



Finance and Administration Committee (FAC) Meeting Agenda Monday, May 9, 2022, 9:30 AM

Pursuant to AB 361 and the resolution adopted by the Commission governing its meetings and the meetings of its Committees in light of the current statewide State of Emergency, the Commission and its Committees will meet via teleconference on a fully remote or hybrid in-person / remote basis, and will not provide a physical location for members of the public to participate in the teleconference meeting. The purpose of holding Commission and Committee meetings as described above is to provide the safest environment for Commissioners and Committee members, Alameda CTC staff, and the public, while allowing for robust public participation pursuant to Government Code Section 54953(e)(2).

Members of the public wishing to submit a public comment may do so by emailing the Clerk of the Commission at clerk@alamedactc.org. Public comments received by 5:00 p.m. the day before the scheduled meeting will be distributed to Commissioners or Committee members before the meeting and posted on Alameda CTC's website; comments submitted after that time will be distributed to Commissioners or Committee members and posted as soon as possible. Submitted comments will be read aloud to the Commission or Committee and those listening telephonically or electronically; if the comments are more than three minutes in length the comments will be summarized. Members of the public may also make comments during the meeting by using Zoom's "Raise Hand" feature on their phone, tablet or other device during the relevant agenda item, and waiting to be recognized by the Chair. If calling into the meeting from a telephone, you can use "Star *9" to raise/ lower your hand. Comments will generally be limited to three minutes in length, or as specified by the Chair.

Committee Chair:	Pauline Cutter	Executive Director:	Tess Lengyel
Vice Chair:	Rochelle Nason	Staff Liaison:	Patricia Reavey
Members:	Karla Brown Luis Freitas Melissa Hernandez	Clerk of the Commission:	Vanessa Lee
Ex-Officio:	John J Bauters Elsa Ortiz		

Location Information:

Zoom Link:
<https://us06web.zoom.