the 2020 Senior Bonds Costs of Issuance Account shall be closed.

**Section 28.03 Designation of 2020 Series A Senior Bonds as 2013 Bonds Reserve Account Obligations; 2013 Bonds Reserve Requirement.** The 2020 Series A Senior Bonds are Senior Lien Obligations issued to refinance all of the 2013 Series A Bonds and are hereby designated as 2013 Bonds Reserve Account Obligations in accordance with the First Supplemental Indenture. As of the Issue Date of the 2020 Series A Senior Bonds, the 2013 Bonds Reserve Requirement is \$[\_\_\_\_\_], which shall be satisfied by \$[\_\_\_\_\_] on deposit in the 2013 Bonds Reserve Account, together with the additional deposit therein, pursuant to Section 26.06(c), of \$[\_\_\_\_\_] from proceeds of the 2020 Series A Senior Bonds.

**Section 28.04 2020 Series B Senior Bonds Reserve Account.** The monies set aside and placed in the 2020 Series B Senior Bonds Reserve Account on account of the 2020 Series B Senior Bonds Reserve Requirement shall be held solely for the benefit of the 2020 Series B Senior Bonds Reserve Account Obligations, and shall be used, withdrawn, and replenished as provided herein and in Sections 5.03 and 5.08. If, on any date of valuation of Permitted Investments credited to the 2020 Series B Senior Bonds Reserve Account pursuant to Section 5.23, the amount on deposit in the 2020 Series B Senior Bonds Reserve Account exceeds the 2020 Series B Senior Bonds Reserve Requirement as of such date, the Trustee shall transfer such excess amount to the Toll Revenue Fund.

**Section 28.05**     **2020 Series A Senior Bonds Capitalized Interest Account.**

Moneys in the 2020 Series A Senior Bonds Capitalized Interest Account shall be transferred to the Senior Lien Obligations Interest Account in the following amounts and on or before the following Interest Payment Dates, and shall be used solely for the purpose of paying interest on the 2020 Series A Senior Bonds Outstanding as the same shall become due and payable (including accrued interest on any 2020 Series A Senior Bonds purchased or redeemed prior to maturity):

<u>Date</u>	<u>Amount</u>
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On the Business Day after each Interest Payment Date, any interest earnings on the moneys in the 2020 Series A Senior Bonds Capitalized Interest Account shall be transferred to the Senior Lien Obligations Interest Account.

**ARTICLE XXIX**

**MISCELLANEOUS**

**Section 29.01**     **Severability.** If any covenant, agreement or provision, or any portion thereof, contained in this Third Supplemental Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Third Supplemental Indenture, and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Third Supplemental Indenture shall remain valid.

**Section 29.02**     **Parties Interested Herein.** Nothing in this Third Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Commission, the Trustee, and the Owners of the 2020 Senior Bonds, any right, remedy or claim under or by reason of this Third Supplemental Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Third Supplemental Indenture contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the Trustee, and the Owners.

**Section 29.03**     **Headings Not Binding.** The headings in this Third Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Supplemental Indenture.

**Section 29.04 Notice Addresses.** Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed to the Notice Address for the appropriate party or parties as provided in Exhibit B hereto. Any such entity by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses.

**Section 29.05 Notices to Rating Agencies.** The Trustee shall provide notice to the Rating Agencies of the following events with respect to the 2020 Senior Bonds:

- (a) Change in Trustee;
- (b) Amendments to the Indenture; and
- (c) Redemption or defeasance of the 2020 Senior Bonds.

**Section 29.06 Indenture to Remain in Effect.** Save and except as amended and supplemented by this Third Supplemental Indenture, the Master Indenture shall remain in full force and effect.

**Section 29.07 Effective Date of Third Supplemental Indenture.** This Third Supplemental Indenture shall take effect upon its execution and delivery.

**Section 29.08 Execution in Counterparts.** This Third 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.

## ARTICLE XXX

### AMENDMENTS TO INDENTURE

**Section 30.01 Amendments to Indenture.** Pursuant to Section 9.02 and Section 9.03 of the Indenture, Holders of at least a majority in aggregate Bond Obligation of the Obligations Outstanding may consent to amendments of the Indenture for the purpose of modifying, altering, amending, or supplementing any of its terms or provisions other than as specified in Section 9.02. By their purchase of the 2020 Series Bonds, Holders of the 2020 Series Bonds have consented to the amendments contained in this Third Supplemental Indenture as described in the official statement for the 2020 Series Bonds, and the Commission has prepared and filed a Certificate of the Commission (as defined in the Indenture), stating that Holders of a majority in aggregate Bond obligation of the Obligations Outstanding as of the issuance of the 2020 Series Bonds have consented to the following amendments:

- (a) Recitals two through five are hereby deleted from the Indenture.
- (b) The definition of, and all references to, “Alternative Repair and Rehabilitation Fund Required Deposit,” “Capital Expenditures Fund Deposits Cap,”

“Commission Equity Account,” “Financial Plan,” “Ordinance,” “Rating Confirmation,” “Residual Fund Scheduled Retained Balance,” “Sales Tax Act,” “Sales Tax Eligible Project Costs,” “Sales Tax Revenue Bond Indenture,” “Sales Tax Revenue Bonds,” “Sales Tax Revenue Bonds Account,” “Sales Tax Revenues,” “2013 Sales Tax Revenue Bonds” and “Written Engineer’s Certificate” are hereby deleted from the Indenture.

(c) The following definitions in the Indenture are hereby amended and restated as follows:

**“Capital Expenditures Fund Permitted Expenditures”** means any capital expenditures authorized under the Act in such amount as shall be determined from time to time by the Commission pursuant to a Written Request of the Commission.

**“Long Stop Date”** means, with respect to any Project, the Long Stop Date for such Project, if any, set forth in a Supplemental Indenture providing for the issuance of Obligations to finance such Project.

**“Scheduled Repair and Rehabilitation Fund Required Deposit”** means, for each Monthly Funding Date, (a) any Repair and Rehabilitation Fund Permitted Expenditures due and payable prior to the next Monthly Funding Date and for which the Commission has not previously set aside funds, or for which insufficient monies are on deposit, in the Repair and Rehabilitation Fund, plus (b) one-twelfth (1/12) of the sum of (i) one hundred percent (100%) of the Repair and Rehabilitation Fund Permitted Expenditures that the Commission projects to become due in the period ending one year from such Monthly Funding Date, plus (ii) sixty-six percent (66%) of the Repair and Rehabilitation Fund Permitted Expenditures that the Commission projects to become due in the period commencing one year and one day from such Monthly Funding Date and ending two years from such Monthly Funding Date, plus (iii) thirty-three percent (33%) of the Repair and Rehabilitation Fund Permitted Expenditures that the Commission projects to become due in the period commencing two years and one day from such Monthly Funding Date and ending three years from such Monthly Funding Date.

**“TIFIA Debt Service Payment Commencement Date”** means the date specified in any Supplemental Indenture as the TIFIA Debt Service Payment Commencement Date for a TIFIA Loan.

**“TIFIA Lender”** means, if any TIFIA Loans are then outstanding, the United States Department of Transportation, acting by and through the Federal Highway Administrator, for the purpose of making one or more TIFIA Loans to the Commission.

**“TIFIA Loan”** means each loan made to the Commission by the TIFIA Lender, if any, pursuant to a TIFIA Loan Agreement that is payable from, and secured by, Revenue as provided in this Indenture and any Supplemental Indenture.

**“TIFIA Loan Agreement”** means each loan agreement, if any, evidencing a TIFIA Loan, by and between the Commission and the TIFIA Lender, and, in each case, any amendments or supplements thereto permitted hereby and thereby.

“**TIFIA Loan Prepayment Commencement Date**” means the date specified in any Supplemental Indenture as the TIFIA Debt Service Payment Commencement Date for a TIFIA Loan.

“**Toll Road**” means lanes of a street, road or highway upon which the Commission has all right, power and authority pursuant to law to impose tolls, and upon which tolls are imposed by the Commission using any of the following tolling strategies: (a) general purpose or generally-applicable tolls, (b) tolls that may be levied and may vary according to levels of congestion anticipated or experienced or according to the occupancy of the vehicle, (c) any combination of (a) and (b), and (d) any other tolling strategy the Commission may determine appropriate on a facility-by-facility basis; and the related tolling facilities, as such tolled lanes and related facilities may from time to time be expanded, improved, upgraded, enlarged, or enhanced, but only to the extent that: (i) the Commission irrevocably designates in writing that such toll lanes and related facilities, and any expansion, improvement, upgrade, enlargement or enhancement constitutes a Toll Road generating Toll Revenues hereunder and (ii) that (x) the additional Operation and Maintenance Expenses associated with any such expansion, improvement, upgrade, enlargement or enhancement and (y) any additional Obligations issued to finance the costs of any such expansion, improvement, upgrade, enlargement or enhancement, shall not result in debt service coverage ratios for the Subordinate Obligations lower than those described in Section 6.03 hereof. “Toll Road” shall not include any Special Project. “Toll Road” initially means any such tolled lanes and facilities (including structures, on-ramps, connector roads, bridges, and roadways that are on, necessary for, or related to the construction or operation of the Toll Road) on the portion of SR-91 between the Orange County/Riverside County line and Interstate 15 that constitute a part of the Riverside SR-91 Corridor Improvement Project.

(d) Section 3.01(b)(2) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

(2) projected Net Revenue for each Fiscal Year over the term of the proposed additional Senior Lien Obligations is expected to be sufficient to satisfy the requirements of Section 6.03(a) of this Indenture in each Fiscal Year. In calculating projected Net Revenue, the Traffic Consultant shall take into account amounts projected to be received from any ~~adopted~~ **change in** toll ~~increase or increases~~ **policy** (provided that no additional approvals need to be obtained and no additional requirements need to be satisfied in order to implement any such ~~increase or increases~~ **toll policy**) and any additional toll lanes and facilities to be designated as included within the definition of Toll Road;

(e) Section 3.03(a) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

(a) The Second Lien Obligations or Subordinate Obligations, as applicable, are issued for purposes of refunding **Outstanding Senior Lien Obligations**,

Outstanding Second Lien Obligations or Outstanding Subordinate Obligations by providing funds for the payment of any or all of the following:

(1) The Bond Obligation, redemption or purchase price (including premium, if any) of the **Outstanding Senior Lien Obligations**, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations to be refunded;

(2) All expenses incident to the calling, retiring or paying of such **Outstanding Senior Lien Obligations**, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations, the Costs of Issuance of such refunding Second Lien Obligations or Subordinate Obligations, and any termination payments or other payments to the holders of obligations of the Commission entered into pursuant to California Government Code Section 5922 (or any similar statute) related to such **Outstanding Senior Lien Obligations**, Outstanding Second Lien ~~Outstanding~~ Obligations or **Outstanding** Subordinate Obligations;

(3) Interest on all **Outstanding Senior Lien Obligations**, Outstanding Second Lien Obligations or Outstanding Subordinate Obligations to be refunded to the date such **Senior Lien Obligations**, Second Lien Obligations or Subordinate Obligations will be called for redemption or paid at maturity;

(4) Interest on the refunding Second Lien Obligations or Subordinate Obligations from the date thereof to the date of payment or redemption of the **Senior Lien Obligations**, Second Lien Obligations or Subordinate Obligations to be refunded;

(f) Section 3.03(b)(2) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

(2) projected Net Revenue for each Fiscal Year over the term of the proposed additional Second Lien Obligations or Subordinate Obligations is expected to be sufficient to satisfy the requirements of Section 6.03(a) of this Indenture in each Fiscal Year. In calculating projected Net Revenue, the Traffic Consultant shall take into account amounts projected to be received from any ~~adopted~~ **change in** toll ~~increase or increases~~ **policy** (provided that no additional approvals need to be obtained and no additional requirements need to be satisfied in order to implement any such ~~increase or increases~~ **toll policy**) and any additional toll lanes and facilities to be designated as included within the definition of Toll Road;

(g) Clause Thirteenth of Section 5.03(b) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

Thirteenth, on each Monthly Funding Date, to the extent sufficient funds are then available after application of funds for the purposes specified in the prior clauses of this Section 5.03(b), to the Repair and Rehabilitation Fund, an amount equal to ~~the~~

~~Alternative Repair and Rehabilitation Fund Required Deposit or, if no such deposit is then required to be made, an amount not to exceed the Scheduled Repair and Rehabilitation Fund Required Deposit for such Monthly Funding Date. If sufficient funds are not then available on a particular Monthly Funding Date, after application of funds for the purposes specified in the prior clauses, to fund the Scheduled Repair and Rehabilitation Fund Required Deposit or Alternative Repair and Rehabilitation Fund Required Deposit, as applicable, or if the Commission has elected to defer all or a portion of the Scheduled Repair and Rehabilitation Fund Required Deposit for a prior Monthly Funding Date or Monthly Funding Dates, the Commission may use funds on each subsequent Monthly Funding Date to satisfy the cumulative shortfall in the Scheduled Repair and Rehabilitation Fund Required Deposit ~~or Alternative Repair and Rehabilitation Fund Required Deposit, as applicable,~~ from previous Monthly Funding Dates;~~

(h) Clause Fourteenth of Section 5.03(b) is hereby amended and restated as follows (additions in **bold underline**, deletions in ~~strikethrough~~):

Fourteenth, on each Monthly Funding Date, to the Capital Expenditures Fund to the extent necessary to fund such Fund so that the balance therein (taking into account all amounts then on deposit therein) equals the aggregate amount of Capital Expenditures Fund Permitted Expenditures ~~indicated for the next six months in the Annual Operating Budget~~ **as set forth in a Written Request of the Commission**, which amount may be \$0 **and shall be deemed to be \$0 if no Written Request of the Commission has been provided prior to such Monthly Funding Date**; ~~provided, however, that in no event shall the total of all amounts transferred into the Capital Expenditures Fund exceed the Capital Expenditures Fund Deposits Cap;~~

(i) Section 5.03(c) is hereby amended as follows (additions in **bold underline**, deletions in ~~strikethrough~~):

(c) To the extent that on any Calculation Date or any other date of determination requested by the Commission, the Commission determines that (i) the amounts on deposit in the Senior Lien Obligations Reserve Fund are in excess of the applicable Senior Lien Obligations Reserve Requirement, (ii) the amounts on deposit in the Second Lien Obligations Reserve Fund are in excess of the applicable Second Lien Obligations Reserve Requirement, (iii) amounts on deposit in the Subordinate Obligations Reserve Fund are in excess of the applicable Subordinate Obligations Reserve Requirement, (iv) the amounts on deposit in the Repair and Rehabilitation Fund are certified by the Commission to be in excess of what is required for expected Repair and Rehabilitation Fund Permitted Expenditures, or (v) the amounts on deposit in the Capital Expenditures Fund are ~~(A) certified by the Commission to no longer be needed for making Capital Expenditures Fund Permitted Expenditures, or (B) in excess of the Capital Expenditures Fund Deposits Cap~~, then in each such case, as applicable, the excess amounts shall be transferred into the Toll Revenue Fund.



(j) Section 5.04(a)(4), Section 5.04(a)(5), Section 5.04(e), Section 5.04(f), Section 5.04(i), Section 5.05, and Section 5.20(a) are hereby amended and restated in their entirety to read as follows: [Reserved.]

(k) Section 5.07(a) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

(a) The Trustee shall cause amounts in the Toll Revenue Fund, to the extent available, to be deposited into the Capital Expenditures Fund on each Monthly Funding Date in accordance with clause Fourteenth of Section 5.03(b). Any amounts on deposit in the Capital Expenditures Fund that are ~~(i)~~ certified by the Commission to no longer be needed for making Capital Expenditures Fund Permitted Expenditures, ~~or (ii) in excess of the Capital Expenditures Fund Deposits Cap,~~ shall be applied in accordance with the requirements of Section 5.03(c) of this Indenture.

(l) Section 6.03(b)(1) is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

(1) Within 60 days after the end of each Fiscal Year (beginning with the first full Fiscal Year following the Substantial Completion Date for the Riverside SR-91 Corridor Improvement Project), the Commission will file with the Trustee a report setting forth the Net Revenue for such Fiscal Year. The failure of toll rates to yield an amount sufficient to achieve each Coverage Ratio shall not be deemed to constitute an Event of Default so long as the Commission complies with the requirements set forth below in this Section 6.03(b). If any such report indicates that the Net Revenue for such Fiscal Year was less than the amount required pursuant to Section 6.03(a), then, as soon as practicable after delivering such report to the Trustee and, while there are Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the TIFIA Lender, the Commission shall **take such actions as it deems appropriate for the current Fiscal Year for purposes of meeting or exceeding such requirement. If any such report indicates that the Net Revenue for such Fiscal Year was less than the amount required pursuant to Section 6.03(a) for a second consecutive Fiscal Year, then as soon as practicable after delivering such report to the Trustee and, while there are Outstanding Obligations in the form of or securing payment of a TIFIA Loan, the TIFIA Lender, the Commission shall** employ a Traffic Consultant to review and analyze the operations of the Toll Road and to submit to the Board, as soon as practicable (but not later than such date as will enable the Board to act upon it within 180 days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by the Commission with respect to (i) revising the toll rates **or the Commission's toll rate policies**, (ii) altering its methods of operation, or (iii) taking other action projected to produce the amount so required to comply in each year with each Coverage Ratio (or, if less, the maximum amount deemed feasible by the Traffic Consultant and that the Traffic Consultant estimates will not adversely affect the amount of Net Revenue). Promptly upon its receipt of such written report (and, in any case, within 180 days after the end of the Fiscal Year in question), after giving due consideration thereto, the Commission will revise the

toll rates **or toll policies**, as permitted by law, alter its methods of operation, or take such other action as it deems appropriate. Such revisions, alterations, or actions need not comply with the recommendations of the Traffic Consultant so long as Net Revenue projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by the Commission are at least equal to the amount required hereinabove. The Trustee shall have no responsibility to review any written report received pursuant to this Section 6.03(b).

(m) Section 6.04 is hereby amended as follows (additions in **bold underline**, deletions in ~~striketrough~~):

**Section 6.04 Annual Budget; Financial Plan.** The Commission covenants that, for each Fiscal Year, it will take such actions as may be required of it to prepare and will adopt an annual budget in accordance with applicable law, including the Act, and the Toll Agreements. The Commission further covenants that it will provide to the Trustee (A) no later than 30 days prior to the commencement of each Fiscal Year, an operating plan and a preliminary budget, and (B) not later than the first day of each Fiscal Year, a copy of the Commission's final budget (such copy of the final budget being referred to herein as the "Annual Operating Budget"). ~~The Commission further covenants that it will provide to the Trustee a copy of the Commission's Financial Plans concurrently with their submission to the TIFIA Lender.~~ The Trustee shall have no responsibility to review such preliminary budget, **or** Annual Operating Budget ~~or Financial Plan~~ and shall only retain such documents as a repository for the holders of the Obligations.

(n) Schedule I, Schedule II, Schedule III, and Exhibit B shall be deleted in their entirety together with any references thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Third Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

By: \_\_\_\_\_  
General Counsel

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF 2020 SENIOR LIEN SERIES [A][B] BOND**

No. R-- [A][B]-\_\_\_\_\_

\$ \_\_\_\_\_

**Riverside County Transportation Commission**  
**Toll Revenue Senior Lien Refunding Bond**  
**(Current Interest Obligation), 2020 Series [A][B][(Federally Taxable)]**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>ISSUE DATE</b>	<b>CUSIP</b>
	June 1, 20[___]	[____], 2020	

**REGISTERED OWNER:** Cede & Co.

**PRINCIPAL AMOUNT:** \_\_\_\_\_ Dollars

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**, a public entity duly organized and existing under the laws of the State of California (the “Commission”), for value received, hereby promises to pay (but solely from the Trust Estate as hereinafter referred to) in lawful money of the United States of America, to the registered owner or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon until the principal hereof shall have been paid, at the interest rate per annum specified above based on a 360-day year of twelve 30-day months, payable on December 1, 2020 and semiannually thereafter on June 1 and December 1 and at maturity or upon the prior redemption thereof (each, an “Interest Payment Date”). This Bond shall bear interest from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for, or (iii) if the date of authentication of this Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

As long as 2020 Series [A][B] Bonds are Book-Entry Bonds, principal of and premium, if any, and interest on the 2020 Series [A][B] Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America.

If the 2020 Series [A][B] Bonds cease to be Book-Entry Bonds, principal of and premium, if any, on the 2020 Series [A][B] Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of U.S. Bank National Association, as trustee (the “Trustee”) and interest shall be payable by first class mail on each interest payment date to the registered owners thereof as of the close of business on the Record Date; provided, however, that the registered owner of \$1,000,000 or more in aggregate principal amount of 2020 Series [A][B] Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer. As used herein,

“Record Date” means the fifteenth day (whether or not a Business Day) of the month preceding such Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Commission, designated as “Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds” (the “Bonds”), of the series designated above, all of which are being issued pursuant to the County Transportation Commissions Act, being Division 12 of the Public Utilities Code of the State of California (Section 130000 *et seq.*) (the “Act”), [Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 *et seq.*) (the “Refunding Bond Law”),] and a Master Indenture, dated as of April 1, 2020 (the “Master Indenture”), as supplemented, including as supplemented by a Third Supplemental Indenture, dated as of April 1, 2020 (the “Third Supplemental Indenture”), each between the Commission and the Trustee. The Master Indenture, as supplemented and amended from time to time pursuant to its terms, including as supplemented by the Third Supplemental Indenture, is hereinafter referred to as the “Indenture.” Said authorized issue of Bonds is not limited in principal amount 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. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Indenture.

**THIS BOND IS A LIMITED OBLIGATION OF THE COMMISSION SECURED SOLELY BY THE TRUST ESTATE AS DEFINED AND PROVIDED IN THE INDENTURE AND THE COMMISSION IS NOT OBLIGATED TO PAY THIS BOND EXCEPT FROM SUCH TRUST ESTATE. THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE COMMISSION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF PRINCIPAL OR INTEREST OF THIS BOND.**

Reference is hereby made to the Indenture, the Act and the Refunding Bond Law 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 Trust Estate and the rights of the registered owners of the Bonds and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Commission and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the Indenture.

This Bond is secured by and payable both as to principal and interest, and as to any premium upon the redemption hereof, solely from the Trust Estate as defined in the Indenture, subject only to the provisions of the Indenture permitting application thereof for the purposes and on the terms and conditions set forth therein, and the Commission is not obligated to pay this Bond except from said Trust Estate.

The Bonds of the Series of Bonds of which this Bond is a part shall be subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part (and if in part, in such order of maturity as the Commission shall specify and within a maturity by lot or by such other method as the Trustee determines to be fair and reasonable and in Authorized Denominations), on any date on or after June 1, 20[\_\_\_], at the principal amount of such Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

[The Bonds of the Series of Bonds of which this Bond is a part maturing on June 1, 20[\_\_\_] shall be subject to mandatory redemption prior to their stated maturity, in part, from Sinking Fund Installments required by and as specified in the Indenture, at a redemption price equal to the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium, on June 1, 20[\_\_\_] and June 1, 20[\_\_\_].]

The rights and obligations of the Commission and of the holders and registered owners of the Bonds of the Series of Bonds of which this Bond is a part 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 owners of Bonds.

This Bond is transferable or exchangeable as provided in the Indenture, only upon the Bond Register at the Principal Office of the Trustee, by the registered owner hereof in person, or by such owner's duly authorized attorney, upon surrender of this Bond at the Principal Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner's duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity, interest rate, shall be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any charges therein prescribed.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, including receiving payment of, or on account of, the principal of and premium and interest due hereon.

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 Bond, and in the issuing of this Bond, 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, the Act and the Refunding Bond Law, and that this Bond, together with all other indebtedness of the Commission secured by the Trust Estate, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and the Act.

This 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 manually signed by the Trustee.

IN WITNESS WHEREOF the Riverside County Transportation Commission has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representatives all as of the Issue Date set forth above.

RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Chair of the Board of Commissioners

(Seal)

Countersigned:

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

**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the 2020 Series [A][B] Bonds described in the within mentioned Indenture and was authenticated on the date set forth below.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

**[DTC LEGEND]**

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.



**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

---

(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
TAX IDENTIFICATION NUMBER OF ASSIGNEE

---

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature:

---

(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

---

Notice: Signature must be guaranteed by an eligible guarantor firm.

**EXHIBIT B  
NOTICE ADDRESSES**

**To the Commission:**

Riverside County Transportation Commission  
P.O. Box 12008  
Riverside, California 92502  
or  
4080 Lemon Street, 3rd Floor  
Riverside, CA 92501  
Attention: Chief Financial Officer  
Telephone: (951) 787-7141  
Fax: (951) 787-7920

**To the Trustee:**

U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust  
Telephone: 213-615-6051  
Fax: 213-615-6199

**To the Rating Agencies:**

S&P Global Ratings  
55 Water Street, 38th Floor  
New York, New York 10041  
Telephone: 212-438-2000  
Facsimile: 212-438-2157  
Email: pubfin\_structured@standardandpoors.com

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Telephone: [\_\_\_\_\_] ]  
Facsimile: [\_\_\_\_\_] ]  
Email: [\_\_\_\_\_]

**SCHEDULE I**  
**2013A REFUNDED BONDS & 2013-1 TIFIA SERIES REFUNDED BONDS**

**Riverside County Transportation Commission**  
**Toll Revenue Senior Lien Bonds, 2013 Series A**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>CUSIP No.*</b>	<b>Redemption Price</b>
---------------------------------------	-----------------------------	--------------------------	-------------------	-----------------------------

**Riverside County Transportation Commission**  
**Toll Revenue Subordinate Bonds, 2013 TIFIA Series**

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\* CUSIP numbers provided above are provided for the convenience of the Trustee. The Commission is not responsible for the accuracy or completeness of any of the CUSIP numbers.

**FOURTH SUPPLEMENTAL INDENTURE**

**between**

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of April 1, 2020**

**Relating to the**

**Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

**(Supplementing the Master Indenture  
Dated as of June 1, 2013)**

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THIS FOURTH SUPPLEMENTAL INDENTURE, dated as of April 1, 2020 (this “Fourth Supplemental Indenture”), between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION, a public entity duly existing under the laws of the State of California (the “Commission”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as successor trustee (together with any successor thereto, the “Trustee”).

**WITNESSETH:**

WHEREAS, this Fourth Supplemental Indenture is supplemental to the Master Indenture, dated as of June 1, 2013 (as supplemented and amended from time to time pursuant to its terms, the “Indenture”), between the Commission and the Trustee;

WHEREAS, the Indenture provides that the Commission may issue Second Lien Obligations from time to time as authorized by a Supplemental Indenture, which Second Lien Obligations are to be secured by the Trust Estate in accordance with the Indenture; and

WHEREAS, the Commission desires to provide at this time for the issuance of Second Lien Obligations secured by the Trust Estate, such Bonds to be designated “Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C” (the “2020 Series C Second Lien Bonds”) for the purposes of (i) refunding a portion of the Commission’s outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series (the “2013-2 TIFIA Series Refunded Bonds”) by prepaying the 2013 TIFIA Loan Agreement in part (which together with the proceeds of the 2020 Series B Senior Bonds will prepay the 2013 TIFIA Loan Agreement in full), (ii) funding the required cash deposit to the 2020 Series C Second Lien Obligations Reserve Account, and (iii) paying the costs of issuance incurred in connection with the 2020 Series C Second Lien Bonds, all as provided in this Fourth Supplemental Indenture;

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

**ARTICLE XXXI**

**DEFINITIONS**

**Section 31.01 Definitions.**

(a) Definitions. Unless the context otherwise requires, or as otherwise provided in subsection (b) of this Section, all terms defined in the Indenture shall have the same meanings, respectively, in this Fourth Supplemental Indenture.

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

“**Authorized Denominations**” means, with respect to the 2020 Series C Second Lien Bonds, \$5,000 principal amount and any integral multiple thereof.

“**Fourth Supplemental Indenture**” means this Fourth Supplemental Indenture, dated as of April 1, 2020.

“**Interest Payment Date**” means, with respect to the 2020 Series C Second Lien Bonds, June 1 and December 1 of each year until the redemption or maturity of such 2020 Series C Second Lien Bonds, commencing with December 1, 2020.

“**Issue Date**” means, with respect to the 2020 Series C Second Lien Bonds, the date on which the 2020 Series C Second Lien Bonds are first delivered to the purchasers thereof.

“**Record Date**” means, with respect to the 2020 Series C Second Lien Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

“**Refunding Bond Law**” means Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 *et seq.*).

“**2013-2 TIFIA Series Refunded Bonds**” means the portion of the outstanding Riverside County Transportation Commission Toll Revenue Subordinate Bonds, 2013 TIFIA Series identified on Schedule I hereto.

“**2020 Series Bonds Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of April 1, 2020, by and between the Commission and Digital Assurance Certification, L.L.C., as dissemination agent, relating to the 2020 Series Bonds.

“**2020 Series C Second Lien Bonds**” means the Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C, authorized by Article XXXIII of this Indenture.

“**2020 Series C Second Lien Bonds Costs of Issuance Account**” means the 2020 Series C Second Lien Bonds Costs of Issuance Account established within the Second Lien Obligations Account within the Project Fund pursuant to Section 35.01.

“**2020 Series C Second Lien Bonds Reserve Requirement**” means, with respect to the 2020 Series C Second Lien Obligations Reserve Account Obligations, an amount, calculated as of the most recent Issue Date of 2020 Series C Second Lien Obligations Reserve Account Obligations, equal to the least of (i) Maximum Annual Debt Service on the Outstanding 2020 Second Lien Obligations Reserve Account Obligations, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2020 Series C Second Lien Obligations Reserve Account Obligations, or (iii) ten percent (10%) of the original principal amount of the 2020 Series C Second Lien Obligations Reserve Account Obligations with respect to all Outstanding 2020 Series C Second Lien Bonds.

“**2020 Series C Second Lien Bonds Tax Certificate**” shall mean that certain Tax Certificate executed on behalf of the Commission in connection with the issuance of the 2020 Series C Second Lien Bonds and relating to the requirements of the Code.



“**2020 Series C Second Lien Obligations Reserve Account**” means the 2020 Series C Second Lien Obligations Reserve Account established within the Second Lien Obligations Reserve Fund pursuant to Section 35.01.

“**2020 Series C Second Lien Obligations Reserve Account Obligations**” means the 2020 Series C Second Lien Bonds and any Second Lien Obligations that are designated as 2020 Series C Second Lien Obligations Reserve Account Obligations in the Supplemental Indenture providing for their issuance.

**Section 31.02** **Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article XXXI.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Fourth Supplemental Indenture, refer to the Indenture.

## ARTICLE XXXII

### FINDINGS, DETERMINATIONS AND DIRECTIONS

**Section 32.01** **Findings and Determinations.** The Commission hereby finds and determines that the 2020 Series C Second Lien Bonds shall be issued pursuant to Article XXXIII hereof and upon the issuance of the 2020 Series C Second Lien Bonds, any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State.

**Section 32.02** **Recital in Bonds.** There shall be included in each of the definitive 2020 Series C Second Lien Bonds, and also in each of the temporary 2020 Series C Second Lien Bonds, if any are issued, a certification and recital 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 that 2020 Series C Second Lien Bond, and in the issuing of that 2020 Series C Second Lien Bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State, the Act and the Refunding Bond Law, and that said 2020 Series C Second Lien Bond, together with all other indebtedness of the Commission secured by the Trust Estate, is within every debt and other limit prescribed by the Constitution and statutes of the State, the Act and the Refunding Bond Law, and that such certification and recital shall be in such form as is set forth in the forms of the 2020 Series C Second Lien Bonds attached hereto as Exhibit A.

**Section 32.03** **Effect of Findings and Recital.** From and after the issuance of the 2020 Series C Second Lien Bonds, the findings and determinations herein shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2020 Series C Second Lien Bonds is at issue, and no bona fide

purchaser of any such 2020 Series C Second Lien Bond containing the certification and recital shall be required to see to the existence of any fact, or to the performance of any condition, or to the taking of any proceeding, required prior to such issuance, or to the application of the purchase price for such 2020 Series C Second Lien Bonds.

## ARTICLE XXXIII

### AUTHORIZATION OF 2020 SERIES C SECOND LIEN BONDS

**Section 33.01 Principal Amount, Designation and Series.** Pursuant to the provisions of this Indenture, the Act and the Refunding Bond Law, a Series of Second Lien Obligations entitled to the benefit, protection and security of such provisions, including without limitation the grant of the Trust Estate in the Indenture, is hereby authorized in the aggregate initial principal amount of \$[\_\_\_\_\_]. Such Second Lien Obligations shall be issued as fixed rate Current Interest Obligations and shall be designated as, and shall be distinguished from the Second Lien Obligations of all other Series by the title, “Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds, 2020 Series C.”

**Section 33.02 Purpose.** The 2020 Series C Second Lien Bonds are issued for the purposes of (i) refunding the 2013-2 TIFIA Series Refunded Bonds by prepaying the 2013 TIFIA Loan Agreement in part (which together with the proceeds of the 2020 Series B Senior Bonds will prepay the 2013 TIFIA Loan Agreement in full), (ii) funding the required cash deposit to the 2020 Series C Second Lien Obligations Reserve Account, and (iii) paying the costs of issuance incurred in connection with the 2020 Series C Second Lien Bonds.

**Section 33.03 Form, Denomination, Numbers and Letters.** The 2020 Series C Second Lien Bonds shall be issued as Book-Entry Bonds in fully registered form in Authorized Denominations and shall be numbered by Series from one upward in consecutive numerical order preceded by the letter “R” prefixed to the number. The 2020 Series C Second Lien Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of the 2020 Series C Second Lien Bonds and as the form of the certificate of authentication.

**Section 33.04 Date, Maturities and Interest Rates.**

(a) The 2020 Series C Second Lien Bonds shall be issued as fixed rate Current Interest Obligations in the aggregate principal amount of \$[\_\_\_\_\_]. The 2020 Series C Second Lien Bonds shall be dated their Issue Date, shall bear interest from that date, payable on December 1, 2020, and semiannually thereafter on June 1 and December 1 of each year, at the following rates per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, and shall mature on June 1 in the following years and in the following amounts:

Maturity Date (June 1)	Principal Amount	Interest Rate
*	\$	%

\*Term Bond Final Maturity

(b) Interest on the 2020 Series C Second Lien Bond shall be payable to the Owner thereof from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

(c) As long as the 2020 Series C Second Lien Bonds are Book-Entry Bonds, principal of and premium, if any, and interest on the 2020 Series C Second Lien Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America.

(d) If the 2020 Series C Second Lien Bonds cease to be Book-Entry Bonds, principal of and premium, if any, on the 2020 Series C Second Lien Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of the Trustee and interest shall be payable by first class mail on each interest payment date to the Owners thereof as of the close of business on the Record Date; provided, however, that Owners of \$1,000,000 or more in aggregate principal amount of 2020 Series C Second Lien Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer.

**Section 33.05 Conditions to Delivery of 2020 Series C Second Lien Bonds.**

Each of the 2020 Series C Second Lien Bonds shall be executed and delivered as authorized by this Fourth Supplemental Indenture and the Indenture, including Article II thereof, upon the receipt of payment therefor from the purchaser thereof.

**Section 33.06 Disposition of Proceeds of 2020 Series C Second Lien Bonds.**

The net proceeds from the sale of the 2020 Series C Second Lien Bonds in the amount of \$[ ] shall be received by the Trustee and deposited by the Trustee as follows:

(a) \$[ ] into the 2020 Series C Second Lien Bonds Costs of Issuance Account;

(b) \$[ ], representing the 2020 Series C Second Lien Bonds Reserve Requirement at the time of issuance of the 2020 Series C Second Lien Bonds, into the 2020 Series C Second Lien Obligations Reserve Account; and

(c) the remaining amount of \$[ ] shall be immediately transferred to the TIFIA Lender for prepayment of the 2013 TIFIA Loan Agreement. Such amount, together with a portion of the proceeds from the 2020 Series B Senior Bonds and certain funds on deposit

in the Subordinate Obligations Reserve Account (2013 TIFIA Loan), as set forth in Section 26.06(f) and Section 33.07, will be applied to optionally prepay the 2013 TIFIA Loan Agreement in full.

**Section 33.07 Transfer of Funds from Subordinate Obligations Reserve Account (2013 TIFIA Loan).** Upon the Issue Date, the Trustee shall transfer the amount of \$[\_\_\_\_\_] from the Subordinate Obligations Reserve Account (2013 TIFIA Loan) to the TIFIA Lender for prepayment of the 2013 TIFIA Loan Agreement. Such funds from the Subordinate Obligations Reserve Account (2013 TIFIA Loan), together with a portion of the proceeds from the 2020 Series B Senior Bonds pursuant to Section 26.06(f) and a portion of the proceeds from the 2020 Series C Second Lien Bonds pursuant to Section 33.06(c), will be applied to optionally prepay the 2013 TIFIA Loan Agreement in full.

## ARTICLE XXXIV

### REDEMPTION OF 2020 SERIES C SECOND LIEN BONDS

#### **Section 34.01 Optional Redemption of 2020 Series C Second Lien Bonds.**

(a) The 2020 Series C Second Lien Bonds shall be subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20[\_\_\_] at the principal amount of 2020 Series C Second Lien Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

The Commission shall give the Trustee written notice at least twenty (20) days (or such lesser time period acceptable to the Trustee) before any date fixed for the redemption of the 2020 Series C Second Lien Bonds to be redeemed pursuant to this subsection (a), designating the maturity or maturities of the 2020 Series C Second Lien Bonds to be redeemed, the portions thereof to be redeemed and the fact and date of such redemption.

(b) Any optional redemption of 2020 Series C Second Lien Bonds and notice thereof shall be rescinded and cancelled pursuant to the provisions of Section 4.03 if for any reason on the date fixed for redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2020 Series C Second Lien Bonds called for redemption.

#### **Section 34.02 Mandatory Redemption of 2020 Series C Second Lien Bonds From Sinking Fund Installments.**

(a) The 2020 Series C Second Lien Bonds maturing on June 1, 20[\_\_\_] shall also be subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due as specified in Section 34.02(b), in the principal amount equal to the Sinking Fund Installment due on such date

and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium.

(b) The Sinking Fund Installments for the 2020 Second Lien Series C Term Bond maturing on June 1, 20[\_\_\_] shall be due in the amounts and on the dates as follows:

Sinking Fund Installment Dates (June 1)	Sinking Fund Installments
*	\$
*Final Maturity	

On or before the date such Sinking Fund Installments are due, the Trustee shall deposit such amounts to the Principal Account and amounts so transferred shall be applied as provided in Section 5.02 and this Section 34.02.

**Section 34.03 Selection of 2020 Series C Second Lien Bonds for Redemption.** The Commission shall designate which maturities of 2020 Series C Second Lien Bonds are to be called for redemption pursuant to Section 34.01. In the event 2020 Series C Second Lien Bonds which are Term Bonds are designated for redemption, the Commission may designate the Sinking Fund Installments under Section 34.02, or portions thereof, that are to be reduced as allocated to such redemption. The Trustee shall promptly notify the Commission in writing of the 2020 Series C Second Lien Bonds so selected for redemption.

If less than all of the 2020 Series C Second Lien Bonds of a maturity are called for prior redemption, the Trustee shall select the 2020 Series C Second Lien Bonds of such maturity to be redeemed, from the Outstanding 2020 Series C Second Lien Bonds of such maturity not previously called for redemption, in minimum denominations of \$5,000 (of principal), by lot in any manner which the Trustee in its sole discretion shall deem appropriate.

**Section 34.04 Purchase in Lieu of Redemption.** In lieu of mandatory redemption from Sinking Fund Installments, the Commission may surrender to the Trustee for cancellation 2020 Series C Second Lien Bonds that are Term Bonds purchased on the open market and such 2020 Series C Second Lien Bonds that are Term Bonds shall be cancelled by the Trustee. If any 2020 Series C Second Lien Bonds that are Term Bonds are so cancelled, the Commission may designate the Sinking Fund Installments or portions thereof that are to be reduced as allocated to such cancellation.

## ARTICLE XXXV

### ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

**Section 35.01 Funds and Accounts.** To ensure the proper application of such portion of proceeds from the sale of the 2020 Series C Second Lien Bonds to be applied to pay

Costs of Issuance of the 2020 Series C Second Lien Bonds, there is hereby established the 2020 Series C Second Lien Bonds Costs of Issuance Account, which shall be held by the Trustee. To ensure the proper application of such proceeds from the sale of the 2020 Series C Second Lien Bonds to be applied to satisfy the 2020 Series C Second Lien Bonds Reserve Requirement, there is hereby established the 2020 Series C Second Lien Obligations Reserve Account within the Second Lien Obligations Reserve Fund, such account to be held by the Trustee.

**Section 35.02**    **2020 Series C Second Lien Bonds Costs of Issuance Account.**

The proceeds of the 2020 Series C Second Lien Bonds set aside and placed in the 2020 Series C Second Lien Bonds Costs of Issuance Account shall remain therein until October 1, 2020 and expended for the purpose of paying the Costs of Issuance of the 2020 Series C Second Lien Bonds. Before any payment from the 2020 Series C Second Lien Bonds Costs of Issuance Account shall be made by the Trustee, the Commission shall file or cause to be filed with the Trustee a requisition of the Commission (each a “Requisition”), such Requisition to be signed by an Authorized Representative and to include: (i) the item number of such payment; (ii) the name and address of, or name and wiring instructions for, the person to whom each such payment is due, which may be the Commission in the case of reimbursement for costs theretofore paid by the Commission; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; and (v) that obligations in the stated amounts have been incurred by the Commission and are presently due and payable and that each item thereof is a proper charge against the 2020 Series C Second Lien Bonds Costs of Issuance Account and has not been previously paid from said account. On October 1, 2020, any amounts remaining in the 2020 Series C Second Lien Bonds Costs of Issuance Account shall be transferred to the Toll Revenue Fund and the 2020 Series C Second Lien Bonds Costs of Issuance Account shall be closed.

**Section 35.03**    **2020 Series C Second Lien Obligations Reserve Account.**

The monies set aside and placed in the 2020 Series C Second Lien Obligations Reserve Account on account of the 2020 Series C Second Lien Bonds Reserve Requirement shall be held solely for the benefit of the 2020 Series C Second Lien Obligations Reserve Account Obligations, and shall be used, withdrawn, and replenished as provided herein and in Sections 5.03 and 5.08. If, on any date of valuation of Permitted Investments credited to the 2020 Series C Second Lien Obligations Reserve Account pursuant to Section 5.23, the amount on deposit in the 2020 Series C Second Lien Obligations Reserve Account exceeds the 2020 Series C Second Lien Bonds Reserve Requirement as of such date, the Trustee shall transfer such excess amount to the Toll Revenue Fund.

**ARTICLE XXXVI**

**MISCELLANEOUS**

**Section 36.01**    **Severability.**

If any covenant, agreement or provision, or any portion thereof, contained in this Fourth Supplemental Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Fourth Supplemental Indenture, and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Fourth Supplemental Indenture shall remain valid.

**Section 36.02 Parties Interested Herein.** Nothing in this Fourth Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Commission, the Trustee, and the Owners of the 2020 Series C Second Lien Bonds, any right, remedy or claim under or by reason of this Fourth Supplemental Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Fourth Supplemental Indenture contained by and on behalf of the Commission shall be for the sole and exclusive benefit of the Commission, the Trustee, and the Owners.

**Section 36.03 Headings Not Binding.** The headings in this Fourth Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Fourth Supplemental Indenture.

**Section 36.04 Notice Addresses.** Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed to the Notice Address for the appropriate party or parties as provided in Exhibit B hereto. Any such entity by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses.

**Section 36.05 Notices to Rating Agencies.** The Trustee shall provide notice to the Rating Agencies of the following events with respect to the 2020 Series C Second Lien Bonds:

- (a) Change in Trustee;
- (b) Amendments to the Indenture; and
- (c) Redemption or defeasance of the 2020 Series C Second Lien Bonds.

**Section 36.06 Indenture to Remain in Effect.** Save and except as amended and supplemented by this Fourth Supplemental Indenture, the Master Indenture shall remain in full force and effect.

**Section 36.07 Effective Date of Fourth Supplemental Indenture.** This Fourth Supplemental Indenture shall take effect upon its execution and delivery.

**Section 36.08 Execution in Counterparts.** This Fourth 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 Fourth Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

By: \_\_\_\_\_  
General Counsel

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A  
FORM OF 2020 SERIES C SECOND LIEN BOND**

No. R-- A-\_\_\_\_\_ \$ \_\_\_\_\_

**Riverside County Transportation Commission  
Toll Revenue Second Lien Refunding Bond  
(Current Interest Obligation), 2020 Series C**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>ISSUE DATE</b>	<b>CUSIP</b>
	June 1, 20[___]	[____], 2020	

**REGISTERED OWNER:** Cede & Co.

**PRINCIPAL AMOUNT:** \_\_\_\_\_ Dollars

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**, a public entity duly organized and existing under the laws of the State of California (the “Commission”), for value received, hereby promises to pay (but solely from the Trust Estate as hereinafter referred to) in lawful money of the United States of America, to the registered owner or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount specified above, together with interest thereon until the principal hereof shall have been paid, at the interest rate per annum specified above based on a 360-day year of twelve 30-day months, payable on December 1, 2020 and semiannually thereafter on June 1 and December 1 and at maturity or upon the prior redemption thereof (each, an “Interest Payment Date”). This Bond shall bear interest from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for, or (iii) if the date of authentication of this Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication.

As long as 2020 Series C Bonds are Book-Entry Bonds, principal of and premium, if any, and interest on the 2020 Series C Bonds shall be payable by wire transfer to the Securities Depository in lawful money of the United States of America.

If the 2020 Series C Bonds cease to be Book-Entry Bonds, principal of and premium, if any, on the 2020 Series C Bonds shall be payable when due upon presentation and surrender thereof at the Principal Office of U.S. Bank National Association, as trustee (the “Trustee”) and interest shall be payable by first class mail on each interest payment date to the registered owners thereof as of the close of business on the Record Date; provided, however, that the registered owner of \$1,000,000 or more in aggregate principal amount of 2020 Series C Bonds may, at any time prior to a Record Date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer. As used herein, “Record Date” means the fifteenth day (whether or not a Business Day) of the month preceding such Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Commission, designated as “Riverside County Transportation Commission Toll Revenue Second Lien Refunding Bonds” (the “Bonds”), of the series designated above, all of which are being issued pursuant to the County

Transportation Commissions Act, being Division 12 of the Public Utilities Code of the State of California (Section 130000 *et seq.*) (the “Act”), Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53570 *et seq.*) (the “Refunding Bond Law”), and a Master Indenture, dated as of April 1, 2020 (the “Master Indenture”), as supplemented, including as supplemented by a Fourth Supplemental Indenture, dated as of April 1, 2020 (the “Fourth Supplemental Indenture”), each between the Commission and the Trustee. The Master Indenture, as supplemented and amended from time to time pursuant to its terms, including as supplemented by the Fourth Supplemental Indenture, is hereinafter referred to as the “Indenture.” Said authorized issue of Bonds is not limited in principal amount 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. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Indenture.

**THIS BOND IS A LIMITED OBLIGATION OF THE COMMISSION SECURED SOLELY BY THE TRUST ESTATE AS DEFINED AND PROVIDED IN THE INDENTURE AND THE COMMISSION IS NOT OBLIGATED TO PAY THIS BOND EXCEPT FROM SUCH TRUST ESTATE. THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE COMMISSION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF PRINCIPAL OR INTEREST OF THIS BOND.**

Reference is hereby made to the Indenture, the Act and the Refunding Bond Law 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 Trust Estate and the rights of the registered owners of the Bonds and all the terms of the Indenture are hereby incorporated herein and constitute a contract between the Commission and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds may be issued and other indebtedness may be incurred on a parity with the Series of Bonds of which this Bond is a part, but only subject to the conditions and limitations contained in the Indenture.

This Bond is secured by and payable both as to principal and interest, and as to any premium upon the redemption hereof, solely from the Trust Estate as defined in the Indenture, subject only to the provisions of the Indenture permitting application thereof for the purposes and on the terms and conditions set forth therein, and the Commission is not obligated to pay this Bond except from said Trust Estate.

The Bonds of the Series of Bonds of which this Bond is a part shall be subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part (and if in part, in such order of maturity as the Commission shall specify and within a maturity by lot or by such other method as the Trustee determines to be fair and reasonable and in Authorized Denominations), on any date on or after June 1, 20[\_\_\_], at the principal amount of such Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

[The Bonds of the Series of Bonds of which this Bond is a part maturing on June 1, 20[\_\_\_] shall be subject to mandatory redemption prior to their stated maturity, in part, from Sinking Fund Installments required by and as specified in the Indenture, at a redemption price equal to the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium, on June 1, 20[\_\_\_] and June 1, 20[\_\_\_].]

The rights and obligations of the Commission and of the holders and registered owners of the Bonds of the Series of Bonds of which this Bond is a part 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 owners of Bonds.

This Bond is transferable or exchangeable as provided in the Indenture, only upon the Bond Register at the Principal Office of the Trustee, by the registered owner hereof in person, or by such owner's duly authorized attorney, upon surrender of this Bond at the Principal Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner's duly authorized attorney, and thereupon a new Bond or Bonds of the same series, maturity, interest rate, shall be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any charges therein prescribed.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, including receiving payment of, or on account of, the principal of and premium and interest due hereon.

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 Bond, and in the issuing of this Bond, 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, the Act and the Refunding Bond Law, and that this Bond, together with all other indebtedness of the Commission secured by the Trust Estate, is within every debt and other limit prescribed by the Constitution and statutes of the State of California and the Act.

This 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 manually signed by the Trustee.

IN WITNESS WHEREOF the Riverside County Transportation Commission has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly authorized representatives all as of the Issue Date set forth above.

RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Chair of the Board of Commissioners

(Seal)

Countersigned:

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

**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the 2020 Series C Bonds described in the within mentioned Indenture and was authenticated on the date set forth below.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

**[DTC LEGEND]**

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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(Please Print or Type Name and Address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
TAX IDENTIFICATION NUMBER OF ASSIGNEE

---

---

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises

Dated:

Signature:

---

(Signature of Assignor)

Notice: The signature on this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED:

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Notice: Signature must be guaranteed by an eligible guarantor firm.

**EXHIBIT B  
NOTICE ADDRESSES**

**To the Commission:**

Riverside County Transportation Commission  
P.O. Box 12008  
Riverside, California 92502  
or  
4080 Lemon Street, 3rd Floor  
Riverside, CA 92501  
Attention: Chief Financial Officer  
Telephone: (951) 787-7141  
Fax: (951) 787-7920

**To the Trustee:**

U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust  
Telephone: 213-615-6051  
Fax: 213-615-6199

**To the Rating Agencies:**

S&P Global Ratings  
55 Water Street, 38th Floor  
New York, New York 10041  
Telephone: 212-438-2000  
Facsimile: 212-438-2157  
Email: [pubfin\\_structured@standardandpoors.com](mailto:pubfin_structured@standardandpoors.com)

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Telephone: [\_\_\_\_\_] ]  
Facsimile: [\_\_\_\_\_] ]  
Email: [\_\_\_\_\_]

**SCHEDULE I – 2013-2 TIFIA SERIES REFUNDED BONDS**

**Riverside County Transportation Commission  
Toll Revenue Subordinate Bonds, 2013 TIFIA Series**







All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as defined herein).

The Underwriters have designated BofA Securities, Inc. as their Representative. The undersigned represent that they have been duly authorized by the Underwriters to execute this Purchase Agreement.

The proceeds of the 2020 Series A Senior Bonds will be used to (i) refund all of the Commission's outstanding Toll Revenue Senior Lien Bonds, 2013 Series A, (ii) fund capitalized interest on the 2020 Series A Senior Bonds, (iii) make a deposit to the 2013 Bonds Reserve Account, and (iv) pay certain costs of issuance of the 2020 Series A Senior Bonds, as described herein. The proceeds of the 2020 Series B Senior Bonds will be used to (i) refund a portion of the Commission's outstanding Toll Revenue Subordinate Bonds, 2013 TIFIA Series (the "Subordinate TIFIA Bonds") by prepaying part of the TIFIA Loan Agreement (as defined in the Official Statement), (ii) fund the required deposit to the 2020 Series B Senior Lien Obligations Reserve Account through a cash deposit, and (iii) pay certain costs of issuance of the 2020 Series B Senior Bonds, as described herein. The proceeds of the 2020 Series C Second Lien Bonds will be used to (i) refund a portion of the Commission's outstanding Subordinate TIFIA Bonds by prepaying part of the TIFIA Loan Agreement (which, together with the proceeds of the 2020 Series B Senior Bonds, will prepay the TIFIA Loan Agreement in full), (ii) fund the required deposit to the 2020 Series C Second Lien Obligations Reserve Account through a cash deposit, and (iii) pay certain costs of issuance of the 2020 Series C Second Lien Bonds, all as more particularly described in the Official Statement.

In order to assist the Underwriters in complying with Rule 15c2-12 (as hereinafter defined), the Commission will undertake, pursuant to the Indenture and a Continuing Disclosure Agreement with Digital Assurance Certification, L.L.C. dated as of April 1, 2020 (the "Continuing Disclosure Agreement"), to provide certain annual financial information and notices of the occurrence of certain specified events. A description of this undertaking is set forth in, and a form of the Continuing Disclosure Agreement is attached as Appendix F to the Preliminary Official Statement and the Official Statement.

In connection with the refunding of the Toll Revenue Senior Lien Bonds, 2013 Series A, the Commission and U.S. Bank National Association, as escrow agent (the "Escrow Agent"), will enter into an Escrow Agreement, dated as of April 1, 2020 (the "Escrow Agreement").

1. On the basis of the representations, warranties and covenants and upon the terms and conditions set forth in this Purchase Agreement, the Underwriters hereby agree to purchase and the Commission hereby agrees to issue and cause the Trustee to authenticate and deliver to the Underwriters all (but not less than all) of the Series 2020 Bonds. The Series 2020 Bonds shall be dated the Closing Date. The Underwriters agree to (i) purchase the 2020 Series A Senior Bonds at the aggregate purchase price of \$\_\_\_\_\_ (consisting of the aggregate principal amount of the 2020 Senior Lien Bonds, less \$\_\_\_\_\_ Underwriters' discount) (ii) and purchase the 2020 Series B Senior Lien Bonds at the aggregate purchase price of \$\_\_\_\_\_ (consisting of the aggregate principal amount of the 2020 Series B Senior Lien Bonds, plus an original issue premium of \$\_\_\_\_\_ and less \$\_\_\_\_\_ Underwriters' discount), and (iii) purchase the 2020 Series C Second Lien Bonds at the aggregate purchase price of \$\_\_\_\_\_ (consisting of the aggregate principal amount of the 2020 Series C Second Lien Bonds, plus an original issue premium of \$\_\_\_\_\_ and less \$\_\_\_\_\_ Underwriters' discount).

The Series 2020 Bonds mature in the years and principal amounts and bear interest at the rates, and shall be subject to redemption, all as set forth in Exhibit B hereto and shall be substantially in the form described in the Indenture, and shall be issued and secured under the provisions of and shall be payable and subject to redemption as provided in the Indenture.

The Series 2020 Bonds constitute special, limited obligations of the Commission secured by and payable solely from a first lien on, pledge of, and security interest in the Revenue, which consists primarily of Toll Revenues of the Toll Road, subject to the provisions of the Indenture permitting the application thereof for the purposes described therein.

In connection with the RCTC Express Lanes (as defined in the Official Statement), the Commission has entered into, or will enter into, the following agreements: (collectively, the “Commission Documents”):

- (i) this Purchase Agreement;
- (ii) the Continuing Disclosure Agreement;
- (iii) the Indenture;
- (iv) the Escrow Agreement;
- (v) the High Profile Project Agreement, dated June 18, 2013, among the Federal Highway Administration, the Commission and the California Department of Transportation (“Caltrans”)(the “HPPA”);
- (vi) The TIFIA Loan Agreement, dated July 2, 2013, between the Commission and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the “TIFIA Lender”)(the “TIFIA Loan Agreement”);
- (vii) the Cooperative Agreement, dated December 16, 2011, between the Commission and the Orange County Transportation Authority (the “OCTA/RCTC Cooperative Agreement”);]
- (viii) the Toll Facility Agreement, dated May 14, 2012, as amended \_\_\_\_\_, 20\_\_ between the Commission and Caltrans (the “Toll Facility Agreement”);
- (ix) the SR-91 Express Lanes Operating Agreement, dated January \_\_, 2020, by and among the Commission, OCTA and Cofiroute USA LLC (“Cofiroute”) (the “ORCOA”)
- (x) the Toll Services Provider Agreement, dated \_\_\_\_\_, 20\_\_, by and among the Commission, OCTA and Kapsch [Inc.] (“Kapsch”) (the “Toll Services Provider Agreement”);
- (xi) the Agreement between the Commission and Riverside County, dated June 5, 2012 (the “Riverside County Agreement”); and
- (xii) the Cooperative Agreement, dated November 9, 2011, between the Commission and the City of Corona (the “Corona Cooperative Agreement”).

2. Issue Price.

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

(b) [Except for the Hold-the-Price Maturities (defined below),] the Commission represents that it will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the “10% Test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). Maturities with respect to which the 10% Test has been satisfied as of the date of this Purchase Agreement are referred to herein as “10% Test Maturities.” At or promptly after the execution of this Purchase Agreement, the Representative shall report to the Commission the price or prices at which the Underwriters have sold to the public each maturity of Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the 10% Test has not been satisfied (the “Hold-the-Price Maturities”) and for which the Commission and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply, which will allow the Commission to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Tax-Exempt Bonds, the Underwriters will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allocated to it until either all Tax-Exempt Bonds of that

maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Tax-Exempt Bonds of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Tax-Exempt Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allocated to it until either all Tax-Exempt Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Tax-Exempt Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The Commission acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires, and if applicable, certificates in the form attached hereto as Schedule C to Exhibit F executed by such Underwriter. The Commission further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that

is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Tax-Exempt Bonds.

(e) The Underwriters acknowledge that sales of any Tax-Exempt Bonds to any person that is a related party to an underwriter participating in the initial sale of the Tax-Exempt Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the public),
- (iii) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

3. The Commission has delivered or caused to be delivered to the Underwriters prior to the execution of this Purchase Agreement, copies of the Preliminary Official Statement dated \_\_\_\_\_, 2020, relating to the Series 2020 Bonds (the “Preliminary Official Statement”). The Commission ratifies, confirms and approves the use and distribution by the Underwriters of the Preliminary Official Statement, in connection with the sale of the Series 2020 Bonds. The Commission deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule 15c2-12”) except for information allowed to be omitted by Rule 15c2-12. Within seven (7) business days from the date hereof and in any event not less than two days prior to the date of Closing (as defined below), the Commission shall deliver to the Underwriters a final Official Statement, executed on behalf of the Commission by an authorized representative of the Commission and dated the date hereof, which shall be in the form of the Preliminary Official Statement with only those changes necessary to reflect information permitted to

be omitted by paragraph (b)(1) of Rule 15c2-12, and such other amendments or supplements as shall have been approved by the Commission and the Underwriters and such additional conformed copies thereof ( in “designated electronic format,” as defined in MSRB Rule G-32) as the Underwriters may reasonably request in sufficient quantities to comply with Rule 15c2-12 and to meet potential customer requests for copies of the Official Statement. The Official Statement, including the cover page, the appendices thereto and all information incorporated therein by reference is hereinafter referred collectively to as the “Official Statement.”

The Representative agrees to (1) provide the Commission with final pricing information on the Series 2020 Bonds on a timely basis, (2) disseminate to the Underwriters copies of the final Official Statement, including any supplements prepared by the Commission, and (3) promptly file a copy of the final Official Statement, including any supplements prepared by the Commission, with the Municipal Securities Rulemaking Board.

4. The Closing. At 9:00 a.m., California time, on April \_\_, 2020, or at such other time or on such other date as the Commission and the Representative may agree (the “Closing Date”), the Commission, following the receipt by the Trustee of the purchase price from the Underwriters, shall deliver, or cause to be delivered, the Series 2020 Bonds in book-entry form through the Trustee via the F.A.S.T. delivery book-entry system of The Depository Trust Company (“DTC”) to the Underwriters. The Representative, on behalf of the Underwriters, will pay the aggregate purchase price set forth in paragraph 1 hereof, in immediately available funds to or on the order of the Commission and accept such delivery. Concurrently with the delivery of the Series 2020 Bonds to the Underwriters, the Commission will deliver the documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California (“Bond Counsel”) or another place to be mutually agreed upon by the Commission and the Representative. This payment for and delivery of the Series 2020 Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

5. Representations, Warranties and Covenants. The Commission represents, warrants and covenants to the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Series 2020 Bonds) that the representations and warranties contained herein shall be true and correct on the date hereof and at the Closing Date, as if made on and at the Closing. The Commission so represents and warrants that:

(a) the Commission is, and will be on the date of Closing, a county transportation commission organized and existing under the laws of the State, with full legal right, power and authority to cause the execution, sale and delivery of the Series 2020 Bonds, to execute, deliver and perform its obligations under the Commission Documents and to carry out and consummate all other transactions contemplated by each of the aforesaid and to execute and deliver the Official Statement;

(b) (i) the Preliminary Official Statement, excluding therefrom the information under the caption “UNDERWRITING” and information concerning DTC and the book-entry system and information permitted to be omitted from the Preliminary Official Statement under Rule 15c2-12 (collectively, the “POS Excluded Information”) as to which no representation or warranties are made did not as of its date contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) the Preliminary Official Statement, excluding therefrom the POS Excluded Information does not as of the date of this Purchase Agreement contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;



(c) the Official Statement (excluding therefrom the information under the caption “UNDERWRITING,” reoffering prices and yields and information concerning DTC and the book-entry system (the “OS Excluded Information”) as to which no representations or warranties are made), in the form delivered to the Underwriters, does not, as of the date hereof, and will not at the time of Closing (if supplemented or amended prior to the Closing, then as so supplemented or amended), contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(d) the Series 2020 Bonds, the Indenture, and the Commission Documents conform in all material respects to the descriptions thereof contained in the Official Statement;

(e) when delivered to and paid for by the Underwriters on the Closing Date in accordance with the provisions of this Purchase Agreement, the Series 2020 Bonds will have been duly authorized, executed and delivered and will constitute valid and binding limited obligations of the Commission in conformity with and entitled to the benefit and security of the Indenture, except as enforcement of such obligations may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California;

(f) the Commission, by all necessary official action prior to or concurrently with the acceptance hereof, has duly authorized the execution and delivery of the Commission Documents and the Official Statement, and the Commission Documents, when executed and delivered, assuming due authorization, execution and delivery by the other parties thereto, will constitute the legally valid and binding obligations of the Commission enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(g) the Commission is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States of America or any applicable judgment, decree, resolution, contract or other instrument or any agreement to which the Commission is a party or is otherwise subject the breach of which would materially affect its ability to perform its obligations under the Commission Documents, and the execution and delivery of the Series 2020 Bonds and the Commission Documents and compliance with the provisions thereof will not in any material respect conflict with or constitute a material breach of or default under any applicable law, regulation, decree, writ, order or injunction or any agreement, resolution, contract or other instrument or any agreement to which the Commission is subject and which is material to the Commission’s ability to perform its obligations under the Commission Documents, nor will such execution, delivery and 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 properties or assets of the Commission under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Indenture;

(h) at the Closing, the Commission will be in compliance in all respects with the covenants and agreements contained in the Commission Documents, and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(i) no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body of competent jurisdiction, is pending or, to the best of the Commission's knowledge, threatened against the Commission: (i) in any way affecting the existence of the Commission or in any way challenging the respective powers of the several offices or the titles of the officials of the Commission to such offices; or (ii) affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Series 2020 Bonds, the application of the proceeds of the sale of the Series 2020 Bonds, the levy or collection of tolls on the Toll Road (as defined in the Indenture), or in any way contesting or affecting, as to the Commission, the validity or enforceability of the Act, Resolution No. 20-001 of the Commission adopted on March 11, 2020 (the "Resolution"), the Series 2020 Bonds or the Commission Documents or contesting the powers of the Commission or its authority with respect to issuance or delivery of the Series 2020 Bonds or the execution and delivery of the Commission Documents or contesting the power or authority to operate the RCTC Express Lanes and to fix, impose and collect tolls on the Toll Road (as defined in the Indenture) or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or which might materially adversely affect the ability of the Commission to perform and satisfy its obligations under the Commission Documents or the Series 2020 Bonds; nor to the best of the Commission's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Act, the Commission Documents or the performance by the Commission of its obligations thereunder, or the authorization, execution, delivery or performance by the Commission of the Series 2020 Bonds or the Commission Documents;

(j) under the laws of the State of California, the authority of the Commission to determine, fix, impose and collect tolls on the Toll Road (as defined in the Indenture) is not subject to the regulatory jurisdiction of any local, regional, State, or federal regulatory authority, and the Commission has no actual knowledge of any legislation proposed or pending to limit or restrict such development impact fees or regulate such tolls;

(k) the Commission will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters which the Underwriters may reasonably request in order (i) to qualify the Series 2020 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate; and (ii) to determine the eligibility of the Series 2020 Bonds for investment under the laws of such states and other jurisdictions, and will continue to take such action so long as required for distribution of the Series 2020 Bonds; provided, however, that in no event shall the Commission be required to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject or be required to register as a dealer or broker or qualify to do business as a foreign corporation or be subject to any other similar requirements deemed by the Commission to be unduly burdensome;

(l) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matters which would constitute a condition precedent to execution by the Commission of the Commission Documents and to the issuance of the Series 2020 Bonds have been duly obtained or made, and are, and will be on the date of Closing, in full force and effect; and the Commission is not aware of any legal or technical impediments to the timely issuance of all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matters which would constitute a condition precedent to the due performance by the Commission of

its obligations under the Commission Documents and to the operation of the RCTC Express Lanes in a timely manner;

(m) if, subsequent to the date hereof, and prior to the Closing, an event occurs, or information becomes known, affecting the Commission which might cause the information in the Official Statement, as then supplemented or amended, to contain an untrue statement of material fact or omit to state a material fact necessary to make the statements made therein, in the light of circumstances under which they were made, not misleading, the Commission shall notify the Representative thereof, and if in the mutual opinion of the Commission and the Representative such event requires a supplement or amendment to the Official Statement, the Commission will supplement or amend the Official Statement in a form and manner approved by the Representative;

(n) for a period of 25 days subsequent to the Closing Date (the "Delivery Period"), if an event occurs which might or would cause the Official Statement, as then supplemented or amended, to contain any 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 under which they were made, not misleading, the Commission shall promptly notify the Representative thereof and if, in the opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Commission shall prepare and deliver to the Underwriters (at the Commission's expense for 25 days from the date of the Closing), as many copies of an amendment or supplement which will correct such statement or omission as the Underwriters may reasonably request. During the Delivery Period, the Commission shall furnish such information as the Representative may from time to time reasonably request;

(o) if the Official Statement is amended or supplemented pursuant to paragraph 5(n) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement as so supplemented or amended (excluding therefrom the OS Excluded Information, as to which no representations or warranties are made) 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;

(p) between the date of this Purchase Agreement and the date of Closing, the Commission will not, without the prior written consent of the Representative, except as disclosed in the Preliminary Official Statement and the Official Statement and except in the course of normal business operations of the Commission, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent;

(q) during the last five years, the Commission has not failed to comply in all material respects with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12;

(r) the financial statements of the RCTC 91 Express Lanes Fund as of June 30, 2019 fairly represent the revenues, expenditures, assets, liabilities and fund balances of such amounts and, insofar as presented, other funds of the Commission as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement, there has not been any materially adverse change in the financial condition of the RCTC 91 Express Lanes Fund or in the operations of the RCTC Express Lanes since June 30, 2019 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change; and

(s) any certificates executed by any officer of the Commission and delivered to the Underwriters pursuant hereto shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made.

6. The Representative, on behalf of themselves and the Underwriters, has entered into this Purchase Agreement in reliance upon the representations and warranties of the Commission contained herein and the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Commission of its obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2020 Bonds shall be subject, at the sole option of the Representative, to the accuracy in all material respects of the representations and warranties of the Commission contained herein as of the date hereof and as of the Closing Date, to the accuracy of the statements of the officers and other officials of the Commission made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Commission of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and to the following additional conditions:

(a) Prior to the Closing, the Commission Documents shall have been duly authorized, executed and delivered and simultaneously with Closing the Series 2020 Bonds shall have been duly authorized, executed and delivered and none of such documents shall have been amended, modified or repealed, except to the extent to which the Representative has given their written consent;

(b) At the time of Closing, all official action of the Commission relating to the Commission Documents required prior to or concurrently with the delivery of the Series 2020 Bonds, shall be in full force and effect and shall not have been amended, modified, supplemented or repealed in any material respect, and all of the representations of the Commission contained in this Purchase Agreement shall be true and correct as if made at the time of Closing;

(c) At the time of Closing, the Commission shall have made timely payment of principal and/or interest when due on all of its respective outstanding bonds, notes or other obligations;

(d) As of the date hereof and at Closing, trading of securities in general shall not have been suspended on any national securities exchange; nor shall any proceeding be pending or threatened by the Securities and Exchange Commission against the Commission;

(e) Subsequent to the date hereof, up to and including the Closing, there shall not have occurred any change in or particularly affecting the Commission, the Act, the RCTC Express Lanes, the Series 2020 Bonds or the Commission Documents as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Underwriters materially impairs the investment quality of the Series 2020 Bonds;

(f) The Commission shall perform, or have performed at or prior to the time of the Closing, all of its obligations required under or specified in the Commission Documents, as amended to the date of Closing, to be performed at or prior to the Closing;

(g) At or prior to the Closing, the Underwriters shall receive, among other items, the following, in each case reasonably satisfactory in form and substance to the Representative and Underwriters' Counsel:

(i) Executed copies of each of the Commission Documents and specimen copies of the Series 2020 Bonds;

(ii) The approving opinion of Bond Counsel, substantially in the form attached to the Preliminary Official Statement and the Official Statement as Appendix E;

(iii) A supplemental opinion of Bond Counsel, addressed to the Underwriters, stating the Underwriters may rely upon the opinion referred to in subparagraph (ii) hereof as though addressed to them and to the following effect:

(A) The information contained in the Official Statement in the sections entitled "THE 2020 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE 2020 BONDS," "TAX MATTERS," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" and "APPENDIX H – PROPOSED FORM OF BOND COUNSEL OPINION" insofar as such information purports to summarize certain provisions of the Indenture and such counsel's opinion relating to the tax exemption of interest on the Series 2020 Bonds, are accurate in all material respects; and

(B) The Series 2020 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(iv) The opinion of Norton Rose Fulbright US LLP ("Disclosure Counsel") addressed to the Underwriters, to the effect that while they have not independently verified the accuracy or fairness of the statements and representations set forth in the Official Statement or referred to therein or the financial statements and the appendices thereto, as a result of their participation in the preparation of the Preliminary Official Statement and the Official Statement and their review of certain documents referred to therein: (I) no facts have come to the attention of the personnel in the firm directly involved in rendering legal advice and assistance in connection therewith which gives them cause to believe that the Preliminary Official Statement (except for information permitted to be excluded therefrom pursuant to Rule 15c2-12, the financial statements and other financial and statistical data included therein, forecasts, projections, estimates, assumptions and expressions of opinion, statements relating to DTC, Cede & Co. and the book-entry system and statements contained in in Appendices A, B, C and G thereto, as to which no view need to be expressed) as of its date contained, or as of the date hereof contains, any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and (II) no facts have come to the attention of the personnel in the firm directly involved in rendering legal advice and assistance in connection therewith which gives them cause to believe that the Official Statement (except for the financial statements and other financial and statistical data included therein, forecasts, projections, estimates, assumptions and expressions of opinion, statements relating to DTC, Cede & Co. and the book-entry system and statements contained in in Appendices A, B, C and G thereto, as to which no view need to be expressed), as of its date contained, or as of the Closing Date contains, any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(v) An opinion, dated the date of the Closing and addressed to the Trustee and the Underwriters, of Best, Best & Krieger LLP, General Counsel to the Commission, in substantially the form attached hereto as Exhibit C;

(vi) a certificate or certificates, dated the Closing Date, signed by a duly authorized official of the Commission to the effect that, to the best of such official's knowledge, (i) the representations and warranties of the Commission contained in this Purchase Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) no event affecting the Commission has occurred since the date of the Official Statement which has the effect of causing the Official Statement (excluding the OS Excluded Information) to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (iii) the Commission has, and at the time of the Closing will have, full legal right, power and authority (A) to adopt the Resolution, (B) to sell and deliver the Series 2020 Bonds to the Underwriters pursuant to the Constitution and laws of the State, (C) to issue the Series 2020 Bonds, (D) to pledge the Toll Revenues to the payment of the Series 2020 Bonds and (E) to carry out and to consummate the transactions contemplated by, and to perform all of its obligations under, the Resolution, the Commission Documents, the Series 2020 Bonds and the Official Statement; (iv) the Commission has (A) duly authorized and approved the Official Statement, (B) duly authorized and approved the execution and delivery of, and performance by the Commission of its obligations under, the Series 2020 Bonds and the Commission Documents, (C) duly adopted the Bond Resolution and (D) duly authorized and approved the use of the proceeds of the sale of the Series 2020 Bonds, as contemplated by the Official Statement; (v) at or prior to the time and date of the Closing, the Series 2020 Bonds will have been duly executed and delivered by the Commission, and each of them and the Commission Documents will constitute legal, valid and binding obligations of the Commission enforceable against the Commission in accordance with their respective terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies, judicial discretion and the limitations on legal remedies against local transportation authorities in the State; (vi) the Resolution, the Commission Documents and the Series 2020 Bonds conform in all material respects to the descriptions thereof in the Preliminary Official Statement and the Official Statement; (vii) the financial data relating to the RCTC Express Lanes and the financial statements of the RCTC 91 Express Lanes Fund contained in the Preliminary Official Statement and the Official Statement present fairly the financial condition and results of the operation of the RCTC Express Lanes at the dates and for the periods therein specified and such financial data relating to the RCTC Express Lanes and the financial statements of the RCTC 91 Express Lanes Fund contained in the Preliminary Official Statement and the Official Statement are presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of the RCTC 91 Express Lanes Fund except as otherwise specifically noted in the Preliminary Official Statement and the Official Statement; (viii) no litigation of any nature is now pending or, to the best of the Commission's knowledge, threatened against the Commission in any court or before any governmental agency of competent jurisdiction: (A) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Series 2020 Bonds; or (B) in any way contesting or affecting (1) the validity or enforceability of the Series 2020 Bonds, or (2) any proceedings of or on behalf of the Commission taken with respect to the issuance or sale of the Series 2020 Bonds, or (3) adoption of the Resolution or the execution and delivery of the Commission Documents, or (4) the authority of the Commission to establish, impose and collect tolls on the Toll Road (as defined in the Indenture), or (5) the pledge of Revenues effected by the Indenture, as described in the Preliminary Official Statement and the Official Statement, or (6) the

proceedings authorizing and approving the levy or collection of tolls on the Toll Road (as defined in the Indenture), or (7) the existence or powers of the Commission; or (C) in any manner questioning (1) the proceedings or authority for the issuance of the Series 2020 Bonds, or (2) any provision made or authorized for the payment of the Series 2020 Bonds, or (3) the existence or operations of the Commission, or (4) the power of the Commission to issue the Series 2020 Bonds, or (5) the power of the Commission to undertake any other transactions necessary in connection with this proposed financing; or (D) which would have a material adverse effect upon the operations of the Commission relating to the Series 2020 Bonds or to the contemplated use of the proceeds thereof; (ix) none of the Commission's proceedings or authority for the issuance, sale, execution and delivery of the Series 2020 Bonds, or the adoption of the Resolution as described in the Preliminary Official Statement and the Official Statement has been repealed, modified, amended, revoked or rescinded; (x) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over the Commission not already obtained and no proceedings not already had are required in connection with the issuance and sale of the Series 2020 Bonds or the application of the proceeds of the sale thereof, or, except as described in the Preliminary Official Statement and the Official Statement, the performance by the Commission of its obligations under the Commission Documents and the Series 2020 Bonds; (xi) there is no material adverse change in the condition or affairs of the Commission that would make it unreasonable for the Underwriters or other purchasers of the Series 2020 Bonds to rely upon the Official Statement in connection with the resale of the Series 2020 Bonds, and the Underwriters are hereby authorized to distribute copies of the Official Statement in connection with the resale of the Series 2020 Bonds; and (xii) the Commission has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the date of issuance of the Series 2020 Bonds with respect to the issuance of the Series 2020 Bonds;

(vii) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, that:

(A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into the Indenture and the Escrow Agreement and perform its duties under the Indenture, the Escrow Agreement and the Continuing Disclosure Agreement (together, the "Trustee Documents");

(B) the Trustee is duly authorized to enter into the Indenture and the Escrow Agreement and the Trustee has duly executed and delivered the Indenture and the Escrow Agreement;

(C) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained in the Trustee Documents, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or material instrument to which Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption 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 properties or assets held by the Trustee pursuant to the Indenture under the terms of any such law, administrative regulation, judgment, decree, material agreement or material instrument, except as provided by the Trustee Documents;

(D) to the knowledge of the Trustee, it has not been served with any action; suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, as such but not in its individual capacity, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Toll Revenues to be applied to pay the principal, premium, if any, and interest on the Series 2020 Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or the Escrow Agreement against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture or the Escrow Agreement; and

(E) the Trustee will apply the proceeds from the Series 2020 Bonds as provided in the Indenture;

(viii) an opinion of counsel to the Trustee, addressed to the Underwriters, in form and substance satisfactory to the Representative, to the effect that the Trustee is a national banking association with due power and authority to execute the Indenture and the Escrow Agreement, that the Trustee has duly authenticated the Series 2020 Bonds and that the Indenture and the Escrow Agreement are in effect and are valid and binding upon the Trustee;

(ix) a copy of the Official Statement, executed on behalf of the Commission by a person duly authorized to sign on behalf of the Commission;

(x) a certified copy of the general resolution or resolutions of the Trustee authorizing the execution and delivery of the Indenture and the Series 2020 Bonds;

(xi) certified copies of the resolution or resolutions of the Commission authorizing the execution and delivery of the Commission Documents;

(xii) the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriters, dated the date of the Closing and addressed to the Underwriters, in form and substance satisfactory to the Representative;

(xiii) a copy of the Blue Sky Memorandum with respect to the Series 2020 Bonds, prepared by Underwriters' Counsel;

(xiv) A tax certificate relating to the 2020 Tax-Exempt Bonds in form satisfactory to Bond Counsel and the Representative;

(xv) A copy of the Notices of Sale required to be delivered to the California Debt Investment and Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code;

(xvi) Evidence that any ratings on the Series 2020 Bonds described in the Preliminary Official Statement and the Official Statement are in full force and effect as of the date of the Closing;

(xvii) A copy of the RCTC 91 Express Lanes Investment Grade Updated Study – Investment Grade Study Refresh 2018,” dated November 27, 2018, of Stantec Consulting



Services Inc. (the “Traffic and Revenue Consultant”) as supplemented by Stantec’s Supplemental Letter dated February \_\_, 2020 (together, the “Updated Study”), as set forth in Appendix B to the Official Statement;

(xviii) A certificate of the Traffic and Revenue Consultant, executed by an authorized signatory of the Traffic and Revenue Consultant and dated the Closing Date, to the effect that:

(A) The Traffic and Revenue Consultant has been retained by the Commission to prepare the Updated Study;

(B) The Traffic and Revenue Consultant consents to the inclusion of the Updated Study as an appendix to the Preliminary Official Statement, and to the inclusion of the Updated Study as an appendix to the Official Statement;

(C) The Traffic and Revenue Consultant has expertise in the matters addressed in the Updated Study and acknowledges that the Commission and the Underwriters have relied on such expertise in connection with obtaining credit ratings on the Series 2020 Bonds and the offering and sale of the Series 2020 Bonds to the purchasers of the Series 2020 Bonds;

(D) The factual information in the Updated Study is true and accurate in all material respects, and the Traffic and Revenue Consultant believes that the conclusions set forth in the Updated Study were reasonable as of the date of the Updated Study and continue to be reasonable as of the date hereof (subject to the assumptions and qualifications set forth in the Updated Study);

(E) The Traffic and Revenue Consultant is not aware of any plan, event, or circumstance occurring after [DATE OF REPORT], and before the date hereof that would cause it believe that the conclusions set forth in the Updated Study are no longer reasonable; and

(F) The Traffic and Revenue Consultant consents to the inclusion in the Preliminary Official Statement and the Official Statement of information from the Updated Study under the caption “TRAFFIC AND REVENUE ESTIMATES” and the Traffic and Revenue Consultant has reviewed that information and agrees that it was accurately excerpted from the Updated Study;

(xix) A copy of the Engineer’s Technical Report (“Technical Report”) of Parsons Transportation Group Inc. (the “Express Lanes Engineer”), as set forth in Appendix C to the Official Statement;

(xx) A certificate of the Express Lanes Engineer, executed by an authorized signatory of the Express Lanes Engineer and dated the Closing Date, to the effect that:

(A) The Express Lanes Engineer has been retained by the Commission to prepare the Technical Report;

(B) The Express Lanes Engineer consents to the inclusion of the Technical Report as an appendix to the Preliminary Official Statement, and to the inclusion of the Technical Report as an appendix to the Official Statement;

(C) The Express Lanes Engineer has expertise in the matters addressed in the Technical Report and acknowledges that the Commission and the Underwriters have relied on such expertise in connection with obtaining credit ratings on the Series 2020 Bonds and the offering and sale of the Series 2020 Bonds to the purchasers of the Series 2020 Bonds;

(D) The Express Lanes Engineer believes that the factual information in the Technical Report is true and accurate in all material respects, and the Express Lanes Engineer believes that based on the facts, conditions and statements set forth in the Technical Report, the conclusions set forth in the Technical Report were reasonable as of the date of the Technical Report and to the best of its knowledge continue to be reasonable as of the date hereof (subject to the assumptions and qualifications set forth in the Technical Report, including any disclaimers set forth therein);

(E) The Express Lanes Engineer is not aware of any plan, event, or circumstance occurring after [DATE OF REPORT] date hereof that would cause it believe that the conclusions set forth in the Technical Report are no longer reasonable; and

(F) The Express Lanes Engineer consents to the inclusion in the Preliminary Official Statement and the Official Statement of information from the Technical Report under the captions “THE RCTC 91 EXPRESS LANES,” “OPERATION AND MAINTENANCE OF THE RCTC 91 EXPRESS LANES,” and “ENGINEER’S TECHNICAL REPORT” and the Express Lanes Engineer has reviewed that information and agrees that it is consistent with the information in the Technical Report;

(xxi) A certificate of OCTA executed by a duly authorized official of the OCTA, to the effect that, to the best of such official’s knowledge:

(A) OCTA has full legal right, power and authority to execute and enter into the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement, and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) OCTA has duly authorized and approved the execution and delivery of, and performance by OCTA of its obligations under the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement;

(C) the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement have been duly executed and delivered by OCTA, and constitute the legal, valid and binding obligation of the OCTA enforceable against OCTA in accordance with their respective terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies, judicial discretion and the limitations on legal remedies against public entities in the State;

(D) no litigation of any nature is now pending or, to the best of OCTA’s knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement or in any way contesting or affecting the validity or enforceability of the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement;

(E) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over OCTA not already obtained and no proceedings not already had are required in connection with the execution and delivery of the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement, or the performance by OCTA of its obligations under the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement; and

(F) OCTA is not aware of the existence of any event of default under the OCTA Cooperative Agreement, the ORCOA and the Toll Services Provider Agreement, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default;]]

(xxii) A certificate of CalTRANS executed by a duly authorized official of CalTRANS, to the effect that, to the best of such official's knowledge:

(A) CalTRANS has full legal right, power and authority to execute and enter into the HPPA and the Toll Facility Agreement , and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) CalTRANS has duly authorized and approved the execution and delivery of, and performance by CalTRANS of its obligations under the HPPA and the Toll Facility Agreement;

(C) the HPPA and the Toll Facility Agreement have been duly executed and delivered by CalTRANS, and constitute the legal, valid and binding obligation of CalTRANS enforceable against CalTRANS in accordance with their respective terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, reorganization, receivership, moratorium, liquidation, conservatorship, fraudulent conveyance, or other similar statutes, regulations or laws affecting the rights of creditors generally, equitable remedies, judicial discretion and the limitations on legal remedies against public entities in the State;

(D) no litigation of any nature is now pending or, to the best of CalTRANS' knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the HPPA or the Toll Facility Agreement or in any way contesting or affecting the validity or enforceability of the HPPA or the Toll Facility Agreement, which would materially adversely affect the consummation of the transactions contemplated by the HPPA or the Toll Facility Agreement;

(E) all approvals, permits, consents or authorizations or other actions by or filings with or notice to any governmental or public agency, authority or person having jurisdiction over Caltrans have been obtained to enable and authorize Caltrans to execute, deliver and perform the HPPA or the Toll Facility Agreement;

(F) as of its date and as of the date hereof, the information contained in the Official Statement, under the heading entitled "OPERATION AND MAINTENANCE OF THE PROJECT" as such summary information pertains to CalTRANS, were and are correct in all material respects, and, as of such dates, the information under such headings did not and does not contain any untrue statement of material fact and

(G) CalTRANS is not aware of the existence of any event of default under the HPPA or the Toll Facility Agreement, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default;

(xxiii) A certificate of Cofiroute, executed by a duly authorized official of Cofiroute, to the effect that, to the best of such official's knowledge:

(A) Cofiroute has full legal right, power and authority to execute and enter into the ORCOA, and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) Cofiroute has duly authorized and approved the execution and delivery of, and performance by Cofiroute of its obligations under the ORCOA;

(C) the ORCOA has been duly executed and delivered by Cofiroute, and constitutes the legal, valid and binding obligation of Cofiroute enforceable against Cofiroute in accordance with its terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies and judicial discretion;

(D) no litigation of any nature is now pending or, to the best of Cofiroute's knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the ORCOA or in any way contesting or affecting the validity or enforceability of the ORCOA;

(E) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over Cofiroute not already obtained and no proceedings not already had are required in connection with the execution and delivery of the ORCOA, or the performance by Cofiroute of its obligations under the ORCOA and

(F) Cofiroute is not aware of the existence of any event of default under the ORCOA, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default;

(xxiv) An opinion of counsel to Cofiroute, addressed to the Commission and the Representative, in substantially the form set forth in Exhibit D hereto

(xxv) A certificate of Kapsch, executed by a duly authorized official of Kapsch, to the effect that, to the best of such official's knowledge:

(A) Kapsch has full legal right, power and authority to execute and enter into the Toll Services Provider Agreement, and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) Kapsch has duly authorized and approved the execution and delivery of, and performance by Kapsch of its obligations under the Toll Services Provider Agreement;

(C) the Toll Services Provider Agreement has been duly executed and delivered by Kapsch, and constitutes the legal, valid and binding obligation of Kapsch

enforceable against Kapsch in accordance with its terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies and judicial discretion;

(D) no litigation of any nature is now pending or, to the best of Kapsch's knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the Toll Services Provider Agreement or in any way contesting or affecting the validity or enforceability of the Toll Services Provider Agreement;

(E) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over Kapsch not already obtained and no proceedings not already had are required in connection with the execution and delivery of the Toll Services Provider Agreement, or the performance by Kapsch of its obligations under the Toll Services Provider Agreement and

(F) Kapsch is not aware of the existence of any event of default under the Toll Services Provider Agreement, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default;

(xxvi) An opinion of counsel to Kapsch, addressed to the Commission and the Representative, in substantially the form set forth in Exhibit E hereto

(xxvii) [[A certificate of Riverside County, executed by a duly authorized official of Riverside County, to the effect that, to the best of such official's knowledge;

(A) Riverside County has full legal right, power and authority to execute and enter into the Riverside County Agreement, and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) Riverside County has duly authorized and approved the execution and delivery of, and performance by Riverside County of its obligations under the Riverside County Agreement;

(C) the Riverside County Agreement has been duly executed and delivered by Riverside County, and constitutes the legal, valid and binding obligation of Riverside County enforceable against Riverside County in accordance with its terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies and judicial discretion;

(D) no litigation of any nature is now pending or, to the best of Riverside County's knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the Riverside County Agreement or in any way contesting or affecting the validity or enforceability of the Riverside County Agreement;

(E) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over Riverside County not already obtained and no proceedings not already had are required in connection with the execution

and delivery of the Riverside County Agreement, or the performance by Riverside County of its obligations under the Riverside County Agreement and

(F) Riverside County is not aware of the existence of any event of default under the Riverside County Agreement, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default]]; [*Note: To discuss with General Counsel.*]

(xxviii) [[A certificate of the City of Corona, executed by a duly authorized official of the City of Corona, to the effect that, to the best of such official's knowledge;

(A) the City of Corona has full legal right, power and authority to execute and enter into the Corona Cooperative Agreement, and to carry out and to consummate the transactions contemplated by, and to perform all of its obligations thereunder;

(B) the City of Corona has duly authorized and approved the execution and delivery of, and performance by the City of Corona of its obligations under the Corona Cooperative Agreement;

(C) the Corona Cooperative Agreement has been duly executed and delivered by the City of Corona, and constitutes the legal, valid and binding obligation of the City of Corona enforceable against the City of Corona in accordance with its terms, except to the extent that the enforceability may be limited by bankruptcy, insolvency, arrangement, moratorium or other laws affecting the rights of creditors generally, equitable remedies and judicial discretion;

(D) no litigation of any nature is now pending or, to the best of the City of Corona's knowledge, threatened in any court or before any governmental agency of competent jurisdiction restraining or enjoining, or seeking to restrain or enjoin execution or delivery of the Corona Cooperative Agreement or in any way contesting or affecting the validity or enforceability of the Corona Cooperative Agreement;

(E) no approval, permit, consent or authorization of any governmental or public agency, authority or person having jurisdiction over the City of Corona not already obtained and no proceedings not already had are required in connection with the execution and delivery of the Corona Cooperative Agreement, or the performance by the City of Corona of its obligations under the Corona Cooperative Agreement and

(F) the City of Corona is not aware of the existence of any event of default under the Corona Cooperative Agreement, or the occurrence of any event which by notice, the passage of time or otherwise would constitute any such event of default]];

(xxix) A copy of the Blanket Letter of Representation to DTC relating to the Series 2020 Bonds signed by DTC and the Commission;

(xxx) An executed copy of the Continuing Disclosure Agreement;

(xxxi) A copy of the report of \_\_\_\_\_, as to the accuracy of certain mathematical computations in connection with the refunding of the Toll Revenue Senior Lien Bonds, 2013 Series A; and

(xxxii) Such additional certificates, legal opinions of Bond Counsel, Disclosure Counsel or other counsel and such other instruments or documents as Underwriters' Counsel, Disclosure Counsel or Bond Counsel reasonably request to evidence the truth and accuracy as of the date hereof and as of the Closing Date of information contained in the Official Statement and the representations and warranties contained herein and in the Official Statement and the due satisfaction as or prior to the Closing Date of all conditions then to be satisfied in connection with the transaction contemplated hereby.

7. To the extent permitted by law, the Commission agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls (within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended) the Underwriters and the officers, agents and employees of the Underwriters (each such person, an "Indemnified Party") against any and all losses, claims, damages, liabilities and expenses arising out of any untrue statement of a material fact contained in the Preliminary Official Statement (other than of the POS Excluded Information) or the Official Statement (other than of the OS Excluded Information) or the omission to state in the Preliminary Official Statement (other than omissions in the POS Excluded Information) or the Official Statement (other than omissions in the OS Excluded Information) a material fact necessary to make the statements therein relating to the Commission, in the light of the circumstances under which they were made, not misleading.

The Commission shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Commission or if there be a final judgment for the plaintiff in any such action against the Commission or any Indemnified Party, the Commission agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In case any claim shall be made or action brought against an Indemnified Party for which indemnity may be sought against the Commission, as provided above, the Underwriters shall promptly notify the Commission in writing setting forth the particulars of such claim or action and the Commission shall assume the defense thereof, including at its option the retaining of counsel acceptable to the Underwriters and including the payment of all expenses. The Indemnified Party shall not have the right to retain separate counsel unless (i) the Commission shall have specifically authorized the retaining of such counsel or (ii) the parties to such suit include the Indemnified Party and one or more legal defenses may be available to it which may not be available to the Commission, in which case the Commission shall not be entitled to assume the defense of the suit but the Underwriters shall bear the fees and expenses of such counsel.

Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Commission, its employees and its officers, but only with reference to liability in connection with false statements and information in the Preliminary Official Statement and the Official Statement furnished to the Commission in writing by such Underwriter for inclusion in the Preliminary Official Statement and the Official Statement. The Commission acknowledges that the only information provided by the Underwriters for inclusion in the Preliminary Official Statement was the information contained under the caption "UNDERWRITING" and the only information provided by the Underwriters for inclusion in the Official Statement was the principal amount, interest rates, prices and yields and redemption prices set forth on the inside cover of the Official Statement and the information contained under the caption "UNDERWRITING".

8. The Underwriters shall have the right to cancel their obligation hereunder to purchase the Series 2020 Bonds (and such cancellation shall not constitute a default hereunder by the

Underwriters) by the Representative notifying you in writing of its election to do so between the date hereof and the Closing, if at any time hereafter and prior to the Closing:

(i) any event occurring, or information becoming known that, in the reasonable judgment of the Representative, makes untrue any statement of a material fact contained in the Official Statement or results in an omission of a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State of California, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State of California court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State of California authority materially adversely affecting, in the reasonable judgment of the Representative, the federal or State of California tax status of the Commission, or the status of the interest on bonds or notes or obligations of the general character of the 2020 Tax-Exempt Bonds; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California or any court of the United States of America shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Series 2020 Bonds; or

(iv) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Series 2020 Bonds, or the execution, delivery, offering or sale of the Series 2020 Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Series 2020 Bonds, or the Series 2020 Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority or any material restrictions not now in force with respect to the Series 2020 Bonds or obligations of the general character of the Series 2020 Bonds or securities generally 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 Underwriters, which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Series 2020 Bonds; or

(vi) the declaration of a general banking moratorium by federal, New York or California authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred, or the general suspension of trading or minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required and be in force on the New York Stock Exchange on any national securities exchange by a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction, which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Series 2020 Bonds; or

(vii) any new outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis affecting the financial markets which, in the reasonable opinion of the Representative, materially adversely affects the market price or marketability of the Series 2020 Bonds; or

(viii) the ratings on the Series 2020 Bonds as set forth in the Official Statement shall have been withdrawn or reduced, placed on credit watch, assigned a negative outlook or announced to be under review by a rating agency, which, in the Representative's reasonable opinion, materially adversely affects the market price or marketability of the Series 2020 Bonds; or

(ix) the commencement of any action, suit or proceeding described in Section 5(i) hereof which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Series 2020 Bonds; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange; or

(xi) a material adverse change has occurred or becomes known in the operations or finances of the Commission.

9. The Underwriters shall be under no obligation to pay and the Commission shall pay or cause to be paid from the proceeds of the Series 2020 Bonds or other funds available to it the expenses incident to the performance of the obligations of the Commission hereunder, including but not limited to (a) the cost of printing or engraving, and mailing or delivering the definitive Bonds and the Official Statement in reasonable quantities and all other documents or the cost of recording and filing such documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby; (b) the fees and disbursements of the Trustee, in connection with the execution, sale and delivery of the Series 2020 Bonds; (c) the fees and disbursements of the Bond Counsel, Disclosure Counsel, General Counsel, and any other experts or consultants retained by the Commission in connection with the transactions contemplated hereby; (d) the costs related to obtaining ratings on the Series 2020 Bonds.

The Underwriters shall pay (a) California Debt and Investment Advisory Commission fees; (b) the cost of preparation and printing of any Blue Sky Memorandum to be used by them; (c) all advertising expenses in connection with the public offering of the Series 2020 Bonds; (d) the fees and expenses of Underwriters' Counsel; (e) CUSIP number costs; and (f) any fees assessed upon the

Underwriters with respect to the Series 2020 Bonds by the Municipal Securities Rulemaking Board or the Financial Industry Regulatory Authority. To the extent not otherwise reimbursed in-full by the Commission pursuant to the preceding paragraph of this Section, the Commission acknowledges that a portion of the Underwriters' discount is intended to reimburse the Underwriters for incidental expenses (including, but not limited to, transportation, lodging and meals of Commission and Underwriter personnel) incurred by the Underwriters (on their own behalf and/or on behalf of Underwriter personnel and Commission personnel and advisors, as applicable) in connection with the consummation of the transaction contemplated by this Purchase Agreement.

10. No covenant or agreement contained in this Purchase Agreement shall be deemed to be a covenant or agreement of any member, officer, agent or employee of the Commission nor shall such persons be liable personally under this Purchase Agreement or be subject to any personal liability or accountability solely by reason of the execution of this Purchase Agreement or solely by reason of the breach or attempted alleged breach hereof by the Commission.

11. Any notice to be given to the Commission under this Purchase Agreement may be given by delivering the same to the office thereof c/o Riverside County Transportation Commission, \*4080 Lemon Street, 3<sup>rd</sup> Floor, Riverside, CA 92501 or P.O. Box 12008, Riverside, California 92502, and any such notice to be given to the Representative or the Underwriters may be given by delivering the same to BofA Securities, Inc., 333 S. Hope Street, Suite 2310, Mail Code: CA9-193-23-04, Los Angeles, CA 90071, Attention: Kevin O'Brien.

12. The Commission hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public sale of the Series 2020 Bonds.

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

14. The representations and warranties of the Commission set forth in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations or statements as to the results thereof made by or on behalf of the Underwriters and regardless of delivery of and payment for the Series 2020 Bonds.

15. This Purchase Agreement, when accepted by the Commission, shall constitute the entire agreement between the Commission and the Underwriters and is made solely for the benefit of the Commission and the Underwriters (including the successors of the Underwriters). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

16. This Purchase Agreement is made solely for the benefit of the Commission and the Underwriters (including the successors thereof), and no other person, partnership or association shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Commission in this Purchase Agreement shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriters and shall survive the issuance of and payment of the Series 2020 Bonds.

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\* Street address is for non-postal delivery. P.O. Box for postal (US mail) delivery.

17. This Purchase Agreement may be executed simultaneously in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

18. The Representative, in its sole discretion, may waive any condition or requirement imposed upon the Commission as set forth in this Purchase Agreement.

19. The Commission acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Commission and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Commission; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as the municipal advisor, financial advisor, agent or fiduciary of the Commission; (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Commission with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Commission on other matters); and (iv) the Commission has consulted its own legal, municipal, financial and other advisors to the extent it has deemed appropriate.

20. This Purchase Agreement shall become effective upon the execution of the acceptance hereby by the Commission, and shall be valid and binding and enforceable as of the time of such acceptance.

21. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriters or the Commission without the prior written consent of the other parties hereto.

22. In case any one or more of the provisions, contained herein shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provisions hereof.

23. The validity, interpretation, and performance of this Purchase Agreement shall be governed by the laws of the State of California.

Very truly yours,

BOFA SECURITIES, INC., on behalf of itself and as  
Representative of the Underwriters

By: \_\_\_\_\_  
Authorized Representative

The foregoing is hereby agreed to and  
accepted as of the date first above written:

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

**UNDERWRITERS**

BofA Securities, Inc.  
Goldman Sachs & Co. LLC  
J.P. Morgan Securities LLC  
Siebert Williams Shank & Co., LLC  
Wells Fargo Bank, NA

**EXHIBIT B**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_

**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Federally Taxable)**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, 2048 – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ %

\$ \_\_\_\_\_

**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, 2048 – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ %

\* 10% Test Maturities

\*\* Hold-the-Price Maturities

\$ \_\_\_\_\_

**Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, 2048 – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ %

\* 10% Test Maturities

\*\* Hold-the-Price Maturities

**REDEMPTION PROVISIONS**

**Optional Redemption of 2020 Series A Senior Bonds.** The 2020 Series A Senior Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series A Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

**Optional Redemption of 2020 Series B Senior Bonds.** The 2020 Series B Senior Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series B Senior Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

**Optional Redemption of 2020 Series C Second Lien Bonds.** The 2020 Series C Second Lien Bonds are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, as a whole or in part, on any date on or after June 1, 20\_\_ at the principal amount of 2020 Series C Second Lien Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

**Mandatory Redemption of 2020 Series A Senior Bonds From Sinking Fund Installment.** The 2020 Series A Senior Bonds maturing on June 1, 20\_\_ are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series A Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

Sinking Fund Installment Dates (June 1)	Sinking Fund Installments
*	\$

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\* Final Maturity

***Mandatory Redemption of 2020 Series B Senior Bonds From Sinking Fund Installment.*** The 2020 Series B Senior Bonds maturing on June 1, 20\_\_ are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series B Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

<u>Sinking Fund Installment Dates (June 1)</u>	<u>Sinking Fund Installments</u>
*	\$

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\* Final Maturity

***Mandatory Redemption of 2020 Series C Second Lien Bonds From Sinking Fund Installment.*** The 2020 Series C Second Lien Bonds maturing on June 1, 20\_\_ are subject to mandatory redemption prior to their respective stated maturities, in part, from Sinking Fund Installments on each June 1 a Sinking Fund Installment is due in the principal amount equal to the Sinking Fund Installment due on such date and at a redemption price equal to 100% of the principal amount thereof, plus accrued but unpaid interest to the redemption date, without premium. The Sinking Fund Installments for the 2020 Series C Second Lien Bonds Term Bond maturing on June 1, 20\_\_ shall be due in the amounts and on the dates as follows:

<u>Sinking Fund Installment Dates (June 1)</u>	<u>Sinking Fund Installments</u>
*	\$

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\* Final Maturity



**EXHIBIT C**

**OPINION OF GENERAL COUNSEL TO THE COMMISSION**

April \_\_, 2020

Riverside County Transportation Commission  
4080 Lemon Street  
Riverside, CA 92501

BofA Securities Inc., as Representative  
333 S. Hope Street  
Los Angeles, CA 90071

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)**

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B (Federally Taxable)**

\$ \_\_\_\_\_  
**Toll Revenue Second Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)**

Ladies and Gentlemen:

We serve as general counsel for the Riverside County Transportation Commission (the “Commission”). This opinion is being delivered in connection with the issuance by the Commission of Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Tax-Exempt), its Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (Federally Taxable) and its Toll Revenue Second Lien Refunding Bonds, 2020 Series A (Tax-Exempt) (collectively the “Series 2020 Bonds”). The Series 2020 Bonds are being sold on the date hereof pursuant to a Bond Purchase Agreement, dated \_\_\_\_\_, 2020 (the “Bond Purchase Agreement”), between the Commission and BofA Securities, Inc., as representative (the “Representative”), acting on behalf of itself, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Siebert Williams Shank & Co., LLC and Wells Fargo Bank, NA (collectively, the “Underwriters”). Unless otherwise defined herein or the context otherwise requires, the capitalized terms used herein shall have the respective meanings ascribed thereto in the Bond Purchase Agreement.

In this connection, we have reviewed the Constitution and the laws of the State of California and certain proceedings taken by the Commission in connection with execution and delivery of the following agreements (collectively, the “Commission Documents”):

1. the Bond Purchase Agreement;
2. the Continuing Disclosure Agreement with Digital Assurance Certification L.L.C., dated as of \_\_\_\_\_ 1, 2020 (the “Continuing Disclosure Agreement”);

3. the Master Indenture, dated as of June 1, 2013 (the “Master Indenture”), by and between the Commission and the Trustee, as supplemented by the First Supplemental Indenture, dated as of June 1, 2013 (the “First Supplemental Indenture”), the Second Supplemental Indenture, dated as of June 1, 2013 (the “Second Supplemental Indenture”), the Third Supplemental Indenture, dated as of April 1, 2020 (the “Third Supplemental Indenture”), and the Fourth Supplemental Indenture, dated as of April 1, 2020 (the “Fourth Supplemental Indenture” and, together with the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “Indenture”), by and between the Commission and the Trustee;

4. [[the High Profile Project Agreement, dated June 18, 2013, among the Federal Highway Administration, the Commission and the California Department of Transportation (“Caltrans”)(the “HPPA”)]];

5. [[the Cooperative Agreement, dated December 16, 2011, between the Commission and the Orange County Transportation Authority (the “OCTA Cooperative Agreement”)]];

6. [[the Toll Facility Agreement, dated May 14, 2012, between the Commission and Caltrans (the “Toll Facility Agreement”)]];

7. the SR-91 Express Lanes Operating Agreement, dated May 24, 2013, as amended \_\_\_\_\_, 20\_\_ by and among the Commission, OCTA and Cofiroute USA LLC (“Cofiroute”) (the “ORCOA”);

8. Toll Services Provider Agreement, dated \_\_\_\_\_, 20\_\_, by and among the Commission, OCTA and Kapsch (the “Toll Services Provider Agreement”);

9. [[the Agreement between the Commission and Riverside County, dated June 5, 2012 (the “Riverside County Agreement”); and

10. [[the Cooperative Agreement, dated November 9, 2011, between the Commission and the City of Corona (the “Corona Cooperative Agreement”).]]

In connection with this opinion, we have examined (i) the Commission Documents and (ii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. As to relevant factual matters, we have relied upon, among other things, the factual representations contained in the Commission Documents.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the Commission’s obligations depend on the enforceability of the Commission Documents against the other parties thereto, we have assumed that the Commission Documents are enforceable against such other parties. We express no opinion with respect to any indemnification, contribution, lien priority or choice of law provisions contained in the foregoing documents.

As used in this opinion, the phrase “current actual knowledge” means knowledge as we have obtained from (i) the incumbency and signature certificate of the Commission; (ii) the representations

and warranties contained in each closing certificate of the Commission; and (iii) knowledge of facts or other information currently known to lawyers in our firm who have performed legal services for the Commission.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, as of the date hereof we are of the opinion that:

(1) The Commission is a county transportation commission duly organized under the laws of the State.

(2) The Resolutions and other approving actions of the Commission approving and authorizing the execution and delivery of the Commission Documents by the Commission (the “Resolutions”) were duly adopted or taken at meetings of the Commission, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption.

(3) To our current actual knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body of competent jurisdiction, pending or threatened against the Commission, to restrain or enjoining the enforcement of the Commission Documents or in any way contesting the validity of the Bonds or the Commission Documents.

(4) The execution and delivery of the Series 2020 Bonds by the officer executing the same and the Commission Documents by the Commission, the adoption of the Resolutions, and compliance by the Commission with the provisions of the foregoing, as appropriate, under the circumstances contemplated thereby, to our current actual knowledge, does not and will not conflict with or constitute on the part of the Commission a breach or default under any agreement or other instrument to which the Commission is a party or by which it is bound (and of which we are reasonably aware) or any existing law, regulation, court order or consent decree to which the Commission is subject.

(5) The Commission Documents have been duly authorized, executed and delivered by the Commission and, assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the High Profile Project Agreement, the Cooperative Agreement, the Toll Facility Agreement, the ORCOA, the CalTRANS DB Cooperative Agreement, the Riverside County Agreement and the Corona Cooperative Agreement constitute legal, valid and binding agreements of the Commission, enforceable in accordance with their respective terms, subject in each case to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought.

(6) Except as described in the Official Statement, no authorization, approval, consent, or other order of the State or any other governmental authority or agency within the State having jurisdiction over the Commission is required for the valid authorization, execution, delivery and performance by the Commission of the Commission Documents which has not been obtained.

(7) Without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement and based upon the information made available to us in the course of our participation in the

preparation of the Official Statement as general counsel for the Commission, nothing has come to our attention which would cause us to believe that the Official Statement (except for the financial statements and other financial and statistical data included therein, forecasts, projections, estimates, assumptions and expressions of opinion, statements relating to DTC, Cede & Co. and the book-entry system and statements contained in in Appendices A, B, C, G and H thereto, as to which we express no opinion) as of the date thereof and as of the Closing Date, contained an untrue statement of a material fact or omitted 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.

(8) The Commission has full legal right, power and authority to maintain and operate or cause to be maintained and operated the toll collection facilities of the Project as and to the extent described in the Official Statement and the Commission Documents.

(9) Under the laws of the State of California, the Commission's authority to determine, fix, impose and collect tolls on the Toll Road (as defined in the Indenture) is not subject to the regulatory jurisdiction of any local, regional, State or federal regulatory authority.

(10) Except as disclosed in the Official Statement, to our current actual knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the our current actual knowledge, threatened, which may affect the existence of the Commission or the titles of its officers to their respective offices, or which may materially affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2020 Bonds or the collection of Revenues pledged or to be pledged to pay the principal of and interest on the Series 2020 Bonds, or which in any way contests or affects the validity or enforceability of the Commission Documents or which contests the power of the Commission or any authority or proceedings for the issuance, sale or delivery of the Series 2020 Bonds, the execution or delivery of the Commission Documents, the implementation of the Project as described in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Commission Documents.

This opinion may be relied on by you only in connection with the issuance of the Series 2020 Bonds. It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent; provided however that it may be included in the transcript of record of proceedings relating to the issuance of the Series 2020 Bonds. This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

The opinions expressed herein are based on our analysis of existing laws, regulations, rules and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or thence occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events occur. We do not express herein any opinion as to any matter governed by any laws other than the laws of the State of California or the laws of the United States of America.

Respectfully submitted,

**EXHIBIT D**

**OPINION OF COUNSEL TO COFIROUTE**

Riverside County Transportation Commission  
4080 Lemon Street, 3rd Floor  
Riverside, California 92501

BofA Securities, Inc., as Representative  
Los Angeles, California

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

\$ \_\_\_\_\_  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)

\$ \_\_\_\_\_  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B (Federally Taxable)

\$ \_\_\_\_\_  
Toll Revenue Second Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)

Ladies and Gentlemen:

This opinion is being delivered in connection with the issuance of bonds of the Riverside County Transportation Commission (the "Commission"), of Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Tax-Exempt), its Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (Federally Taxable) and its Toll Revenue Second Lien Refunding Bonds, 2020 Series A (Tax-Exempt) (collectively the "Series 2020 Bonds"). The Series 2020 Bonds are being sold on the date hereof pursuant to a Bond Purchase Agreement, dated \_\_\_\_ \_\_, 2020 (the "Bond Purchase Agreement"), between the Commission BofA Securities, Inc., as representative (the "Representative"), acting on behalf of itself, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Siebert Williams Shank & Co., LLC and Wells Fargo Bank, NA (collectively, the "Underwriters").

We have served as counsel to Cofiroute USA LLC ("Cofiroute") in connection with the execution and delivery of the SR-91 Express Lanes Operating Agreement, dated May 24, 2013, by and among the Commission, OCTA and Cofiroute (the "ORCOA"). In connection with this opinion, we have examined (i) the ORCOA and (ii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. As to relevant factual matters, we have relied upon, among other things, the factual representations contained in the ORCOA.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the County's obligations depend on the enforceability of the Riverside County Agreement against the Commission, we have assumed that the Riverside County Agreement is enforceable against the Commission.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and

qualifications in this opinion, we are of the opinion that:

1. Cofiroute is a limited liability company created and existing under the laws of the [[State of California]].

2. The ORCOA has been duly authorized, and duly executed and delivered by Cofiroute and constitutes the legally valid and binding obligation of Cofiroute enforceable against Cofiroute in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally, to general principles of equity, and to the exercise of judicial discretion in appropriate cases.

3. The execution and delivery by Cofiroute of the ORCOA, do not conflict with or constitute a breach of or default under any California constitutional provision, law, administrative regulation, judgment or court decree that we have, in the exercise of customary professional diligence, recognized as applicable to Cofiroute and the transactions contemplated by the ORCOA, or, to our knowledge, any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Cofiroute is a party, with respect to which such conflict, breach or default would materially adversely affect the ability of Cofiroute to perform its obligations under the ORCOA.

We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the ORCOA.

The law covered by this opinion is limited to the present law of the State of California. We express no opinion as to the laws of any other jurisdiction.

This opinion may be relied on by you only in connection with the issuance of the Series 2020 Bonds. It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent; provided however that it may be included in the transcript of record of proceedings relating to the issuance of the Series 2020 Bonds. This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

Respectfully submitted,  
[COUNSEL TO COFIROUTE]

**EXHIBIT E**

**OPINION OF COUNSEL TO KAPSCH**

Riverside County Transportation Commission  
4080 Lemon Street, 3rd Floor  
Riverside, California 92501

BofA Securities, Inc., as Representative  
Los Angeles, California

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

\$ \_\_\_\_\_  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)

\$ \_\_\_\_\_  
Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B (Federally Taxable)

\$ \_\_\_\_\_  
Toll Revenue Second Lien Refunding Bonds,  
2020 Series A (Tax-Exempt)

Ladies and Gentlemen:

This opinion is being delivered in connection with the issuance of bonds of the Riverside County Transportation Commission (the "Commission"), of Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Tax-Exempt), its Toll Revenue Senior Lien Refunding Bonds, 2020 Series B (Federally Taxable) and its Toll Revenue Second Lien Refunding Bonds, 2020 Series A (Tax-Exempt) (collectively the "Series 2020 Bonds"). The Series 2020 Bonds are being sold on the date hereof pursuant to a Bond Purchase Agreement, dated \_\_\_\_\_, 2020 (the "Bond Purchase Agreement"), between the Commission BofA Securities, Inc., as representative (the "Representative"), acting on behalf of itself, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Siebert Williams Shank & Co., LLC and Wells Fargo Bank, NA (collectively, the "Underwriters").

We have served as counsel to Kapsch USA LLC ("Kapsch") in connection with the execution and delivery of the Toll Services Provider Agreement, dated \_\_\_\_\_, 20\_\_, by and among the Commission, OCTA and Kapsch (the "Toll Services Provider Agreement"). In connection with this opinion, we have examined (i) the Toll Services Provider Agreement and (ii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. As to relevant factual matters, we have relied upon, among other things, the factual representations contained in the Toll Services Provider Agreement.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the County's obligations depend on the enforceability of the Riverside County Agreement against the Commission, we have assumed that the Riverside County Agreement is enforceable against the Commission.

From such examination, on the basis of our reliance upon the assumptions in this opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. Kapsch is a limited liability company created and existing under the laws of the [[State of California]].

2. The Toll Services Provider Agreement has been duly authorized, and duly executed and delivered by Kapsch and constitutes the legally valid and binding obligation of Kapsch enforceable against Kapsch in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally, to general principles of equity, and to the exercise of judicial discretion in appropriate cases.

3. The execution and delivery by Kapsch of the Toll Services Provider Agreement, do not conflict with or constitute a breach of or default under any California constitutional provision, law, administrative regulation, judgment or court decree that we have, in the exercise of customary professional diligence, recognized as applicable to Kapsch and the transactions contemplated by the Toll Services Provider Agreement, or, to our knowledge, any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which Kapsch is a party, with respect to which such conflict, breach or default would materially adversely affect the ability of Kapsch to perform its obligations under the Toll Services Provider Agreement.

We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the Toll Services Provider Agreement.

The law covered by this opinion is limited to the present law of the State of California. We express no opinion as to the laws of any other jurisdiction.

This opinion may be relied on by you only in connection with the issuance of the Series 2020 Bonds. It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent; provided however that it may be included in the transcript of record of proceedings relating to the issuance of the Series 2020 Bonds. This opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws.

Respectfully submitted,  
[COUNSEL TO KAPSCH]



**EXHIBIT F**

**ISSUE PRICE CERTIFICATE**

**[FORM OF REPRESENTATIVE ISSUE PRICE CERTIFICATE]**

\$ _____	\$ _____
<b>Toll Revenue Senior Lien Refunding Bonds, 2020 Series B</b>	<b>Toll Revenue Second Lien Refunding Bonds, 2020 Series C</b>

**ISSUE PRICE CERTIFICATE**

The undersigned, BofA Securities, Inc., for itself and as representative of Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Siebert Williams Shank & Co., LLC and Wells Fargo Bank, NA (the “Underwriters”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

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

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, dated \_\_\_\_\_, 2020, by and between the Underwriters and the Commission, the Underwriters have agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price or prices that is/are higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any unsold Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***[Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c)  *Holding Period*  means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ( \_\_\_\_\_, 2020), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d)  *Commission*  means the Riverside County Transportation Commission.

(e)  *Maturity*  means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f)  *Public*  means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g)  *Sale Date*  means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2020.

(h)  *Underwriter*  means: (i) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriters’ interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Commission with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Commission from time to time relating to the Bonds.

The certification set forth in Paragraph 1 hereof is not necessarily based on personal knowledge, but in certain cases based on reasonable inquiry conducted and institutional knowledge regarding the matters set forth in Paragraph 1. In certain cases, the undersigned is relying on representations made by the other members of the underwriting group, such representations believed to be true based on the contractual obligation between the parties to accurately provide this information, and supported by the undersigned's reasonable inquiry conducted and institutional knowledge.

BOFA SECURITIES, INC.

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

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2020

Schedule A

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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\$ \_\_\_\_\_ % Term Bonds due June 1, 2048 – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ %

\* 10% Test Maturities

\*\* Hold-the-Price Maturities

\$ \_\_\_\_\_  
**Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

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

\$ \_\_\_\_\_ % Term Bonds due June 1, 2048 – Yield: \_\_\_\_\_ % – Price: \_\_\_\_\_ %

\* 10% Test Maturities

\*\* Hold-the-Price Maturities

**Schedule B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

## Schedule C

### FORM OF UNDERWRITER CERTIFICATE

\$ \_\_\_\_\_  
**Toll Revenue Senior Lien Refunding Bonds,  
2020 Series B**

\$ \_\_\_\_\_  
**Toll Revenue Second Lien Refunding Bonds,  
2020 Series C**

The undersigned, on behalf of [UW FULL NAME] (“[UW DEFINED NAME]”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

#### 1. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) [UW DEFINED NAME] and any broker-dealer who is participating in the initial sale of the Bonds as a party to a retail distribution agreement with [UW DEFINED NAME] (if any) each offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) to the Issue Price Certificate of BofA Securities, Inc., as representative, relating to the Bonds, to which this certificate is attached as [part of ] Schedule C on or before the Sale Date.

(b) Neither [UW DEFINED NAME] nor any broker-dealer who is participating in the initial sale of the Bonds as a party to a retail distribution agreement with [UW DEFINED NAME] (if any) has offered or sold any Maturity of the Hold-the-Offering Price Maturities allocated to [UW DEFINED NAME] identified in Schedule A-1 attached hereto at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [UW DEFINED NAME] has not entered into a retail distribution agreement or other written contract directly or indirectly to participate in the initial sale of any of the Bonds to the Public [other than] [NAME OF ANY FIRM WITH WHICH [UW DEFINED NAME] HAS A RETAIL DISTRIBUTION AGREEMENT].

#### 2. **Defined Terms.**

(a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds where issue price was established under Treasury Regulations § 1.148-1(f)(2)(ii), as shown in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(b) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different lien levels, stated interest rates or CUSIP identification numbers, are treated as separate maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a Related Party to an underwriter.

(e) *Related Party* means any entity if an underwriter and the entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [April \_\_], 2020.

(g) *underwriter* means (i) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter(s) for the Bonds to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Commission with respect to certain of the representations set forth in the Tax Certificate to which this Certificate is attached and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, as bond counsel to the Commission, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Commission from time to time relating to the Bonds. [UW DEFINED NAME] is certifying only as to facts in existence on the date hereof. Nothing herein represents [UW DEFINED NAME]'s interpretation of any laws; in particular the Treasury Regulations under the Internal Revenue Code of 1986, or the application of any laws to these facts.

[UW FULL NAME], as

Underwriter

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

Title: \_\_\_\_\_

Dated: [April \_\_], 2020

ESCROW AGREEMENT

between

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

and

U.S. BANK NATIONAL ASSOCIATION  
as Trustee and Escrow Agent

Dated as of April 1, 2020

Relating to

Riverside County Transportation Commission  
Toll Revenue Senior Lien Bonds, 2013 Series A

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## ESCROW AGREEMENT

This Escrow Agreement, dated as of April 1, 2020 (this “Escrow Agreement”), is entered into by the Riverside County Transportation Commission, a public entity duly established and existing under the laws of the State of California (the “Commission”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “Trustee”) under the Master Indenture (as defined herein) and as escrow agent (the “Escrow Agent”).

### WITNESSETH:

WHEREAS, the Commission has heretofore issued its Riverside County Transportation Commission Toll Revenue Senior Lien Bonds, 2013 Series A (the “2013 Series A Bonds”), pursuant to a Master Indenture, dated as of June 1, 2013 (as supplemented and amended from time to time pursuant to its terms, the “Master Indenture”), between the Commission and the Trustee;

WHEREAS, the Commission has determined to refund and defease all of the outstanding 2013 Series A Bonds (the “2013A Refunded Bonds”) and is issuing \$[\_\_\_\_\_] aggregate principal amount of Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable) (the “2020 Series A Senior Bonds”) pursuant to the Master Indenture to, among other purposes, provide funds to refund and defease the 2013A Refunded Bonds, pursuant to Sections 4.02, 10.02 and 15.01 of the Master Indenture;

WHEREAS, Section [26.06(e)] of the Master Indenture provides for the transfer and deposit of \$[\_\_\_\_\_] consisting of proceeds of the 2020 Series A Senior Bonds [together with other funds of the Commission] to the escrow fund created hereunder, such funds to be applied to refund and defease all of the 2013A Refunded Bonds; and

WHEREAS, such funds shall be deposited in the escrow fund created hereunder in such amount as is necessary, together with interest earnings thereon, to insure the full and timely payment of the Refunding Requirements (as hereinafter defined) for the 2013A Refunded Bonds;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, in order to secure the payment of the Refunding Requirements as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

**Section 1. Definitions.** As used in this Escrow Agreement the following terms have the following meanings:

**Chief Financial Officer** means the officer who is then performing the functions of Chief Financial Officer of the Commission.

**Defeasance Securities** means securities of the type defined in the Master Indenture and meeting the requirements for defeasance specified in Section 10.02 of the Master Indenture.

**Escrow Agent** means U.S. Bank National Association, or any successor thereto appointed under this Escrow Agreement.

**Escrow Fund** means the fund by that name created pursuant to Section 2 hereof.

**Escrowed Defeasance Securities** means those certain Defeasance Securities described in the Verification Report, which is included as Exhibit B to this Escrow Agreement, together with any Defeasance Securities purchased in connection with exchanges, substitutions or reinvestments pursuant to Section 4 of this Escrow Agreement.

**Redemption Price** means with respect to any 2013A Refunded Bond, the principal amount thereof to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium, payable upon redemption thereof.

**Refunding Requirements** means all installments of interest on and the Redemption Price of the 2013A Refunded Bonds, in each case commencing on the date hereof and concluding on June 1, 2023, when all the 2013A Refunded Bonds will have been paid or redeemed at the Redemption Price, as such payments become due, as set forth in the Verification Report included as Exhibit B to this Escrow Agreement.

**Master Indenture** means the Master Indenture, dated as of June 1, 2013, as supplemented and amended, between the Commission and the Trustee.

**Trustee** means U.S. Bank National Association, and its successors and assigns as trustee under the Master Indenture.

**Verification Agent** means Causey Demgen & Moore P.C.

**Verification Report** means the verification report, dated [\_\_\_\_\_], 2020, prepared by the Verification Agent, which is included as Exhibit B hereto.

**2013A Refunded Bonds** means the Riverside County Transportation Commission Toll Revenue Senior Lien Bonds, 2013 Series A, issued pursuant to the Master Indenture, and defeased and refunded by the 2020 Series A Senior Bonds as set forth in Exhibit A hereto.

**2020 Series A Senior Bonds** means the Riverside County Transportation Commission Toll Revenue Senior Lien Refunding Bonds, 2020 Series A (Federally Taxable), issued pursuant to the Master Indenture for purposes of refunding the 2013A Refunded Bonds as described herein.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Master Indenture.

## **Section 2. Creation and Purpose of Escrow Fund.**

(a) There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow Fund (the “Escrow Fund”). The Escrow Agent

shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in trust for the purposes described herein. All Defeasance Securities and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 4 and Section 7 hereof, to secure the payment of the 2013A Refunded Bonds.

(b) On the date of issuance of the 2020 Series A Senior Bonds, the Escrow Agent shall deposit \$[\_\_\_\_\_] into the Escrow Fund, consisting of (i) \$[\_\_\_\_\_] in proceeds of the 2020 Series A Senior Bonds [and (ii) \$[\_\_\_\_\_] in additional funds that the Commission previously deposited with the Trustee], which shall be transferred from the Trustee to the Escrow Agent pursuant to the Master Indenture. Such amount shall be held in the Escrow Fund and paid out as provided in this Escrow Agreement and pursuant to the Master Indenture. Such moneys shall be sufficient for the purchase of the Escrowed Defeasance Securities identified in the Verification Report that is included as Exhibit B to this Escrow Agreement and to make the cash deposit of \$[\_\_\_\_\_] to the Escrow Fund identified in the Verification Report that is included as Exhibit B and shall be used by the Escrow Agent to purchase the Escrowed Defeasance Securities identified in the Verification Report that is included as Exhibit B to this Escrow Agreement and make such cash deposit on the date of issuance of the 2020 Series A Senior Bonds. The principal of and interest on the Escrowed Defeasance Securities and any uninvested cash held hereunder shall be applied by the Escrow Agent to the payment of the Refunding Requirements applicable to the 2013A Refunded Bonds.

(c) As verified by the Verification Report that is included as Exhibit B to this Escrow Agreement, the Escrowed Defeasance Securities identified in such Verification Report are such that, if interest thereon and principal thereof are paid when due, the proceeds from the collection of such interest and principal, together with any uninvested cash held hereunder, will be sufficient to pay the Refunding Requirements applicable to the 2013A Refunded Bonds, when due.

(d) The Escrow Agent shall hold all Defeasance Securities in the Escrow Fund whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in trust, to secure, and for the payment of, the Refunding Requirements applicable to the 2013A Refunded Bonds and shall collect the principal of and interest on such Defeasance Securities held by it hereunder promptly as such principal and interest become due.

**Section 3. Redemption and Payment of the 2013A Refunded Bonds; Notice of Redemption.**

(a) The Escrow Agent, acting as Trustee, is hereby irrevocably instructed to redeem the 2013A Refunded Bonds on June 1, 2023 (the “Redemption Date”), at a redemption price of the principal amount thereof called for redemption plus accrued interest to the Redemption Date, without premium, at the times and places and in the manner specified in the Master Indenture, such payment to be made from the Escrow Fund.

(b) The Escrow Agent, acting as Trustee, is hereby further irrevocably instructed to give notice of such redemption at the time and in the manner provided in Sections 4.02 and 15.01

of the Master Indenture, and in accordance with Section 10.02 of the Master Indenture. The Escrow Agent, as Trustee, acknowledges that these irrevocable instructions constitute satisfactory provision for the giving of notice of redemption required by Section 10.02(b) of the Master Indenture. Attached as Exhibit C hereto is a form of redemption notice.

**Section 4. Investment of Escrow Fund; Substitution; Reinvestment.**

(a) The Commission and the Escrow Agent each shall take all remaining necessary action to have issued and registered in the name of the Escrow Agent, for the account of the Escrow Fund, the Escrowed Defeasance Securities.

(b) There shall be no exchange or substitution of the Escrowed Defeasance Securities, except upon: (i) the written direction of an Authorized Representative of the Commission; and (ii) receipt by the Commission and the Trustee of a new verification report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the amount of Defeasance Securities and cash on deposit in the Escrow Fund following such exchange or substitution to pay the Refunding Requirements when due. The Escrow Agent shall not be liable or responsible for any loss resulting from any substitution of securities made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

(c) Except as otherwise provided herein, the Escrow Agent shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested in such Escrow Fund; provided, however, that after receiving a new verification report, prepared by an Independent Certified Public Accountant, to the effect that such reinvestment will not adversely affect the sufficiency of the amount of Defeasance Securities and cash on deposit in the Escrow Fund to pay the Refunding Requirements when due, the Escrow Agent shall, at the written direction of the Commission, reinvest any cash portion of such Escrow Fund in Defeasance Securities. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

(d) The Escrow Agent shall furnish the Commission periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Commission. Upon the Commission's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The Commission waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The Commission further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(e) The Commission acknowledges that, to the extent that the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Commission the right to receive brokerage confirmations on security transactions as they occur, the Commission specifically waives receipt of such confirmations to the extent permitted by law. The Escrow

Agent shall furnish to the Commission periodic cash transaction statements which shall include details of all investment transactions made by the Escrow Agent hereunder.

**Section 5. Sufficiency of Escrow.** Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Commission and as verified by the Verification Report, that at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

If at any time the Escrow Agent shall have actual knowledge that the moneys in the Escrow Fund, including the investment earnings thereon and any uninvested cash, will not be sufficient to meet the Refunding Requirements, the Escrow Agent shall notify the Chief Financial Officer of the Commission of such deficiency in writing as soon as reasonably practicable. Upon receipt of such notice, the Commission will promptly use its best efforts (but is not legally required) to pay to the Escrow Agent, from any legally available moneys, and the Escrow Agent shall deposit in the Escrow Fund, the amount necessary to make up the deficiency. The Escrow Agent shall not be liable or responsible for any loss resulting from its failure to give such notice nor from the Commission's failure to make any such payment.

**Section 6. Payment of the 2013A Refunded Bonds.** The Commission hereby requests and irrevocably instructs the Escrow Agent, and the Escrow Agent hereby agrees to collect and deposit in the Escrow Fund the principal of and interest on all Escrowed Defeasance Securities held for the account of such Escrow Fund promptly as such principal and interest become due, and to apply such principal and interest, together with any other moneys and the principal of and interest on any other Defeasance Securities deposited in such Escrow Fund, to the payment of the interest on and redemption price of the 2013A Refunded Bonds at the places and in the manner stipulated in the Master Indenture and herein.

**Section 7. Termination of Escrow Agreement.** When the Escrow Agent shall have transferred, pursuant to Section 6 hereof, such moneys as are required to pay in full and discharge all of the 2013A Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall, in accordance with Section 10.02 of the Master Indenture, immediately transfer any amounts remaining in the Escrow Fund to the Trustee for deposit in the Toll Revenue Fund held by the Trustee under the Master Indenture or, if no Obligations remain Outstanding, pay over to the Commission the moneys, if any, then remaining in the Escrow Fund and, in either such event, this Escrow Agreement shall terminate.

**Section 8. Fees and Costs.**

(a) The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed by separate agreement with the Commission. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred from the Commission, including but not limited to, legal and accounting services in connection with any litigation or other proceedings that may at any time be instituted involving this Escrow Agreement (other than fees, expenses and costs due to the negligence or willful misconduct of the Escrow Agent).

(b) Payments to the Escrow Agent pursuant to this Section 8 shall not be for deposit in the Escrow Fund, and the fees of and all expenses and costs incurred by the Escrow Agent, including without limitation any accruing under the terms of this Escrow Agreement, shall not be a charge on and in no event shall be deducted from the Escrow Fund.

**Section 9. Successors.** Any successor to the Trustee under Article VIII of the Master Indenture shall automatically and without further action be the successor to the Escrow Agent hereunder and be deemed to have assumed all duties and responsibilities of the Escrow Agent provided by the terms hereof.

**Section 10. Indemnification.** The indemnification afforded to the Trustee under Section 8.02 of the Master Indenture shall extend to the Escrow Agent hereunder.

**Section 11. Capacity, Immunities and Liabilities of Escrow Agent.** The Escrow Agent is entering into this Escrow Agreement in its capacity as Trustee under the Master Indenture and shall be entitled to the rights, protections, limitations from liability and indemnification afforded in Article VIII of the Master Indenture, including, without limitation, the protections and limitations from liability set forth in Sections 8.01(b) and 8.02 of the Master Indenture and the right to resign set forth in Section 8.03 of the Master Indenture. The Escrow Agent shall perform such duties and only such duties as are specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The liability of the Escrow Agent to make payments required pursuant to this Escrow Agreement shall be limited to the cash and Escrowed Defeasance Securities held on deposit in the Escrow Fund. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof. Subject to the provisions of Section 7 hereof, moneys held by the Escrow Agent hereunder are to be held and applied for the payment of the 2013A Refunded Bonds in accordance with the Master Indenture.

**Section 12. Amendment.** This Escrow Agreement is made for the benefit of the Commission and the Owners from time to time of the 2013A Refunded Bonds. This Escrow Agreement shall not be repealed, revoked, altered or amended without the written consent of all such Owners; provided, however, that the Commission and the Escrow Agent may, but without the consent of, or notice to, such Owners, enter into such agreements supplemental to this Escrow Agreement for any one or more of the following purposes: (i) to cure any ambiguity or inconsistency or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for benefit of such Owners any additional rights, remedies, powers or Commission that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; (iii) to subject to this Escrow Agreement additional funds, securities or properties; and (iv) to make any other amendment that does not materially adversely affect the rights of any Owners of the 2013A Refunded Bonds; provided, however that no such agreement supplemental to this Escrow Agreement shall modify or amend the irrevocable pledge of the Escrow Fund, the provisions requiring delivery of an opinion of nationally recognized bond counsel and a verification report to the Escrow Agent prior to any substitution of securities, without the consent of all Owners of the 2013A Refunded Bonds. Prior to entering into such agreement

supplemental to this Escrow Agreement, the Escrow Agent may rely upon an opinion of bond counsel that such supplemental agreement complies with the terms hereof.

**Section 13. Notices.** All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or if sent by first class mail, as follows:

If to the Commission:     Riverside County Transportation Commission  
                                  P.O. Box 12008  
                                  Riverside, California 92502  
                                  Attention: Chief Financial Officer  
                                  Telephone: (951) 787-7141  
                                  Fax: (951) 787-7920

If to the Trustee  
and Escrow Agent:     U.S. Bank National Association  
                                  633 West Fifth Street, 24<sup>th</sup> Floor  
                                  Los Angeles, California 90071  
                                  Attention: Global Corporate Trust  
                                  Telephone: (213) 615-6002  
                                  Fax: (213) 615-6199

**Section 14. Payments Due on Non-Business Days.** Any payment or transfer which would otherwise become due on a day that is not a Business Day (as such term is defined in the Master Indenture) need not be made on such day but shall be made on the next succeeding Business Day (as such term is defined in the Master Indenture), with the same force and effect as if made on the due date.

**Section 15. Severability.** If any section, paragraph, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 16. Law Governing.** This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

**Section 17. Counterparts.** This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



IN WITNESS WHEREOF, the Riverside County Transportation Commission has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and U.S. Bank National Association, has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

RIVERSIDE COUNTY TRANSPORTATION  
COMMISSION

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

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee and Escrow Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**DESCRIPTION OF 2013A REFUNDED BONDS**

**Riverside County Transportation Commission  
Toll Revenue Senior Lien Bonds, 2013 Series A**

**Redemption Date: June 1, 2023**

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate (%)</b>	<b>CUSIP No. (76912D)*</b>	<b>Redemption Price</b>
2044	\$39,315,000	5.75%	AA6	100%
2048‡	\$84,510,000	5.75	AB4	100%

\* CUSIP numbers provided above are provided for the convenience of the Escrow Agent. The Riverside County Transportation Commission is not responsible for the accuracy or completeness of any of the CUSIP numbers.

‡ Term Bond

**EXHIBIT B**  
**VERIFICATION REPORT**

## EXHIBIT C

### FORM OF REDEMPTION NOTICE

#### NOTICE OF REDEMPTION

#### RIVERSIDE COUNTY TRANSPORTATION COMMISSION TOLL REVENUE SENIOR LIEN BONDS, 2013 SERIES A

<b>Maturity Date (June 1)</b>	<b>Principal Amount</b>	<b>Interest Rate (%)</b>	<b>CUSIP No. (76912D)*</b>	<b>Redemption Price</b>
2044	\$39,315,000	5.75%	AA6	100%
2048 <sup>‡</sup>	\$84,510,000	5.75	AB4	100%

Notice is hereby given in the name of the Riverside County Transportation Commission (the “Commission”) to the registered owner of the bonds identified above (the “Bonds”) that:

In accordance with the Master Indenture, dated as of June 1, 2013, as amended and supplemented (the “Indenture”), between the Commission and U.S Bank National Association, as successor trustee (the “Trustee”), the Bonds are subject to optional redemption by the Commission, subject to the conditions set forth in the Indenture and described below.

The Bonds are to be redeemed on June 1, 2023 (the “Redemption Date”). On the Redemption Date there will become due and payable on each of said Bonds the Redemption Price thereof, which is equal to the principal amount of the Bonds, plus accrued and unpaid interest thereon to the Redemption Date, without premium.

1. The Redemption Price will be paid to or as directed by the registered Owner of the Bonds (which is the Securities Depository) in accordance with its rules and procedures. The Bonds shall be surrendered at the following address of the Trustee:

<u>First Class/Registered/Certified</u>	<u>Express Delivery Only</u>
U.S. Bank National Association	U.S. Bank National Association
Global Corporate Trust Services	Global Corporate Trust Services
111 Fillmore Avenue E	111 Fillmore Avenue E
St. Paul, Minnesota 55107	St. Paul, Minnesota 55107

2. The Commission issued refunding bonds on [\_\_\_\_\_], 2020, a portion of the proceeds of which have been applied to defease the Bonds pursuant to the Indenture and will be used to redeem the Bonds on the Redemption Date.

3. From and after the Redemption Date, interest on the Bonds shall cease to accrue.

4. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

5. If the Bonds are mailed, the use of registered, insured mail is recommended.

6. All holders or owners submitting bonds for redemption must complete and deliver the Form W-9 with their Bonds to the Trustee. Failure to provide a completed Form W-9 will result in 28% back-up withholding to holders or owners pursuant to Federal Law.

Dated: \_\_\_\_\_, 2023

U.S BANK NATIONAL ASSOCIATION, as Trustee for  
the Riverside County Transportation Commission

**Agreement No. 05-19-510-17****AMENDMENT NO. 17 TO THIS  
AGREEMENT FOR BOND COUNSEL SERVICES****1. PARTIES AND DATE**

This Amendment No. 17 to the Agreement for Bond Counsel Services is made and entered into as of March 11, 2020, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION (“Commission”) and ORRICK, HERRINGTON & SUTCLIFFE LLP (“Consultant”), a limited liability partnership.

**2. RECITALS**

- 2.1 The Commission and the Consultant have entered into an agreement No. 05-19-510 dated April 5, 2005 for the purpose of providing bond counsel services (the “Master Agreement”).
- 2.2 The Commission and the Consultant have entered into an Amendment No. 1 to the Master Agreement, dated November 14, 2006, for the purpose of bond counsel tasks related to an interest rate swap transaction in connection with the Commission’s commercial paper notes under the 2009 Measure A, including a maximum of two (2) counterparty agreements.
- 2.3 The Commission and the Consultant have entered into an Amendment No. 2 to the Master Agreement, dated December 19, 2008, for the purpose of bond counsel services related to the termination of the Lehman Brothers Derivative Products (LBDP) interest rate swap, the review of documentation relating to the execution of a replacement swap, and commercial paper issues resulting from the bankruptcy filing of Lehman Brothers Holdings (LBH).
- 2.4 The Commission and the Consultant have entered into an Amendment No. 3 to the Master Agreement, dated January 1, 2010 for the purpose of extending the term, and providing additional compensation for bond counsel services related to extension of the direct draw letter of credit related to the 2005 Commercial Paper Program and bond counsel services related to the 2009 Measure A debt limit.
- 2.5 The Commission and the Consultant have entered into an Amendment No. 4 to the Master Agreement, dated June 15, 2010 for the purpose of

extending the term and providing additional compensation for bond counsel services.

- 2.6 The Commission and the Consultant have entered into an Amendment No. 5 to the Master Agreement, dated June 15, 2011 for the purpose of extending the term and providing additional compensation for bond counsel services.
- 2.7 The Commission and the Consultant have entered into an Amendment No. 6 to the Master Agreement, dated July 1, 2012 for the purpose of extending the term and providing additional compensation for bond counsel services.
- 2.8 The Commission and the Consultant have entered into an Amendment No. 7 to the Master Agreement, dated June 30, 2013 for the purpose of extending the term and providing additional compensation for bond counsel services.
- 2.9 The Commission and the Consultant have entered into an Amendment No. 8 to the Master Agreement, dated July 1, 2014 for the purpose of extending the term and providing additional compensation for bond counsel services.
- 2.10 The Commission and the Consultant have entered into an Amendment No. 9 to the Master Agreement, dated July 1, 2015 for the purpose of extending the term for bond counsel services.
- 2.11 The Commission and the Consultant have entered into an Amendment No. 10 to the Master Agreement, dated June 30, 2016 for the purpose of extending the term and providing additional compensation for bond counsel services.
- 2.12 The Commission and the Consultant have entered into an Amendment No. 11 to the Master Agreement, dated September 14, 2016, for the purpose of amending the Services, as defined in the Master Agreement, to include the provision of bond counsel services related to termination of the Deutsche Bank swap and issuance of refunding bonds for the 2009 Series A Bonds, and to provide additional funding for the Services.
- 2.13 The Commission and the Consultant have entered into an Amendment No. 12 to the Master Agreement, dated June 30, 2017, for the purpose of extending the term and for providing additional compensation for continued bond counsel services.

- 2.14 The Commission and the Consultant have entered into an Amendment No. 13 to the Master Agreement, dated December 13, 2017, for the purpose of providing additional compensation for bond counsel services related to an advance refunding of all of the 2010 Series A Sales Tax Revenue Bonds and a portion of the 2013 Series A Sales Tax Revenue Bonds with the proceeds from the issuance of 2017 Series B Refunding Bonds.
- 2.15 The Commission and the Consultant have entered into an Amendment No. 14 to the Master Agreement, dated March 14, 2018, in order to provide additional compensation for bond counsel services related to the issuance of the 2018 Series A Refunding Bonds and the termination of the Bank of America, N.A. swap.
- 2.16 The Commission and the Consultant have entered into an Amendment No. 15 to the Master Agreement, dated July 1, 2018, in order to provide additional compensation for bond counsel services.
- 2.17 The Commission and the Consultant have entered into an Amendment No. 16 to the Master Agreement, dated July 1, 2019, in order to provide additional compensation for bond counsel services.
- 2.18 The parties now desire to amend the Master Agreement in order to provide additional compensation for bond counsel services including the issuance of the 2020 Series Toll Revenue Refunding Bonds.

### 3. TERMS

- 3.1 Reserved.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment shall be Three Hundred Twenty-Five Thousand Dollars (\$325,000). Work shall be performed at the rates set forth in the Master Agreement.
- 3.3 Except as amended by this Amendment No. 17, all provisions of the Master Agreement, as previously amended, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment.
- 3.4 This Amendment No. 17 shall be governed by the laws of the State of California. Venue shall be in Riverside County.



3.5 This Amendment No. 17 may be signed in counterparts, each of which shall constitute an original.

**SIGNATURE PAGE  
TO  
AGREEMENT NO. 05-19-510-17**

**IN WITNESS WHEREOF**, the parties hereto have entered into the Agreement as of the date first herein above written.

**RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION**

**ORRICK, HERRINGTON &  
SUTCLIFFE LLP**

By: \_\_\_\_\_  
Anne Mayer, Executive Director

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Best Best & Krieger LLP  
Counsel to the Riverside County  
Transportation Commission



**Agreement No. 09-19-072-15****AMENDMENT NO. 15 TO THIS  
AGREEMENT FOR DISCLOSURE COUNSEL SERVICES****1. PARTIES AND DATE**

This Amendment No. 15 to the Agreement for Disclosure Counsel Services is made and entered into as of as of March 11, 2020, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and NORTON ROSE FULBRIGHT US LLP, formerly FULBRIGHT & JAWORSKI LLP ("Consultant").

**2. RECITALS**

- 2.1 The Commission and Consultant have entered into an agreement dated July 8, 2009 for the purpose of providing disclosure counsel services (the "Master Agreement").
- 2.2 The Commission and Consultant have entered into an Amendment No. 1 to the Master Agreement, dated March 30, 2010, for the purpose of providing disclosure counsel services related to extension of the direct draw letter of credit related to the 2005 Commercial Paper Program.
- 2.3 The Commission and Consultant have entered into an Amendment No. 2 to the Master Agreement, dated October 13, 2010, for the purpose of providing disclosure counsel services related to the issuance of Series 2010 sales tax revenue bonds.
- 2.4 The Commission and Consultant have entered into an Amendment No. 3 to the Master Agreement, dated July 13, 2011, for the purpose of revising the Scope of Services and providing additional compensation in order to provide disclosure counsel services related to the renewal and extension of the standby bond purchase agreements related to the Series 2009 sales tax revenue bonds.
- 2.5 The Commission and Consultant have entered into an Amendment No. 4 to the Master Agreement, dated January 1, 2012, for the purpose of revising the Scope of Services and providing additional compensation in order to provide disclosure counsel services related to the substitution of the letter of credit for the 2005 Commercial Paper Program.

- 2.6 The Commission and Consultant have entered into an Amendment No. 5 to the Master Agreement, dated July 1, 2012, for the purpose of revising the Scope of Services and providing additional compensation in order to provide disclosure counsel services related to financing of the 91 Corridor Improvement Project (“Project”).
- 2.7 The Commission and Consultant have entered into an Amendment No. 6 to the Master Agreement, dated July 1, 2013, for the purpose of providing additional compensation and extending the term.
- 2.8 The Commission and Consultant have entered into an Amendment No. 7 to the Master Agreement, dated July 1, 2014, for the purpose of providing additional compensation and extending the term.
- 2.9 The Commission and Consultant have entered into an Amendment No. 8 to the Master Agreement, dated July 1, 2015, for the purpose of extending the term.
- 2.10 The Commission and Consultant have entered into an Amendment No. 9 to the Master Agreement, dated July 1, 2016, for the purpose of providing additional compensation and extending the term.
- 2.11 The Commission and the Consultant have entered into an Amendment No. 10 to the Master Agreement, dated September 14, 2016, for the purpose of amending the Services, as defined in the Master Agreement, to include disclosure counsel services related to the termination of the Deutsche Bank swap and issuance of refunding bonds for the 2009 Bond Series A, and to provide additional funding for such Services.
- 2.12 The Commission and the Consultant have entered into an Amendment No. 11 to the Master Agreement, dated July 1, 2017, for the purpose of providing additional compensation and extending the term.
- 2.13 The Commission and the Consultant have entered into an Amendment No. 12 to the Master Agreement, dated March 14, 2018, for the purpose of providing additional compensation for disclosure counsel services related to the issuance of the 2018 Series A Refunding Bonds and the termination of the Bank of America, N.A. swap.
- 2.14 The Commission and the Consultant have entered into an Amendment No. 13 to the Master Agreement, dated July 1, 2018, for the purpose of providing additional compensation and extending the term.

- 2.15 The Commission and the Consultant have entered into an Amendment No. 14 to the Master Agreement, dated July 1, 2019, for the purpose of providing additional compensation and extending the term.
- 2.16 The parties now desire to amend the Master Agreement in order to provide additional compensation for disclosure counsel services related to the issuance of the 2020 Series Toll Revenue Refunding Bonds.

### 3. TERMS

- 3.1 Reserved.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment shall be One Hundred Fifty-Five Thousand Dollars (\$155,000). Work shall be performed at the rates set forth in the Master Agreement, as previously amended.
- 3.3 Except as amended by this Amendment, all provisions of the Master Agreement, as amended by Amendment Nos. 1 through 14, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment.
- 3.4 This Amendment No. 15 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.5 This Amendment No. 15 may be signed in counterparts, each of which shall constitute an original.

**[Signatures on following page]**

**SIGNATURE PAGE  
TO  
AGREEMENT NO. 09-19-072-15**

**IN WITNESS WHEREOF**, the parties hereto have entered into this Agreement as of the date first herein above written.

**RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION**

**NORTON ROSE FULBRIGHT  
US LLP**

By: \_\_\_\_\_  
Anne Mayer, Executive Director

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Best Best & Krieger LLP  
Counsel to the Riverside County  
Transportation Commission

# **AGENDA ITEM 9**





**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	Theresa Trevino, Chief Financial Officer
<b>SUBJECT:</b>	Agreement with Eide Bailly for Audit Services

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Award Agreement No. 20-19-021-00 to Eide Bailly LLP (Eide Bailly) for audit services for a three-year term, with three one-year options to extend the agreement, for \$1,461,198, plus a contingency in the amount of \$138,802, for a total amount not to exceed \$1.6 million;
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, including options years, on behalf of the Commission;
- 3) Authorize the Executive Director or designee to approve contingency work up to the total not to exceed amount as required for these audit services; and
- 4) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

In accordance with state law and various debt indentures and agreements, the Commission is required annually to publish its financial statements with a report from independent certified public accountants providing an opinion that such financial statements are presented in accordance with generally accepted accounting principles and were audited in accordance with generally accepted auditing standards. The Commission's current auditor, Macias Gini & O'Connell LLP (MGO), was awarded a five-year agreement in April 2015; this agreement has been amended periodically by the Commission in connection with additional audit reports required for express lanes operations and new federal and state funding source reporting and is expiring. Accordingly, staff commenced a competitive procurement for audit services related to the Commission's financial statements. The following table summarizes the scope of audit services required for term of the new audit services agreement:

Task	Task Description
1	Annual Audit of Commission (CAFR), including Required Communications to the Board of Commissioners and Management Letter, as applicable
2	Local Transportation Fund Audit
3	State Transit Assistance Fund Audit
4	State of Good Repair Audit
5	Proposition 1 B Rehabilitation, Safety, and Security Accounts Audit
6	Low Carbon Transit Operations Program Accounts Audit
7	91 Express Lanes Audit
8	15 Express Lanes Audit
9	Single Audit, including Draft of Data Collection Form
10	Compliance with Covenants and Provisions of the Reimbursement Agreement
11	Appropriations Limit Calculation Agreed-Upon Procedures
12	Measure A Commuter Assistance Agreed-Upon Procedures
13	NTD Vanpool Program Agreed-Upon Procedures
14	Pension Accounting
15	OPEB Accounting

**Procurement Process**

Staff determined the weighted factor method of source selection to be the most appropriate for this procurement, as it allows the Commission to identify the most advantageous proposal with price and other factors considered. Non-price factors include elements such as qualifications of firm and personnel and understanding and approach for audit services as set forth under the terms of Request for Proposals (RFP) No. 20-19-021-00.

RFP No. 20-19-021-00 for audit services was released by staff on November 26, 2019. A public notice was advertised in the *Press Enterprise*, and the RFP was posted on the Commission’s PlanetBids website, which is accessible through the Commission’s website. Utilizing PlanetBids, emails were sent to 289 firms, 40 of which are located in Riverside County. Through the PlanetBids site, 18 firms downloaded the RFP, and 3 of these firms are located in Riverside County. Staff responded to all questions submitted by potential proposers prior to the December 11 clarification deadline date. Seven firms – Brown Armstrong Accountancy Corporation (Bakersfield), Eadie + Payne LLP (Riverside), Eide Bailly LLP (Riverside), MGO (Newport Beach), Sotomayor & Associates, LLP (Pasadena), The Pun Group LLP (Santa Ana), Vasquez & Company LLP (Glendale) – submitted responsive proposals prior to the 2:00 p.m. submittal deadline on January 8. Utilizing the evaluation criteria set forth in the RFP, all firms were evaluated and scored by an evaluation committee comprised of Commission staff.

Based on the evaluation committee’s assessment of the written proposals and pursuant to the terms of the RFP, the evaluation committee short listed and invited 3 firms to the interview phase of the evaluation and selection process. Interviews of the shortlisted firms – Eide Bailly, MGO and The Pun Group LLP – were conducted on February 3, 2020.

As a result of the completion of the evaluation process, the evaluation committee recommends contract award to Eide Bailly to perform the Commission’s audits for a three-year term, with three one-year options to extend the agreement, as this firm earned the highest total evaluation score. Eide Bailly’s proposed cost for the audit services also ranked first among the three short-listed proposers; cost represented 15 percent of the total written evaluation score. A summary of the proposed costs submitted with the written proposals and the total evaluation score rankings following the final evaluation are summarized below:

Audit Firm	Proposed Cost			Total Evaluation Score Rank
	First 3 Years	3 Option Years	Total	
Eide Bailly	\$ 692,191	\$ 769,007	\$ 1,461,198	1
MGO	798,799	933,341	1,732,140	2
The Pun Group LLP	723,000	799,132	1,522,132	3

Proposing firms submitted proposed fees for an audit report on the 15 Express Lanes and agreed-upon procedures related to the National Transit Database (NTD) Vanpool Program beginning with the Fiscal Year 2020/21 audit. Staff also recommends a \$138,802 contingency for other potential scope changes such as, but not limited to, the following:

- The NTD Vanpool Program reaching the threshold of 100 vehicles operated in maximum service for the FY 2019/20 audit;
- Additional audits required by new funding sources and laws and regulations;
- Additional audit services and consultation regarding complex transactions or matters such as the implementation of new financial system software and accounting standards, including Governmental Accounting Standards Board Statement No. 87 related to leases required to be implemented in the FY 2020/21 audit; and
- Procedures and/or reporting related to new debt issues.

Accordingly, staff recommends the award of an agreement for audit services for a three-year period and three additional one-year options to Eide Bailly for a total amount of \$1.6 million. The Commission’s standard form professional services agreement will be entered into with Eide Bailly subject to any changes approved by the Executive Director, pursuant to legal counsel review. Staff also recommends authorization for the Chair or Executive Director to execute the agreement, including option years, and for the Executive Director or designee to approve contingency work as required for these audit services.

Financial Information					
In Fiscal Year Budget:	Yes N/A	Year:	FY 2019/20 FY 2020/21+	Amount:	\$30,000 \$1,570,000
Source of Funds:	2009 Measure A, Transportation Development Act, Transportation Uniform Mitigation Fee, Motorist Assistance funds, and Toll revenues		Budget Adjustment:		No N/A
GL/Project Accounting No.:	001001 65401 00000 0001 101 19 65401				
Fiscal Procedures Approved:	<i>Theresa Trevino</i>			Date:	02/10/2020

Attachment: Draft Agreement No. 20-19-021-00 with Eide Bailly

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
AGREEMENT FOR AUDIT SERVICES  
WITH EIDE BAILLY LLP**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this \_\_\_ day of \_\_\_\_\_, 2020, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and EIDE BAILLY LLP ("Consultant"), a Limited Liability Partnership.

**2. RECITALS.**

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain consulting services for the audit services for the Commission ("Project") as set forth herein.

**3. TERMS.**

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2023, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2026. Consultant shall complete the Services within

the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: Roger Alfaro, David Showalter, Ahmad Gharaibeh, Kinnaly Soukhaseum, David Sundstrom, Chad Birdsong, Erika Partida.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under

this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Roger Alfaro, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.



### 3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in

accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting

period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves

the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

### 3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed One Million Four Hundred Sixty-One Thousand One Hundred Ninety-Eight Dollars (\$1,461,198) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**CONSULTANT:**  
Eide Bailly LLP  
19340 Jesse Ln., Ste. 260  
Riverside, CA 92508

Attn: Roger Alfaro

**COMMISSION:**  
Riverside County  
Transportation Commission  
4080 Lemon Street, 3<sup>rd</sup> Floor  
Riverside, CA 92501  
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### 3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

**3.18.2 Intellectual Property.** In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

**3.18.3 Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the



related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to

accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the

California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of 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, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein,

without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

**SIGNATURE PAGE  
TO  
RIVERSIDE COUNTY TRANSPORTATION COMMISSION  
AGREEMENT FOR AUDIT SERVICES  
WITH EIDE BAILLY LLP**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY  
TRANSPORTATION COMMISSION**

**CONSULTANT  
EIDE BAILLY LLP**

By: \_\_\_\_\_  
Anne Mayer  
Executive Director

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

*Approved as to Form:*

Attest:

By: \_\_\_\_\_  
Best Best & Krieger LLP  
General Counsel

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

\* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

**EXHIBIT "A"**

**SCOPE OF SERVICES**

**[INSERTED BEHIND THIS PAGE]**

**DRAFT**

## A. General

The Riverside County Transportation Commission (Commission) is issuing this Request for Proposal (RFP) in order to secure services from a certified public accounting firm (Auditor) to audit its financial statements for the fiscal years ending June 30, 2020, 2021, and 2022, with the options to audit its financial statements for three (3) additional one-year terms. The cost proposal shall present all-inclusive audit fees for each year of the contract terms and the three one-year options.

The selected Auditor will be responsible for the Commission's audits and report directly to the audit oversight committee designated by the Commission. The Deputy Director of Finance is designated as the coordinator of the audit and may appoint the Accounting Supervisor to coordinate the day to day work; the Chief Financial Officer will serve as the liaison to the Commission's audit oversight committee.

The audits are to be performed by the Auditor in accordance with generally accepted auditing standards (GAAS), including use of the most current version of each of the following standards and guidelines:

- The standards set forth for financial audits in the U.S. Government Accountability Office (GAO) Government Auditing Standards, also referred to as Generally Accepted Government Auditing Standards (GAGAS);
- The provisions of the federal Single Audit Act of 1984, as amended in 1996, (Single Audit Act) and the U.S. Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance);
- OMB Circular A-133 Compliance Supplement;
- State of California Transportation Development Act (TDA);
- Title 21 of the California Code of Regulations;
- Ordinance No. 02-001, Riverside County Transportation Commission Transportation Expenditure Plan and Retail Transaction and Use Tax Ordinance;
- National Transit Database (NTD) Reporting;
- Special District Reporting Requirements, as specified by the California State Controller; and
- Article XIIIB, Section 1.5 of the California Constitution.

## B. Scope of Services to be Performed

The Commission desires to provide the public and its constituents with financial reports that provides complete, accurate, and understandable information about the Commission's financial condition. Accordingly, the Commission desires the Auditor to:

- Express an opinion on the fair presentation of the Commission's basic financial statements in conformity with accounting principles generally accepted in the United States (GAAP). The basic financial statements are part of the financial section of the Commission's comprehensive annual financial report (CAFR).
  - The Auditor shall also be responsible to perform certain limited procedures involving required supplementary information (RSI) required by the Governmental Accounting Standards Board (GASB) and included in the financial section of the CAFR.



- The Auditor is not required to audit other supplementary information that is part of the financial section of the CAFR, including the combining and individual fund nonmajor fund financial statements, budgetary comparison schedules, schedules of expenditures, and schedule of uses of debt proceeds and fund balances; however, the Auditor is to provide an “in relation to” report on the other supplementary information based on the auditing procedures applied during the audit of the basic financial statements.
- The Auditor is not required to audit the introductory or statistical sections of the CAFR.
- Express an opinion on the fair presentation of the fund financial statements for the Riverside County Local Transportation Fund (LTF) and report on compliance and internal control over financial reporting in accordance with California Code of Regulations Section 6661.
- Express an opinion on the fair presentation of the fund financial statements for the Riverside County State Transit Assistance Fund (STAF) and report on compliance and internal control over financial reporting in accordance with California Code of Regulations Section 6751.
- Express an opinion on the fair presentation of the fund financial statements for the Riverside County State of Good Repair (SGR) and report on compliance and internal control over financial reporting in accordance with Senate Bill 1, Chapter 5, Statutes of 2017.
- Express an opinion on the fair presentation of the financial statements for the Proposition 1B Rehabilitation, Safety and Security Project Accounts (Proposition 1B) and report on compliance and internal control over financial reporting in accordance with requirements established by the California Department of Transportation and the California Department of Emergency Management.
- Express an opinion on the fair presentation of the financial statements for the Low Carbon Transit Operations Program Accounts (LCTOP) and report on compliance and internal control over financial reporting in accordance with the Transit, Affordable Housing, and Sustainable Communities Program.
- Express an opinion on the fund financial statements for the 91 Express Lanes.
  - The Auditor shall also be responsible to perform certain limited procedures involving RSI required by the GASB.
- Beginning for the fiscal year ending June 30, 2021, express an opinion on the fund financial statements for the 15 Express Lanes.
  - The Auditor shall also be responsible to perform certain limited procedures involving RSI required by the GASB.
- Express an opinion on the Commission’s compliance with the requirements of its major federal programs.
  - The Auditor is to provide an “in relation to” report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the basic financial statements.

- Perform certain agreed-upon procedures related the Commission's Appropriations Limit Calculation.
- Perform certain agreed-upon procedures related to the Measure A Commuter Assistance Program administered by the William Sale Partnership USA, Inc. (WSP).
- Perform certain agreed-upon procedures related to the NTD reporting requirements per the 2018 NTD Policy Manual, as amended, for Federal Funding Allocation Data over the Commission's vanpool program, once the Commission reaches 100 Vehicles Operated in Maximum Service (VOMS). The Commission anticipates reaching 100 VOMS in FY 2021, although it may occur in FY 2020.
- Provide required communications to the Commission's audit oversight committee.

In connection with the audit services identified above, the Commission desires the following additional services:

- Complete the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations;
- Prepare and present the accounting journal entries necessary to record the proportionate share of collective pension amounts for the participation in the CalPERS Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan to comply with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27*;
- Prepare and present the accounting journal entries necessary to record the net Other Post-Employment Benefits (OPEB) liability to comply with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and
- Provision of consultation to the Commission regarding the Commission's participation in the Government Finance Officer's Association (GFOA) Certificate Program, including advice concerning the early implementation of new authoritative pronouncements.

The FY 2019/20 Commission budget includes \$240,000 for audit services substantially similar to the above scope, except for the agreed-upon procedures related to NTD reporting for vanpools. The vanpool program commenced in FY 2017/18 and currently has approximately 75 vanpools participating in the program. Staff anticipates that 100 vanpools may be participating in the program by FY 2020/21.

### **C. Reports to be Issued**

Following completion of the audits and agreed-upon procedures, the Auditor shall issue the following reports addressed to the Board of Commissioners:

- A report of the fair presentation of the Commission's basic financial statements in conformity with GAAP in two forms on report with reference to GAGAS for use with single audit report and one report with no reference to GAGAS for use in publication of the CAFR.

The Commission shall prepare the CAFR, including the basic financial statements and related notes, required supplementary information, and other supplementary information. The Auditor shall deliver to the Commission on or before November 1 of each year one

(1) electronic, reproducible master of the each of the Auditor's opinions on its letterhead to be provided to the Commission for use in the Commission's reproduction of the CAFR.

- A report on the fair presentation of each of the following financial statements in conformity with GAAP and a report on compliance and internal control over financial reporting:
  - LTF;
  - STAF;
  - SGR;
  - Proposition 1B; and
  - LCTOP.

If applicable, the reports shall include a schedule of findings and responses and questioned costs.

The Commission shall prepare each of the financial statements and the related notes and provide a final version to the Auditor for reproduction. The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of each financial and compliance report and five (5) copies of each report.

- A report on the fair presentation of each of the following financial statements in conformity with GAAP:
  - 91 Express Lanes; and
  - 15 Express Lanes.

The Commission shall prepare each of the financial statements, related notes, and required supplementary information. The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the each of the Auditor's opinions on its letterhead to be provided to the Commission for use in the Commission's reproduction of each of the express lanes' financial reports.

- A single audit report on the fair presentation of the schedule of expenditures of federal awards and on internal control and compliance with laws and regulations related to the audits of the financial statements and federal awards.
  - If applicable, the single audit report shall include a schedule of findings and responses and questioned costs.

The Commission shall prepare the schedule of expenditures of federal awards and provide a final version to the Auditor for reproduction. The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the single audit report.

- A report on the compliance with covenants and provisions of the Reimbursement agreement with State Street Bank relating to the Commercial Paper Notes (Limited Tax Bonds) Series A.

The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the report.

- A report on the agreed-upon procedures related to the Appropriations Limit Calculation, as required by Article XIII-B of the California Constitution.

The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the report.

- A report on the agreed-upon procedures related to the Measure A Commuter Assistance Program administered by WSP.

The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the report.

- A report on the agreed-upon procedures related to the NTD's reporting requirements over the Commission's vanpool program once the Commission reaches 100 VOMS.

The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the report.

- A Board of Commissioners or equivalent letter as promulgated by the reporting standards of GAAS related to the completion of audit. A Management Letter addressed to the Commission setting forth recommendations (as applicable) for improvements in the Commission's accounting systems.

The Auditor will provide a draft of the management letter to the Commission's management for review prior to publication. The Auditor shall deliver to the Commission on or before November 1 of each year one (1) electronic, reproducible master of the report.

The Auditor shall also promptly advise and make known to the Commission its findings and recommendations for improvements in internal controls and in accounting practices, procedures, and compliance so that Commission personnel may undertake appropriate actions at the earliest possible date.

In connection with the additional services required by the Commission, the Auditor shall also provide the following:

- A draft of the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.

The Auditor shall deliver to the Commission the draft form on or before November 10 of each year to ensure sufficient time for Commission review and submittal of the final form.

- A report on the pension accounting valuation of the miscellaneous risk pool for the applicable measurement date which will include the following deliverables:
  - Journal entries necessary to record the proportionate share of collective pension amounts;
  - The Commission's proportionate share of the net pension liability (NPL), NPL sensitivity, and deferral amounts based on percentages obtained from CalPERS;
  - All employer specific deferrals and associated amortization schedules;

- The adjustment to pension expense for the difference in proportions due to CalPERS methodologies;
- Pension expense, with the employer specific amounts; and
- Other amounts required for the Commission's financial statement note disclosures and required supplementary information.

The Auditor shall deliver to the Commission on or before two weeks prior to the commencement of final fieldwork the report related to pension accounting.

- A report of journal entries necessary to record the OPEB.

The Auditor shall deliver to the Commission on or before two weeks prior to the commencement of final fieldwork the report related to OPEB accounting.

All reports delivered to the Commission must be an unprotected secured document for the Commission to have printing and website posting capabilities.

When delivered to the Commission, the audit reports and financial statements produced under this RFP are public records and will be used:

- (a) to fulfill the requirements of continuing disclosure under SEC rule 15c2-12,
- (b) as inserts or incorporated by reference in offering documents issued by the Commission, and
- (c) for any lawful purpose of the Commission, all without subsequent consent.

#### **D. Required Communications**

Prior to the issuance of any final reports, the Auditor shall deliver a draft copy to the Commission for review. The Auditor shall not make **any** modifications to the Commission-prepared financial statements, including related notes, and supplementary information without prior Commission approval.

Prior the issuance of any final reports, the Auditor shall deliver a draft copy to the Commission for review. Management responses to Auditor findings and recommendations shall be incorporated into all report drafts.

The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts of indication of illegal acts of which they become aware to the Commission's audit oversight committee, Executive Director, and Chief Financial Officer.

In addition to the audit work detailed above, the Commission requires the Auditor to meet with the Commission's audit oversight committee at least twice a year: prior to or during planning phase and upon completion of the audit. Upon completion of the audit, the audit oversight committee will be informed of each of the following:

- The Auditor's responsibility with regard to the financial statement audit;
- Overview of the scope, timing, and deliverables of the financial statement audit;
- Accounting policies and practices including adoption of or change in accounting policies, significant or unusual transactions and management judgements and accounting estimate;

- Audit adjustments;
- Uncorrected misstatements;
- Disagreements with management;
- Consultation with other accountants;
- Significant issues discussed with management;
- Significant difficulties encountered in performing the audit; and
- Certain written communication between management and Auditor.

## **E. Special Considerations**

The Commission shall send its CAFR to the GFOA for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor shall be required to provide special assistance to the Commission to meet the requirements of that program. It is desirable that at least one audit manager or partner, who is also a member of the GFOA certificate program's Special Review Committee, shall be accessible for this purpose of examining the Commission's financial statements.

The Commission anticipates it may prepare one or more official statements in connection with the sale of debt securities, which shall contain the financial statements and the Auditor's report thereon. The Auditor shall be required, if requested by the municipal advisor and/or the underwriter, to issue a "consent letter" as the Auditor and any necessary "comfort letters".

The Commission has determined that the U.S. Department of Transportation shall function as the cognizant agency in accordance with the provisions of the Single Audit Act and the OMB's Uniform Grant Guidance.

## **F. Working Paper Retention and Access to Working Papers**

All working papers and reports shall be retained, at the Auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the Commission of the need to extend the retention period. The Auditor shall be required to make working papers available, upon request, to the following parties or their designees:

- U.S. Department of Transportation;
- U.S. GAO;
- Parties designated by the federal or state governments or by the Commission as part of an audit quality review process; and
- Auditors of entities of which the Commission is a sub-recipient of grant funds.

In addition, the Auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## **G. Audit Schedule and Assistance to be Provided**

At a minimum, the following conferences shall be held each year by the dates indicated:

- Entrance conferences prior to interim and year end fieldwork: the purpose of these meetings shall be to discuss prior audit matters, determine the timing of the interim and

year-end fieldwork to be performed, establish an overall liaison for the audit, and arrange for workspace and other needs of the Auditor;

- Progress conferences weekly during interim and final fieldwork: the purpose of these meetings shall be to summarize the results of the preliminary reviews, specifically any findings; identify the key internal controls or other matters to be tested; and discuss work progress and issues, if any; and
- Exit conference prior to October 31: the purpose of this meeting shall be to summarize the results of the fieldwork and review findings, if any.

The Commission shall have all records ready for final audit fieldwork as of the last Monday of September of each year. The Commission shall provide draft financial statements within one week of commencement of final fieldwork. Barring unforeseen circumstances, for each year the Auditor shall:

- Complete interim fieldwork by June 30;
- Provide the Commission a draft listing of schedules and information to be prepared by client (PBC) during interim;
- Provide the Commission a final PBC list of all schedules to be prepared by the Commission by August 1;
- Provide the pension and OPEB accounting reports at least two weeks prior to the commencement of final fieldwork;
- Commence final audit fieldwork by the last Monday of September;
- Conduct the audit activities and complete audit fieldwork by October 31;
- Provide comments on all draft financial statements prepared by the Commission no less than one week prior to the required issuance date;
- Provide drafts of all audit reports, including recommendations to management, no later than one week prior to the required issuance date; and
- Provide all required reports and information to the Commission no later than November 1 of each year.

The Auditor shall have all final audit reports completed by the dates specified above. As soon as it is anticipated that a report due date will not be met, the Audit Partner assigned to the engagement shall be required to meet with Chief Financial Officer and the Deputy Director of Finance to identify the issues causing the delay and propose a plan of action to minimize the delay.

The Finance Department staff and responsible management personnel shall be available during the audit to assist the Auditor by providing information, documentation, and explanations. The preparation of confirmations shall be the responsibility of the Commission based on specific, timely instructions from the Auditor.

The Commission shall provide the Auditor with reasonable workspace, including table and chairs. The Auditor shall also be provided, for audit related purposes, with access to one (1) telephone line and to photocopying facilities.

### **End of Scope of Services**

**EXHIBIT "B"**

**COMPENSATION**

**[INSERTED BEHIND THIS PAGE]**

**DRAFT**



**EXHIBIT "B"**  
**COMPENSATION SUMMARY<sup>1</sup>**

FIRM	PROJECT TASKS/ROLE	COST
<i><b>Prime Consultant:</b></i>		
Eide Bailly LLP	Audit Services	\$ 1,461,198.00
<i><b>Sub Consultants:</b></i>		
	*No subconsultants	
<b>SUBTOTAL</b>		<b>1,461,198.00</b>
<b>TOTAL COSTS</b>		<b>\$ 1,461,198.00</b>

FISCAL YEAR	PROJECT	COST
FY 2020/21	Audit Services	\$ 204,320.00
FY 2021/22	Audit Services	241,520.00
FY 2022/23	Audit Services	246,351.00
FY 2023/24 (Option Year 1)	Audit Services	251,277.00
FY 2024/25 (Option Year 2)	Audit Services	256,303.00
FY 2025/26 (Option Year 3)	Audit Services	261,427.00
<b>SUBTOTAL</b>		<b>1,461,198.00</b>
<b>TOTAL COSTS</b>		<b>\$ 1,461,198.00</b>

<sup>1</sup> Commission authorization pertains to total contract award amount. Compensation adjustments may occur; however, the maximum total compensation authorized may not be exceeded.

DRAFT

# **AGENDA ITEM 10**



<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	Theresia Trevino, Chief Financial Officer
<b>SUBJECT:</b>	Fiscal Year 2019/20 Mid-Year Budget Adjustments

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Approve Fiscal Year 2019/20 mid-year budget adjustments for a net increase of \$22,041,000 and \$21,506,000 in revenues and expenditures/expenses, respectively; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

Staff performed a review of revenues and expenditures/expenses for the six months ended December 31, 2019, and an estimate of expenditures/expenses and revenues for the remaining six months of the fiscal year ending June 30, 2020. As a result of the review, the following mid-year budget adjustments are proposed:

**Revenue Adjustment 1 – \$25,331,700**

During the development of the FY 2019/20 budget, the Commission took a conservative approach in estimating the RCTC 91 Express Lanes toll revenues, even though it was outpacing the Stantec Consulting Services, Inc. *Investment Grade Traffic and Revenue Study*. The conservative approach was primarily based on only two years of operational history and development of a new *RCTC 91 Express Lanes Toll Policy*. To date, the RCTC 91 Express Lanes has received approximately 96 percent of its FY 2019/20 budgeted toll revenues of \$36.2 million. Therefore, staff revised the toll revenue projection to \$61.5 million and seeks a mid-year budget adjustment of \$25.3 million to increase budgeted toll revenues.

**Revenue Adjustment 2 – (\$3,290,700)**

During the development of the FY 2019/20 budget, staff estimated investment income rate at 2 percent, as investment income during the first quarter of calendar year 2019 ranged between 2 – 2.5 percent. Since the adoption of the budget in June 2019, the Federal Reserve has cut interest rates three times on August 1, September 19, and the latest on October 31 to a level of 1.50 – 1.75 percent. Although the economy appears to be stable, Federal Reserve officials warn

against effects of uncertainty and slowing global demand. It would be prudent for the Commission to lower its expectation of investment income results and reduce the budget by \$3.3 million, from \$12.8 million to \$9.5 million. The reduction of the investment income budget has no effect on the delivery of projects or programs at the Commission, as it is not a component of project or program funding commitments.

#### **Expenditure Adjustment 1 – \$506,000**

As approved by the Executive Committee in May 2019 and Commission in June 2019, the original FY 2019/20 budget included an estimated \$8.13 million to pay off the California Public Employees Retirement System (CalPERS) net pension liability based on the CalPERS Actuarial Valuation Report available at time of the FY 2019/20 budget adoption. Subsequently, staff received the July 2019 CalPERS Actuarial Valuation Report that reflected an updated net pension liability of approximately \$8.63 million. In order to take advantage of the savings included in the revised net pension liability payoff, staff submitted payment to CalPERS by the required due date of July 31, 2019. Sufficient funds were on hand to disburse the \$8.63 million. Staff requests a mid-year budget adjustment of \$506,000 to reflect appropriate budget authority for the net pension liability payoff.

#### **Expenditure Adjustment 2 – \$20,000,000**

In connection with the Interstate 15 Express Lanes project (I-15 ELP), the actual design-build work efforts differ from the original cash flow assumptions at commencement of the project. Accordingly, approximately \$20 million of design-build costs and related contractor payments anticipated in prior years occurred in FY 2019/20. This represents a timing issue between fiscal years and does not affect the overall I-15 ELP cost, design-build contract, or funding. Staff recommends an adjustment to increase the design-build expenditures budget by \$20 million. There are sufficient Transportation Infrastructure Finance and Innovation Act loan proceeds available to accommodate this budget adjustment.

#### **Expense Adjustment 3 – \$1,000,000**

In July 2019 the Commission jointly released with Orange County Transportation Authority (OCTA) a request for proposals to procure and manage the 91 Express Lanes Back Office System (BOS) and Customer Service Center as the existing contract with Cofiroute USA, LLC (Cofiroute) expires in mid 2021. After a competitive procurement, Cofiroute was awarded the joint contract with the Commission and OCTA including the new 91 Express Lanes BOS design, development, testing and training. The original FY 2019/20 budget was based on initial milestone projections for the design and development of the new BOS. Accordingly, an adjustment of \$1 million is required to meet revised milestone targets. There are sufficient toll revenues available to accommodate this budget adjustment.

Financial Information					
In Fiscal Year Budget:	No	Year:	FY 2019/20	Amount:	\$22,041,000 Revenues \$21,506,000 Expenditures/Expenses
Source of Funds:	2009 Measure A, Transportation Development Act, Transportation Uniform Mitigation Fee, Motorist Assistance funds, and Toll revenues		Budget Adjustment:		Yes
GL/Project Accounting No.:	<b>Revenues</b> \$25,331,700 591-31-57101 009199-571-57101-0000 (3,290,700) XXX-XX-49001 (various funds and departments)  <b>Expenditures/Expenses</b> \$ 506,000 XXX-XX-61001 (various funds and departments) 20,000,000 262-31-81603 003027-81601-00000-0000 1,000,000 591-31-81041 009199-81041-00000-0000				
Fiscal Procedures Approved:	<i>Theresa Trevino</i>			Date:	02/18/2020



# **AGENDA ITEM 11**





<b>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</b>	
<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Michele Cisneros, Deputy Director of Finance
<b>THROUGH:</b>	Theresa Trevino, Chief Financial Officer
<b>SUBJECT:</b>	Proposed Policy Goals and Objectives for Fiscal Year 2020/21 Budget

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year 2020/21 Budget;
- 2) Review and approve the Fiscal Accountability Policies for the FY 2020/21 Budget; and
- 3) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

The initial step in the budget process is to develop policy goals and objectives for the next fiscal year that are consistent with the Commission’s overall strategic direction. Most importantly, the adoption of the Commission Policy Goals and Objectives and Fiscal Accountability Policies for the annual fiscal year budget provides an opportunity to match the Commission’s spending priorities in a manner that implements the promises made to the citizens of the county of Riverside in the Measure A Expenditure Plan and fulfills other Commission responsibilities.

The Commission is driven by four core objectives for the people of Riverside County and the transportation system upon, which they rely:

- Quality of life;
- Operational excellence;
- Connecting the economy; and
- Responsible partner.

Additionally, the fiscal accountability policies that promote fiduciary responsibility and organizational excellence are summarized in six categories:

- Financial planning;
- Revenues;
- Expenditures/expenses;
- Debt management;

- Cash management; and
- Accounting and financial reporting.

The Commission Policy Goals and Objectives will be linked to the individual department goals and objectives included in the FY 2020/21 Budget, and the Fiscal Accountability Policies will guide the development and monitoring of the FY 2020/21 Budget.

Attachment: Proposed Commission Policy Goals and Objectives and Fiscal Accountability Policies for FY 2020/21

## Policy Goals and Objectives

As approved at its March 11, 2020 meeting, the Commission is driven by four core mission statements and underlying goals for the people of Riverside County and the transportation system upon which they rely:

<b>QUALITY OF LIFE</b> <i>RCTC is focused on improving life for the people of Riverside County and empowering them to live life at the irpace.</i>	
<b>Choice</b>	RCTC empowers the residents of Riverside County to choose how to get safely to where they are going.
<b>Environmental Stewardship</b>	RCTC protects and preserves the County's environment for our residents.
<b>Mobility</b>	RCTC provides access, equity, and choice in transportation; RCTC is a mobility partner.
<b>Access</b>	RCTC projects and programs are the connection to employment, housing, schools, community institutions, parks, medical facilities, and shopping in the community.
<b>Goods Movement</b>	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County.
<b>OPERATIONAL EXCELLENCE</b> <i>RCTC is a responsible and conservative steward of taxpayer dollars.</i>	
<b>State of Good Repair</b>	RCTC invests in road safety and maintenance in its residents' neighborhoods.
<b>Promises Fulfilled</b>	Projects are completed on-time, on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
<b>Innovation</b>	Program and project delivery innovations drive results, savings, and greater economic opportunities for Riverside County residents.
<b>Information</b>	RCTC operations are transparent; customers get prompt, reliable, quality service.
<b>CONNECTING THE ECONOMY</b> <i>RCTC is a driver of economic growth in Riverside County.</i>	
<b>Workforce Mobility</b>	RCTC improves the economy by creating a robust workforce to workplace system; RCTC helps move the economy of Riverside County.
<b>Population Growth</b>	Since 1976, RCTC has been responsible for connecting our County's economy as the County's population has quadrupled from 550,000 to over 2.4 million today.
<b>Economic Impact</b>	RCTC has invested over \$4 billion in the County's economy thanks to Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER	
<i>RCTC partners with local, regional, and state governments to deliver road and transit projects.</i>	
<b>Streets and Roads</b>	RCTC has invested over \$1 billion in local priorities for maintaining streets and roads and fixing potholes.
<b>Transit</b>	RCTC is a partner with transit operators to provide residents mobility choices, flexibility, intercity and intercounty connectivity, and access.
<b>Active Transportation Facilities</b>	RCTC is a partner with agencies within the County to promote active transportation alternatives, including the building of regional trails and bicycle and pedestrian facilities in accordance with local general master and active transportation plans.
<b>Grants</b>	RCTC is a steward of state and federal grants to leverage Measure A dollars and improve our communities.
<b>Local Measure A Value</b>	RCTC invests Measure A dollars into projects and programs that benefit local communities throughout the County.

Staff used these core mission statements and goals to prepare this budget and develop the following short-term objectives to further guide the development of the FY 2020/21 budget.

#### Capital Project Development and Delivery

- Continue progress on projects included in the 2019-2029 Western Riverside County Highway Delivery Plan, including:
  - Design and construction of the 15 Express Lanes, 15/91 Express Lanes connector, and 91 Corridor Operations Project;
  - Construction of the State Route (SR) 60 truck lanes; and
  - Development of the 71/91 interchange improvements and Mid County Parkway.
- Continue development of the I-15 Express Lanes—Southern Extension project.
- Continue design and construction of projects on behalf of other agencies, including I-15/Railroad Canyon interchange, I-10/Highland Springs interchange, and Santa Ana River Trail.
- Continue development of various projects at commuter rail stations and on the San Jacinto Branch Line.
- Maintain and enhance communication and collaboration with the California Department of Transportation (Caltrans) to improve the Commission's ability to deliver critical projects.
- Enhance corridor mobility and traveler choice with the operation of the express lanes and development of future express lanes.
- Collaborate with local jurisdictions to implement the Transportation Uniform Mitigation Fee (TUMF) regional arterial program projects and facilitate the delivery of eligible arterial improvements in western Riverside County (Western County).
- Continue active engagement in state and federal efforts to streamline and modernize the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) to improve the Commission's ability to deliver critical projects.

#### Toll Operations

- Efficiently operate express lanes and achieve high customer satisfaction through congestion reduction, mobility improvements, and management of demand.

#### Regional Programs

- Maintain an active involvement in state and federal legislative matters to ensure that the Commission receives proper consideration for transportation projects and funding.
- Facilitate project funding and delivery of local and regional transportation projects.

- Support reliable and cost-effective Metrolink commuter rail service to and from Riverside County; Southern California Regional Rail Authority (SCRRA) is the operator of Metrolink.
- Provide leadership in the planning and development of the Coachella Valley-San Geronimo Pass corridor rail service.
- Support innovative programs that provide transit assistance in hard-to-serve rural areas or for riders with specialized transit needs.
- Promote cost controls and operating efficiencies for transit operators.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting motorized and non-motorized transportation alternatives.
- Provide a motorist aid system that ensures safety and convenience to freeway motorists.

**Management Services**

- Maintain close communication with Commissioners and educate policymakers on all issues of importance to the Commission.
- Develop and execute a communications and public engagement strategy for the purposes of education, information, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2020/21 Management Services budget is % of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2020/21 administrative salaries and benefits is % of Measure A revenues.
- Maintain prudent cash reserves to provide insulation from unplanned expenditures.
- Maintain current strong bond ratings with rating agencies.
- Establish and maintain revenues and reserves generated from toll operations to be available for debt service in accordance with toll-supported debt agreements; maintenance, repair, rehabilitation, administration, and operations; and capital projects within the corridor.

**Linking Commission and Departmental Mission Statements**

The following matrix (Table 1) illustrates the linkage of the Commission’s core mission statements described in this section to the individual departmental mission statements included in Section 5.

**Table 1 – Relationship between Commission and Departmental Mission Statements**

Department	Quality of Life	Operational Excellence	Connecting the Economy	Responsible Partner
<b>Management Services</b>				
Executive Management	X	X	X	X
Administration		X		
External Affairs	X	X		X
Finance		X		
<b>Regional Programs</b>				
Planning and Programming	X	X	X	X
Rail Maintenance and Operations	X	X	X	X
Public and Specialized Transit	X	X	X	X
Commuter Assistance	X	X	X	X
Motorist Assistance	X	X	X	X
Capital Project Development and Delivery	X	X	X	X
Toll Operations	X	X	X	X



## Fiscal Accountability Policies

As the steward of local, state, and federal resources, RCTC maintains financial policies that promote fiduciary responsibility and organizational excellence.

Financial Planning	
<b>Balanced Budget</b>	RCTC adopts an annual budget in which operating and capital expenditures and other financing uses are equal to or less than identified revenues and other financing sources as well as available fund balances.
<b>Administration</b>	<p>Allocations from local and state sources and toll operations fund administrative costs, including salaries and benefits.</p> <ul style="list-style-type: none"> <li>o Administrative salaries and benefits cannot exceed 1% of Measure A sales tax revenues.</li> <li>o Administrative costs will not exceed 4% of Measure A sales tax revenues (inclusive of the 1% salary limitation).</li> </ul>
<b>Retirement Benefits</b>	RCTC contributes 100% of the annual requirement related to its proportionate share of the net pension liability and to the postretirement health care benefits.
<b>Capital Projects</b>	Multi-year capital projects are consistent with the strategic plan and budgeted by fiscal year, based on best available estimates.
<b>Reserves</b>	RCTC establishes and maintains reserves in accordance with Measure A and TDA policies as well as debt agreements.

Revenues	
<b>Sales Tax</b>	RCTC prepares annual and mid-year revised revenue projections to ensure use of current and relevant data; staff may adjust amounts during the budget process to reflect the most current economic trends.
<b>Tolls</b>	<p>RCTC-adopted policies establish congestion pricing in order to optimize throughput on toll facilities while generating revenue to meet all financial commitments related to:</p> <ul style="list-style-type: none"> <li>o Debt issued to construct or repair any portion of the toll facility, payment of debt service, and satisfaction of other covenants and obligations related to indebtedness of the toll facility, including applicable reserves;</li> <li>o Development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facilities, including toll collection and enforcement and applicable reserves; and</li> <li>o Projects within the corridor that generated the revenue.</li> </ul>
<b>Funding Sources</b>	RCTC uses local funding sources to maximize federal and state funding of projects.
<b>Sale of Properties</b>	RCTC returns proceeds from the disposition of excess properties to the programs that provided the funding sources for the property acquisition.

Expenditures/Expenses	
<b>Priorities</b>	RCTC reviews established priorities for planning and programming of capital projects annually.
<b>Accountability</b>	RCTC compares actual expenditures/expenses to the budget on at least a quarterly basis and appropriately notes, explains, and justifies significant deviations.
<b>Procurement</b>	RCTC ensures competitive, transparent, objective, and fair procurement selection processes in accordance with policies adopted on September 11, 2019.



<b>Capital and Intangible Assets</b>	<p>On a government-wide basis, RCTC records capital and intangible assets at historical costs, estimated historical costs if purchased or constructed, or estimated fair value at date of donation. RCTC maintains such assets in a state of good repair and safeguards them from misuse and misappropriation.</p> <ul style="list-style-type: none"> <li>o RCTC generally does not capitalize infrastructure, which title will be vested with Caltrans or other governmental agency.</li> <li>o RCTC depreciates capital and amortizes intangible assets over the estimated useful life or service concession term.</li> </ul>
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### Debt Management

<b>Debt Limitation</b>	Outstanding sales tax revenue debt cannot exceed \$975 million, in accordance with Measure K approved by a majority of the voters in November 2010; RCTC can issue toll-supported debt for specific highway projects based on amounts authorized by the Commission.
<b>Management</b>	RCTC maintains and updates the Debt Management Policy, as adopted on March 11, 2020, and Interest Rate Swap Policy, as adopted July 12, 2006, for matters related to sales tax revenue and toll-supported indebtedness.
<b>Coverage</b>	RCTC maintains debt coverage ratios of 2.0x on all senior sales tax revenue debt and 1.3x on all toll-supported debt.
<b>Issuance</b>	RCTC issues debt for major capital projects including engineering, right of way, construction, and design-build; RCTC will not finance operating requirements except for initial toll operations. Costs of issuance, including the standard underwriter's discount, do not exceed 2% unless specifically authorized.
<b>Maturity</b>	All sales tax revenue debt matures prior to the termination of 2009 Measure A on June 30, 2039; all toll-supported debt matures prior to the expiration of toll facility agreements.

### Cash Management

<b>Management</b>	RCTC invests funds in order of priority (safety, liquidity, and yield) in accordance with the Investment Policy, adopted on March 13, 2019, or debt agreements.
<b>Receipts</b>	Where possible, RCTC encourages receipt of funds by wire transfer to its accounts.
<b>Payments</b>	RCTC makes cash disbursements to local jurisdictions and vendors/consultants in a timely manner.
<b>Operating Balances</b>	RCTC maintains amounts in the bank operating account at the amount necessary to meet monthly expenditures/expenses.

### Accounting and Financial Reporting

<b>Accounting System</b>	RCTC maintains an ERP system that integrates project and toll operations accounting needs and improves accounting efficiency.
<b>Reporting</b>	RCTC issues a Comprehensive Annual Financial Report (CAFR) and single audit report for federal financial assistance; separate financial reports for the LTF, STA, Proposition 1B Rehabilitation and Security Project Accounts, SB 1 SGR Program, Low Carbon Transit Operations Program (LCTOP), and toll operations; and the State Controller's Transportation Planning Agency Financial Transactions Report and Government Compensation in California Report. Reports are obtained for agreed-upon procedures as required or deemed necessary.
<b>Audits</b>	An independent accounting firm conducts an annual audit of the Commission's accounting books and records; RCTC obtains audits of Measure A and TDA funding recipients for compliance and other matters in a timely manner.

# **AGENDA ITEM 12**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Cheryl Donahue, Public Affairs Manager
<b>THROUGH:</b>	Aaron Hake, External Affairs Director
<b>SUBJECT:</b>	Quarterly Public Engagement Metrics Report, October-December 2019

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October – December 2019; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

Staff continues to measure public engagement activities and prepare Quarterly Public Engagement Metrics Reports for the Commission, a practice that began in April 2018. This report covers the fourth quarter of 2019, from October to December. The quarterly reports are a data-driven approach to monitor the Commission’s progress toward public engagement goals, to analyze the effectiveness of its efforts, and to provide transparency into how the Commission is using its resources to engage with the public.

This quarterly report includes three sets of data:

- 1) Metrics for RCTC’s overall public engagement activities, including website use and access; website top pages visited; email notifications; social media likes, engagement and reach; and public sentiment
- 2) Metrics for RCTC’s Interstate 15 Express Lanes Project public engagement activities, including email activity, website sessions, and social media
- 3) Metrics for the State Route 60 Truck Lanes Project. Note that these numbers remain small, due to only eight months of activity.

Report highlights for this quarter follow and are included in a graphical format. Please note that most of the social media metrics show an increase this quarter, due to digital advertising expenditures. The quarterly reports will evolve to include metrics from new Commission projects.

## RCTC Overall Public Engagement

### 1) **Website**

- a. For the quarter, there were 39,835 website sessions, a 16 percent increase from last quarter's 34,234 sessions. There also were 26,364 unique users, a significant increase of 21 percent compared to the previous quarter's 21,761 unique users.
- b. About a third of the visitors (34 percent) accessed the website through organic searches, such as Google. Another 21 percent used a direct search (keying in rctc.org). Others used social media (38 percent), and website referrals (7 percent).
- c. Website access via desktop versus mobile continues to fluctuate. During the fourth quarter, showed 46 percent accessed the website through a desktop computer and 54 percent used mobile devices. This is a large change from the second quarter of 2019, when the ratio was 57 percent via a desktop computer and 43 percent via mobile devices.
- d. The homepage continues to be the most frequently visited page, followed by the blog post related to funding of the I-15 Railroad Canyon Interchange. The Route 60 Truck Lanes page and the Employment page ranked third and fourth.

### 2) **Social Media**

- a. **Facebook:** At the end of the quarter, the Facebook page had 9,389 likes, an 11 percent increase over last quarter's 8,476 likes. The page had 2,499 forms of engagement, such as likes, comments and shares, a 70 percent drop from last quarter's 8,289 forms of engagement. Facebook also had 1,708,937 impressions, which is the number of times that RCTC's content was displayed in news feeds. This was a large increase – 108 percent – from last quarter's 820,030 million impressions. However, the previous quarter experienced a 70 percent drop, due to decreased digital advertising.
- b. **Twitter:** RCTC's Twitter page showed a 3 percent increase in followers, from 1,169 to 1,200. Engagement increased 78 percent, from 320 to 571. Impressions jumped 43 percent from 60,296 to 75,391.
- c. **Instagram:** The Instagram page followers grew 15 percent, from 487 to 561 followers. Engagement climbed 47 percent, from 334 forms of engagement to 490. Impressions increased 45 percent to 17,309, compared to last quarter's 11,928.
- d. Overall, public sentiment was positive, with strong engagement related to jobs and locally sourced materials on the I-15 Express Lanes Project and the public scoping period for the proposed I-15 Express Lanes Southern Extension.

- 3) **RCTC's The Point:** RCTC continues to produce content for its online blog, *The Point*, and distributes this information and other news via email to subscribers. However, RCTC's subscribers declined 12 percent, from 3,555 to 3,147. Part of this decline was due to removal of duplicates and other "bounce-back" email addresses. Thirty-one percent of subscribers opened *The Point*, and 6 percent clicked on links to learn more.

### **Interstate 15 Express Lanes Construction Public Engagement**

- 1) **Emails:** Total email list sign-ups since the project began grew to 2,648. This is a 1 percent increase over the 2,622 sign-ups received through the end of last quarter. There also were 10 email inquiries for a total of 154 since the project started. This is a 7 percent increase over the 144 inquiries received through the end of last quarter.
- 2) **Website:** Total website visits since project inception grew to 62,023, a 11 percent climb from the 56,019 visits through the end of last quarter.
- 3) **Social Media:** The project's Facebook, Twitter and Instagram accounts all showed small gains. The Facebook page grew to 2,303 likes from 2,269 likes last quarter, a 1.5 percent increase. Twitter increased from 242 followers to 257, a 6 percent increase. Instagram followers increased 4 percent from 443 to 461.

### **State Route 60 Truck Lanes Construction Public Engagement**

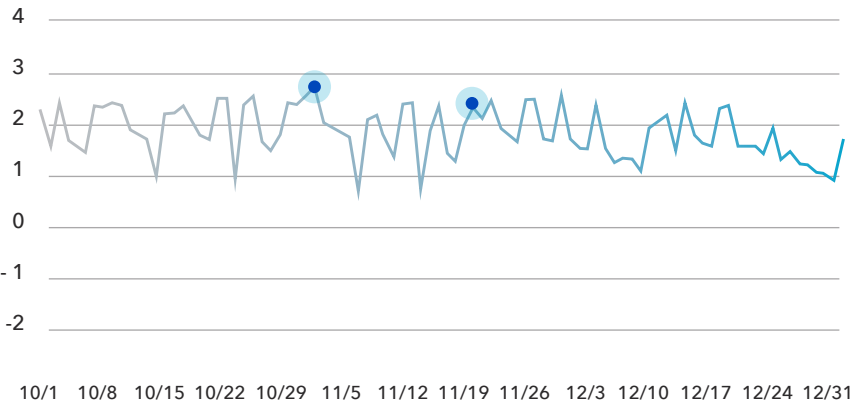
- 1) **Emails:** Total email list sign-ups since the project began grew to 285. This is an 8 percent increase over the 263 sign-ups received through the end of last quarter. There also have been a total of 90 email inquiries, a 17 percent increase over the 77 inquiries through the end of last quarter.
- 2) **Website:** Total website visits since project inception grew to 9,992, a 49 percent increase from the 6,715 visits through the end of last quarter.
- 3) **Social Media:** The project's Facebook, Twitter and Instagram accounts all showed increases. The Facebook page grew to 454 likes from 314 likes last quarter, a 46 percent increase. Twitter increased from 31 followers to 52, a 68 percent increase. Instagram followers increased 41 percent from 101 to 142.

#### Attachments:

- 1) RCTC Overall Public Engagement Metrics
- 2) Interstate 15 Express Lanes Construction Public Engagement Metrics
- 3) State Route 60 Truck Lanes Construction Public Engagement Metrics



## Overall Social Media Sentiment



**Content in Q4 received moderately high engagement and positive sentiment from the community.**

**10/29 (+)** I-15 project video highlighted locally-sourced materials and local jobs

**11/19-20 (+)** I-15 Express Lane comment period prompted community engagement

## Eblasts



**Subscribers**  
3,147

**Average Open**  
31%

**Average Click**  
6%

## Web

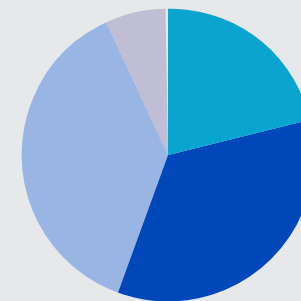
**39,835**  
Number of Sessions

**+16%**

**26,364**  
Number of Unique Users

**+21%**

### Top Channels



- Direct (21.3%) – 5,712
- Organic (34.1%) – 9,141
- Social (37.5%) – 10,041
- Referral (6.7%) – 1,807

### Differences

Paid advertising increased in Q4.

## Social Media

**Facebook**

**Page Likes**  
9,389 **+11%**

**Engagement**  
2,499 **-70%**

**Impressions**  
1,708,937 **+108%**

**Twitter**

**Followers**  
1,200 **+3%**

**Engagement**  
571 **+78%**

**Impressions**  
75,391 **+43%**

**Instagram**

**Followers**  
561 **+15%**

**Engagement**  
490 **+47%**

**Impressions**  
17,309 **+45%**

### Top Pages Visited

Homepage is **#1** most visited page

- CTC Funds I-15 Railroad Canyon
- Route 60 Truck Lanes
- Employment

### Desktop vs Mobile Users



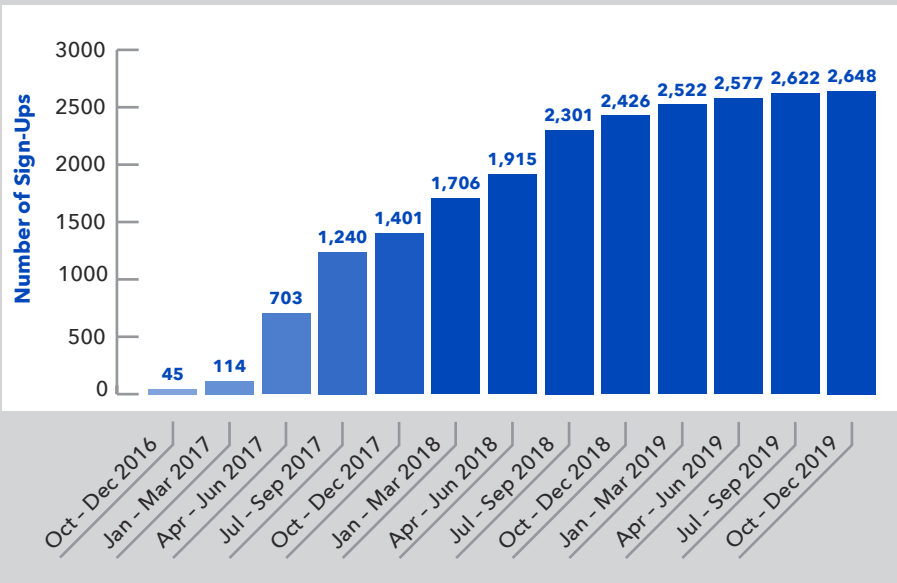




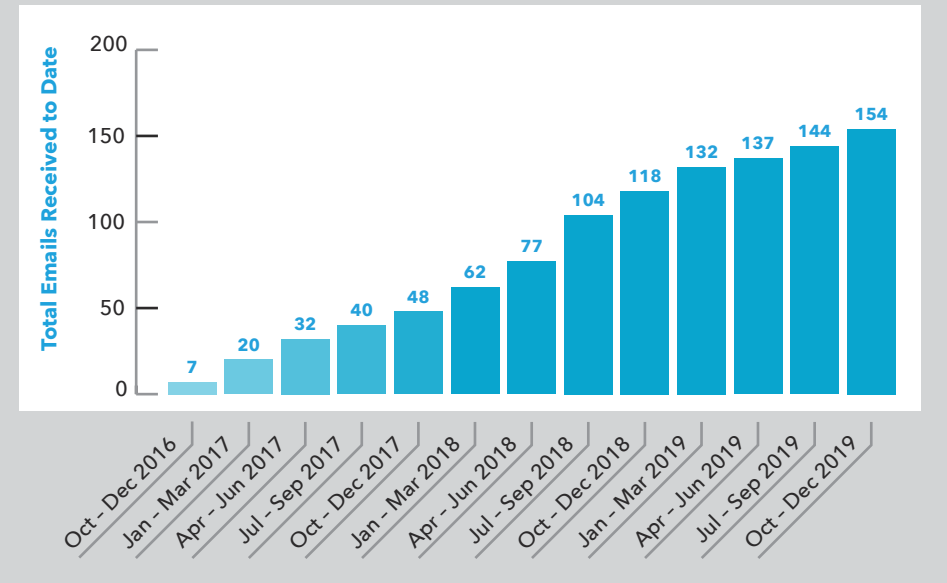


# 15 Express Lanes Project Outreach Metrics

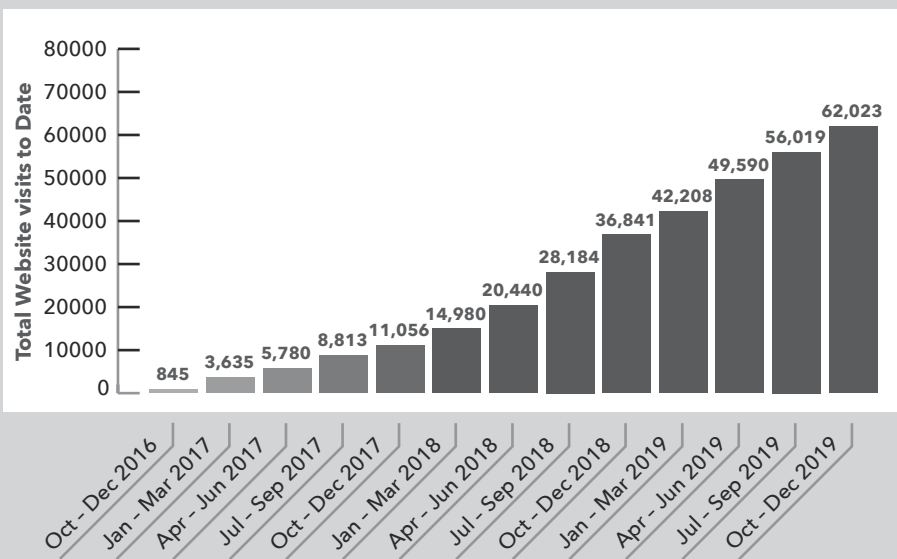
## Email List Sign-Ups



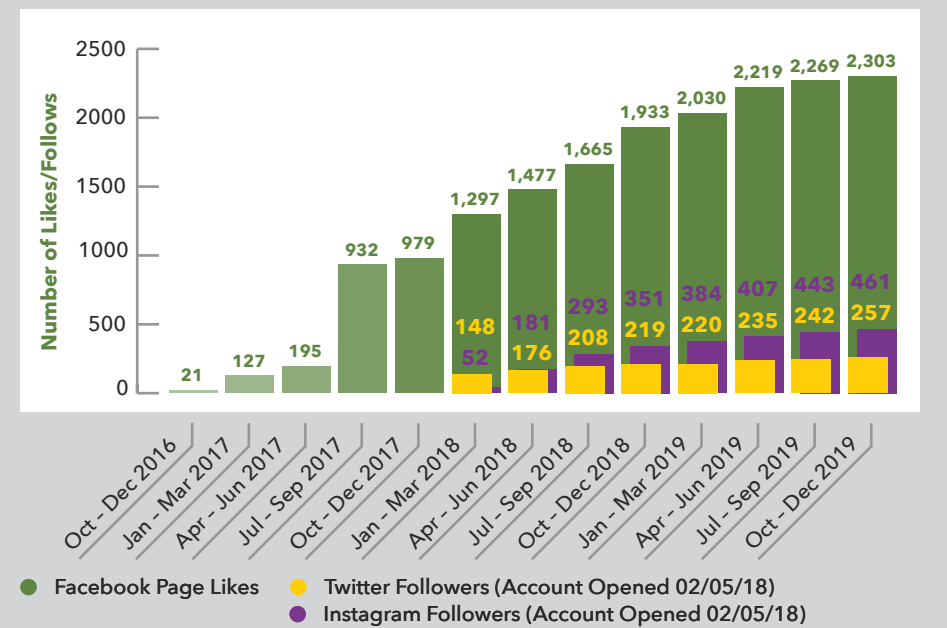
## Emails Received



## Website Visits



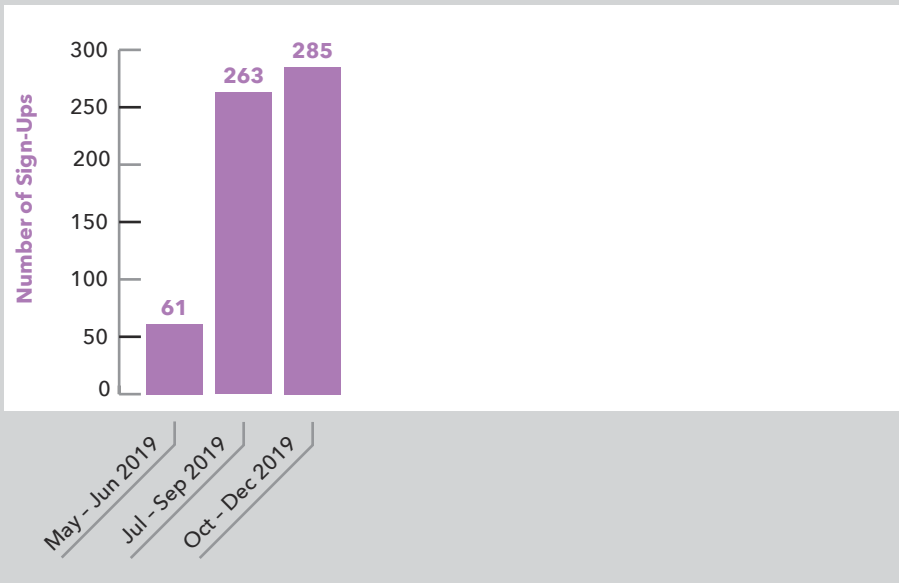
## Social Media Likes/Follows







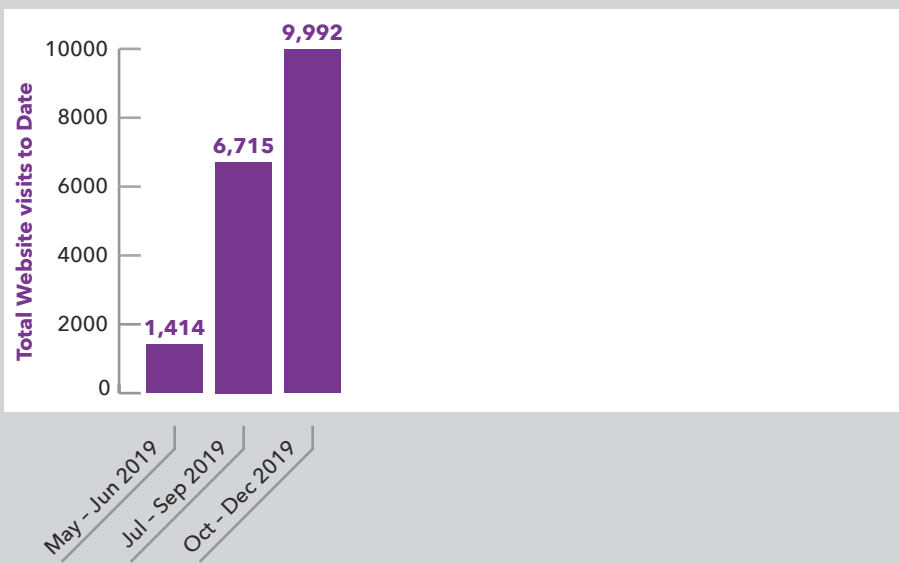
### Email & Text Sign-Ups



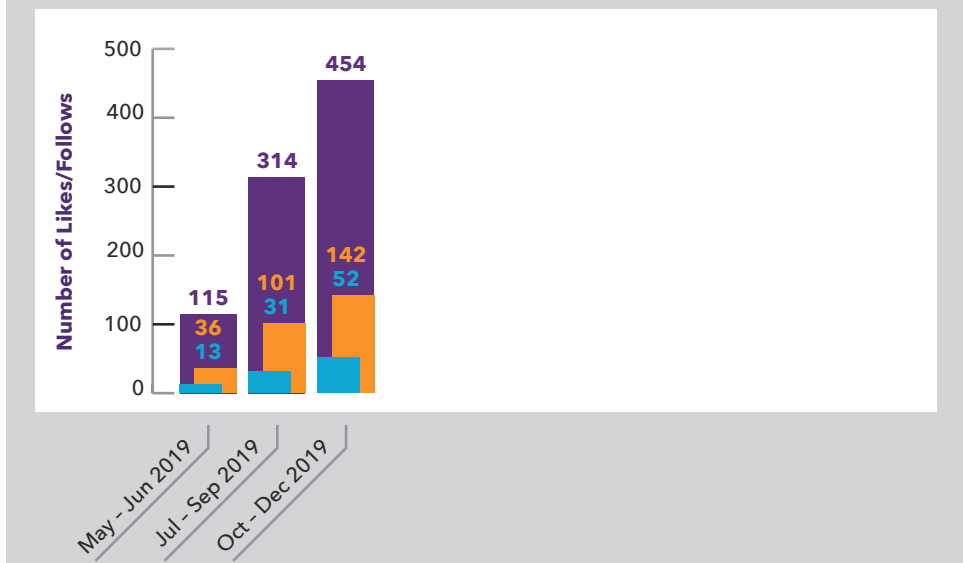
### Emails to Project Team



### Website Sessions



### Social Media Likes/Follows



- Facebook Page Likes
- Instagram Followers
- Twitter Followers



# **AGENDA ITEM 13**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	David Knudsen, Legislative Affairs Manager
<b>THROUGH:</b>	Aaron Hake, External Affairs Director
<b>SUBJECT:</b>	State and Federal Legislative Update

**STAFF RECOMMENDATION:**

This item is for the Commission to:

- 1) Receive and file an update on state and federal legislation; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

**State Update**

On January 10, 2020 Governor Gavin Newsom released his proposed state budget for Fiscal Year 2020/21. The Governor’s budget proposes spending of \$222.2 billion in total state funds, consisting of approximately \$153 billion from the General Fund, \$63.8 billion from special funds, and \$5.4 billion from bond funds. Unlike last year, the budget proposal fully funds the intent of SB 1 without tying it to other punitive objectives. Additionally, Governor Newsom’s budget proposes to spend \$12.5 billion over five years to address climate change including a proposed climate resilience bond, totaling \$4.75 billion, to reduce climate risks across California. The Governor’s Climate Plan focuses on reducing climate risk while transitioning to carbon neutrality.

The Governor’s focus on climate change continues to manifest in Caltrans’ preparations to implement new guidelines for environmental reviews of transportation projects pursuant to the California Environmental Quality Act (CEQA) and Senate Bill 743 (SB 743). As the Commission heard from Legal Counsel at its Annual Workshop on January 31, 2020, Caltrans’ focus on reduction of vehicle miles traveled (VMT) as a strategy to reduce the carbon footprint of the transportation sector is likely to have wide-reaching, costly, and uncertain impacts on planned transportation improvements in Riverside County. Commission staff continue to engage with Caltrans and self-help transportation agencies regarding implementation of SB 743. Staff will keep the Commission informed as these new regulations are implemented.



In the meantime, legislators are introducing new bills for the final year of this legislative session. Staff and the Commission's lobbyist in Sacramento are analyzing these new bills against the Commission's adopted platform.

### **Federal Update**

Earlier this month, President Trump released his proposed federal budget for FY 2021. As with presidential budget proposals for the last many years, Congress is not expected to adopt the President's budget and will develop their own budget and appropriations. Of note in the transportation sector, the President's budget proposal continues two discretionary grant programs, BUILD and INFRA, for which the Commission has sought funds in prior fiscal years. The City of Temecula received \$50 million from INFRA in 2019. The President's proposal also includes a "preview" of the Administration's forthcoming proposal for reauthorization of the FAST Act.

In recent weeks, media articles have speculated whether "earmarks" to federal spending would return this year. Earmarks are funds designated by Congress for specific projects or programs. The Commission, cities, the County, and other local governments have received federal earmarks in the past for priority projects; however, federal appropriations bills have not included earmarks for many years. It is the sense of Commission staff that it is unlikely that earmarks will return this year.

Attachment: Legislative Matrix – February 2020

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – FEBRUARY 2020

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
<b>AB 252</b> <b>(Daly, Frazier)</b>	Removes the sunset date from the NEPA Reciprocity program.	Signed by Governor Newsom.  (July 31, 2019)	<i>SUPPORT</i>	3/13/19
<b>AB 1402</b> <b>(Petrie- Norris)</b>	Makes substantive changes to the Active Transportation Program administered by the State, allocating 75% of funds to be distributed by large MPOs.	Referred to Committee on Transportation.  (March 27, 2019)	<i>SUPPORT</i>	4/1/19
<b>SB 152</b> <b>(Beall)</b>	Makes substantive changes to the Active Transportation Program administered by the State, allocating 75% of funds to be distributed by large MPOs.	Held in Senate Appropriations Committee under submission.  (May 16, 2019)	<i>SUPPORT</i>	4/1/19
<b>AB 626</b> <b>(Quirk-Silva)</b>	Seeks to dictate that professionals who provide professional services on one phase of a project be deemed not to have a conflict of interest in subsequent project phases, disregarding the Commission’s adopted Procurement Policy.	Ordered to inactive file at request of member.  (May 30, 2019)	<i>OPPOSE UNLESS AMENDED</i>	4/10/19
<b>AB 456</b> <b>(Chiu, Bonta, Low)</b>	Removes the January 1, 2020 sunset provision on claims resolution processes.	Approved by the Governor.  (October 3, 2019)	<i>OPPOSE</i>	5/8/19
<b>SB 498</b> <b>(Hurtado)</b>	Takes funds dedicated in the Trade Corridors Improvement Fund and repurposes them for a new short-line railroad project grant program.	Referred to Assembly Transportation Committee.  (June 6, 2019)	<i>OPPOSE</i>  Staff action based on platform	5/30/19
<b>SB 742</b> <b>(Allen)</b>	Authorizes existing state funds for Amtrak to be used on intercity passenger bus transportation, regardless of whether the passenger is connecting to or from intercity rail service.	Approved by the Governor.  (October 8, 2019)	<i>SUPPORT</i>	6/12/19
<b>AB 1149</b> <b>(Fong)</b>	Eliminates the ability of petitioners to opt to prepare the record of proceedings and would place that responsibility solely on the lead agency.	Re-referred to Assembly Natural Resources.  (April 24, 2019)	<i>SUPPORT</i>	6/12/19

<b>Legislation/ Author</b>	<b>Description</b>	<b>Bill Status</b>	<b>Position</b>	<b>Date of Board Adoption</b>
<b>SB 664 (Allen)</b>	Revises existing statute in the Streets and Highways Code and the Vehicle Code to allow for improved operations of toll facilities in California.	Re-referred to Committees on Privacy & Consumer Protection and Judiciary. (September 10, 2019)	<i>SUPPORT</i>  <i>Staff action based on platform</i>	6/17/19
<b>SB 277 (Beall)</b>	Changes the SB 1-created Local Partnership Program to be administered at 85% formula, rather than 50% formula as is currently in adopted guidelines.	Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.  (August 14, 2019)	<i>SUPPORT</i>  <i>Staff action based on platform</i>	7/1/19
<b>HR 2939 (Napolitano)</b>	Protects state and local general sales tax revenues from being directed to airports.	Introduced.  (May 23, 2019)	<i>SUPPORT</i>	7/10/19

# **AGENDA ITEM 14**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Martha Masters, Senior Management Analyst
<b>THROUGH:</b>	Lorelle Moe-Luna, Multimodal Services Director
<b>SUBJECT:</b>	Riverside County 2020 Federal Transportation Improvement Program Financial Resolution

**STAFF RECOMMENDATION:**

This item is for the Committee to:

- 1) Approve Resolution No. 20-002, *“Resolution of the Riverside County Transportation Commission Certifying Riverside County Has Resources to Fund Projects in the Federal Fiscal Years 2020/21 Through 2025/26 Transportation Improvement Program and Affirming Commitment to Implement All Projects in the Program”*; and
- 2) Forward to the Commission for final action.

**BACKGROUND INFORMATION:**

The Federal Transportation Improvement Program (FTIP) is a federally required document that lists transportation projects funded with federal, state, and local funds for the next six-year period. The Southern California Association of Governments (SCAG) is responsible for preparing the FTIP every two years for the six-counties within the SCAG region, and performing the following five conformity tests:

- Consistency with SCAG’s Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
- Regional Emission Analysis
- Timely Implementation of Transportation Control Measures (TCM)
- Financial Constraint
- Interagency Consultation and Public Involvement

The 2021 FTIP Update covers Federal Fiscal Years (FFYs 2020/21 – 2025/26) and reflects projects listed in the draft 2020 RTP/SCS. All regionally significant and federally funded projects must be included in the FTIP in order for an implementing agency to obligate funds. Overall, Riverside County is submitting a list of 389 projects totaling approximately \$12 billion in funds.

The attached resolution must be included in the 2021 FTIP to certify the Riverside County portion of the FTIP is financially constrained and to affirm the commitment to implement the projects. Financial constraint and project commitment is defined as follows:

1. Financial Constraint: The Commission must certify the Riverside County Transportation Improvement Program is financially constrained (projects are not programmed in excess of fund levels) and the funding may be reasonably expected to carry out the program.
2. Project Commitment: The Commission must affirm its highest priorities for funding are the projects in the 2021 FTIP. The affirmation is specifically targeted to enforceable TCMs.

Over the past three months, staff reviewed projects submitted by Caltrans, local agencies, and transit operators in Riverside County. These projects include freeways, state highways, arterials, routes that provide access to major activity centers, goods movement routes, intermodal facilities, and operating assistance for transit services. Projects that have completed construction were identified and removed from the 2021 FTIP, while other projects were added, deleted, or modified at the request of project sponsors. All project programming was reviewed to ensure each project clearly identified funding sources and schedules with the concurrence of each project sponsor.

There are 20 TCM projects in the 2021 FTIP with completion dates ranging from 2020 to 2030, at an estimated cost of \$875 million. TCMs are specific transportation projects and programs committed to help improve air quality, regardless of the source of funding. Project sponsors have been notified that TCMs must be operational or implemented by the completion date committed to in the FTIP. If not, these projects must be substituted by another TCM eligible project.

The SCAG Regional Council is scheduled to approve the 2021 FTIP by September 2020. SCAG subsequently will pursue the necessary state and federal approvals for the 2021 FTIP. These approvals are anticipated to occur by early December 2020 at which point the 2021 FTIP takes effect. SCAG allows project amendments to occur throughout the two-year cycle to make minor project changes and staff coordinates these amendments with the local agencies.

This item does not have a financial impact; separate actions have been or will be taken to fund specific projects as necessary.

Attachments:

- 1) Resolution No. 20-002
- 2) 2021 FTIP Funding Summary – FFY 2020/21 – FFY 2025/26

**RESOLUTION NO. 20-002****RESOLUTION OF THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION CERTIFYING RIVERSIDE COUNTY HAS RESOURCES TO FUND PROJECTS IN THE FEDERAL FISCAL YEARS 2020/21 THROUGH 2025/26 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMING COMMITMENT TO IMPLEMENT ALL PROJECTS IN THE PROGRAM**

WHEREAS, Riverside County is located within the metropolitan planning boundaries of the Southern California Association of Governments (SCAG); and

WHEREAS, the Fixing America Surface Transportation (FAST) Act requires SCAG to adopt a regional transportation improvement program for the metropolitan area; and

WHEREAS, the FAST Act also requires that the regional transportation improvement program include a financial plan that demonstrates how the transportation improvement program can be implemented; and

WHEREAS, the Riverside County Transportation Commission (RCTC) is the agency responsible for short-range capital and service planning and programming for the Riverside County area within SCAG; and

WHEREAS, as the responsible agency for short-range transportation planning, the RCTC is responsible for developing the Riverside County Transportation Improvement Program (TIP), including all projects utilizing federal and state highway and transit funds; and

WHEREAS, the RCTC must determine, on an annual basis, the total amount of funds that could be available for transportation projects within its boundaries; and

WHEREAS, the RCTC has adopted the Federal Fiscal Year (FFY) 2020/21 through FFY 2025/26 Riverside County TIP with funding for FFY 2020/21 and FFY 2021/22 available and committed, and reasonably committed for FFY 2022/23 through FFY 2025/2026.

NOW, THEREFORE, BE IT RESOLVED by the RCTC that it affirms its continuing commitment to the projects in the FFY 2020/21 through FFY 2025/26 Riverside County TIP; and

BE IT FURTHER RESOLVED, that the FFY 2020/21 through FFY 2025/26 Riverside County TIP Financial Plan identifies the resources that are available and committed in the first two years and reasonably available to carry out the program in the last four years, and certifies that:

1. Projects in the FFY 2020/21 through FFY 2025/26 Riverside County TIP are consistent with the proposed 2020 State Transportation Improvement Program (STIP) scheduled to be approved by the California Transportation Commission in March 2020; and



2. All of the projects in the Riverside County TIP have complete funding identified in the Program based on reasonably available funding; and
3. Riverside County has the funding capacity in its county Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Program (CMAQ) allocation to fund all of the projects in the FFY 2020/21 through FFY 2025/26 Riverside County TIP; and
4. The local match for projects funded with federal STP and CMAQ program funds is identified in the TIP; and
5. All the Federal Transit Administration funded projects are programmed within FAST Act Guaranteed Funding Levels.

APPROVED AND ADOPTED this 11th day of March, 2020.

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Ben J. Benoit, Chair  
Riverside County Transportation Commission

ATTEST:

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Lisa Mobley, Clerk of the Board  
Riverside County Transportation Commission



Fund Summary  
Riverside County Transportation Commission  
2021 FTIP (FY 2020/2021 - FY 2025/2026)  
Local Highway, State Highway, Transit

Cost in Thousands

FUNDING SOURCE	PRIOR	2021	2022	2023	2024	2025	2026	BEYOND	TOTAL YEAR
2016 EARMARK REPURPOSING	\$8,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,122
CMAQ	\$116,916	\$7,644	\$23,490	\$0	\$0	\$0	\$0	\$443	\$148,493
DEMO - TEA 21	\$7,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,918
DEMO-SAFETEA-LU	\$21,789	\$1,602	\$0	\$0	\$0	\$0	\$0	\$0	\$23,391
FFY 2006 APPROPRIATIONS EARMARKS	\$4,229	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,229
FFY 2009 Appropriations Earmarks	\$950	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$950
HIGHWAY INFRASTRUCTURE PROGRAM (HIP)	\$13,832	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,832
INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) GRANT	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
INTERSTATE MAINTENANC	\$238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238
PUBLIC LAND HWYS	\$631	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$631
RECREATIONAL TRAILS	\$17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17
SECTION 129 - SURFACE TRANSPORTATION PRIORITIES	\$1,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,470
STP LOCAL	\$110,735	\$200	\$0	\$1,215	\$1	\$0	\$0	\$0	\$112,151
SURFACE TRANS BLK GRNT LOCAL	\$4,169	\$0	\$0	\$0	\$2	\$0	\$0	\$0	\$4,171
SURFACE TRANS BLK GRNT REGIONAL	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$1,000
SURFACE TRANS PROG	\$1,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,750
SURFACE TRANS PROG - HR4818	\$1,231	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,231
Section 125 - Surface Transportation Priorities	\$855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$855
<b>FEDERAL HIGHWAY SUBTOTAL</b>	<b>\$294,852</b>	<b>\$59,446</b>	<b>\$24,490</b>	<b>\$1,215</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$443</b>	<b>\$380,449</b>
5307H-Hemet Urbanized Area	\$18,424	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,424
5307IC-Indio-Cathedral City Urbanized Area	\$24,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,675
5307LA-LOS ANGELES/LONG BEACH/SANTA ANA URBANIZED AREA	\$92	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92
5307MT-Murrieta-Temecula Urbanized Area	\$24,830	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,830
5307RS-Riverside/San Bernardino Urbanized Area	\$87,466	\$15,965	\$513	\$552	\$592	\$710	\$789	\$0	\$107,574
5310IC-Indio-Cathedral City Urbanized Area - EM	\$1,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,720
5310MT-Murrieta-Temecula Urbanized Area - EM	\$1,085	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,085
5310RS-Riverside/San Bernardino Urbanized Area - EM	\$2,414	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,414
5311 - NONURBANIZED AREA FORMULA PROGRAM	\$3,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,670
5311F - INTERCITY BUS	\$1,057	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,057
5337RS-Riverside/San Bernardino Urbanized Area	\$35,519	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,519
5339 - BUS AND BUS FACILITIES FORMULA GRANTS	\$2,269	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,269
5339H-Hemet Urbanized Area - BFG	\$1,815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,815
5339IC-Indio-Cathedral City Urbanized Area - BFG	\$5,061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,061
5339LA-LOS ANGELES -LONG BEACH-ANAHEIM URBANIZED AREA - BFG	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30
5339MT-Murrieta-Temecula Urbanized Area - BFG	\$3,123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,123
5339RS-Riverside/San Bernardino Urbanized Area - BFG	\$19,110	\$198	\$0	\$0	\$0	\$0	\$0	\$0	\$19,308
FEDERAL RAILROAD ADMINISTRATION EARMARK	\$2,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,982
FTA 5307 (FHWA TRANSFER FUNDS)	\$34,873	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,873
FTA 5307 UZA FORMULAR	\$3,512	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,512
FTA 5309(a) GUIDEWY	\$13,592	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,592
FTA 5309(c) BUS	\$7,464	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,464
FTA 5310 ELD AND DISABI	\$360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$360
NATIONAL RESEARCH AND TECHNOLOGY	\$9,990	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,990
<b>FEDERAL TRANSIT SUBTOTAL</b>	<b>\$305,133</b>	<b>\$16,163</b>	<b>\$513</b>	<b>\$552</b>	<b>\$592</b>	<b>\$710</b>	<b>\$789</b>	<b>\$0</b>	<b>\$325,439</b>

FUNDING SOURCE	PRIOR	2021	2022	2023	2024	2025	2026	BEYOND	TOTAL YEAR
TRANSPORTATION INFRASTRUCTURE	\$163,967	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,967
FINANCE & INNOVATION ACT									
<b>INNOVATIVE FINANCE SUBTOTAL</b>	\$163,967	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,967
AGENCY	\$988,036	\$119,978	\$148,668	\$183,457	\$623,993	\$137,441	\$602,395	\$50,449	\$3,040,035
AIR BOARD	\$22,351	\$4,538	\$1,420	\$1,678	\$0	\$0	\$0	\$0	\$29,987
Agency - Adv Construction	\$62,032	\$39,315	\$110,618	\$0	\$0	\$0	\$0	\$0	\$211,965
BONDS - LOCAL	\$947,290	\$5,000	\$0	\$0	\$212,445	\$0	\$710,000	\$0	\$1,874,735
CITY FUNDS	\$221,899	\$126,258	\$266,050	\$50,310	\$288,263	\$66,277	\$59,927	\$167,600	\$1,403,180
COUNTY	\$129,212	\$166	\$92,925	\$0	\$0	\$0	\$0	\$0	\$222,303
DEVELOPER FEES	\$15,437	\$7,685	\$22,398	\$15,400	\$16,000	\$14,856	\$90,300	\$0	\$182,076
EASTERN RIV TUMF	\$13,962	\$3,750	\$2,958	\$0	\$0	\$21,000	\$0	\$87,750	\$129,420
FARE REVENUE	\$54,076	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,076
GENERAL FUNDS	\$1,400	\$1,428	\$1,485	\$1,515	\$1,545	\$1,576	\$1,608	\$0	\$12,197
Gas Tax (Subvention to cities)	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64
LOCAL - ADVANCED CONSTRUCTION	\$0	\$19,878	\$0	\$0	\$0	\$0	\$0	\$0	\$19,878
LOCAL ADVANCE CONSTRUCTION	\$0	\$43,326	\$0	\$0	\$0	(\$43,326)	\$0	\$0	\$0
LOCAL TRANS FUNDS	\$265,499	\$80	\$0	\$0	\$0	\$0	\$0	\$0	\$265,579
PRIVATE FUNDS	\$0	\$10,000	\$2,000	\$800	\$0	\$0	\$0	\$0	\$12,800
RIV CO SALES TAX	\$352,558	\$2,575	\$35,562	\$0	\$0	\$0	\$8,000	\$0	\$398,695
TDA ARTICLE #3	\$2,517	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,517
TDA ARTICLE #4	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
WESTERN RIV TUMF	\$271,898	\$9,841	\$14,281	\$20,326	\$29,000	\$62,900	\$8,000	\$47,600	\$467,846
<b>LOCAL SUBTOTAL</b>	\$3,350,231	\$393,818	\$698,365	\$273,486	\$1,171,246	\$260,724	\$1,480,230	\$353,399	\$8,329,353
ACTIVE TRANSPORTATION PROGRAM	\$48,915	\$16,999	\$7,496	\$1,322	\$8,366	\$0	\$0	\$0	\$83,098
ACTIVE TRANSPORTATION PROGRAM - MPO	\$21,668	\$1,458	\$460	\$3,904	\$1,931	\$0	\$0	\$0	\$29,421
BRIDGE - LOCAL	\$114,320	\$5,460	\$11,613	\$906	\$0	\$257,034	\$0	\$0	\$389,333
CAP AND TRADE PROGRAM	\$3,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,430
LOCAL BRIDGE SEISMIC RETROFIT ACCOUNT	\$437	\$242	\$0	\$0	\$0	\$6,272	\$0	\$0	\$6,951
NATIONAL HWY SYSTEM - HM	\$8,490	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,490
PUBLIC TRANS MODERINAZATION IMP AND SERV. ENHANCEMENT ACCT.	\$10,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,440
SB1 LOCAL PARTNERSHIP COMPETITIVE FUNDS	\$18,747	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,747
SB1 LOCAL PARTNERSHIP FORMULA FUNDS	\$20,662	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,662
SB1TRADE CORRIDOR ENHANCEMENT	\$16,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,800
SECTION 190 GRADE SEPARATION PROGRAM	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000
SENATE BILL 132	\$246,195	\$179,850	\$1,127	\$0	\$0	\$0	\$0	\$0	\$427,172
SHOPP - ADVANCE CONSTRUCTION	\$470,006	\$405,635	\$537,663	\$0	\$0	\$0	\$0	\$0	\$1,413,304
SHOPP ADVANCE CONSTRUCTION (AC) - CT MINOR	\$0	\$0	\$0	\$990	\$10	\$0	\$0	\$0	\$1,000
STATE CASH	\$6,450	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$0	\$18,000
STATE CASH - RIP	\$5,273	\$0	\$66,377	\$0	\$0	\$0	\$0	\$0	\$71,650
STATE PARK FUNDS	\$400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400
STATE PUC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
STATE TRANSIT ASSIST	\$69,553	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$69,603
STIP ADVANCE CON-RIP	\$61,290	\$47,600	\$0	\$0	\$4,472	\$0	\$0	\$0	\$113,362
TRADE CORRIDOR PROGRAM	\$10,359	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,359
TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM	\$16,449	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,449
TRANSIT SYSTEM SAFETY, SECURITY AND DISASTER RESPONSE ACCOUNT	\$373	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$373
<b>STATE SUBTOTAL</b>	\$1,150,257	\$658,944	\$646,386	\$8,772	\$16,429	\$264,956	\$1,650	\$0	\$2,749,044
<b>TOTAL</b>	\$5,264,440	\$1,128,371	\$1,369,754	\$284,025	\$1,188,270	\$526,390	\$1,482,669	\$353,842	\$11,948,252

# **AGENDA ITEM 15**



**RIVERSIDE COUNTY TRANSPORTATION COMMISSION**

<b>DATE:</b>	February 24, 2020
<b>TO:</b>	Budget and Implementation Committee
<b>FROM:</b>	Lisa Mobley, Clerk of the Board
<b>THROUGH:</b>	John Standiford, Deputy Executive Director
<b>SUBJECT:</b>	Election of Officers for the Budget and Implementation Committee

**STAFF RECOMMENDATION:**

This item is for the Budget and Implementation Committee to conduct an election of officers for 2020 – Chair and Vice Chair.

**BACKGROUND INFORMATION:**

The election of officers for the full Commission and its Committees are held on an annual basis. Commissioners Linda Krupa (Chair) and Lloyd White (Vice Chair) were elected as the Budget and Implementation Committee’s officers in February 2019. Once the election for 2020 is conducted, the new Chair and Vice Chair will immediately assume the positions.

Past Chairs of the Budget and Implementation Committee are as follows:

- 2019 – Linda Krupa, City of Hemet
- 2018 – Rusty Bailey, City of Riverside
- 2017 – Jan Harnik, City of Palm Desert
- 2016 – Bob Magee, City of Lake Elsinore
- 2015 – Bob Magee, City of Lake Elsinore
- 2014 – Douglas Hanson, City Indian Wells
- 2013 – Ella Zanowic, City of Calimesa
- 2012 – Rick Gibbs, City of Murrieta
- 2011 – Scott Matas, City of Desert Hot Springs
- 2010 – Greg Pettis, City of Cathedral City
- 2009 – Mary Craton, City of Canyon Lake
- 2008 – Steve Adams, City of Riverside
- 2007 – Rick Gibbs, City of Murrieta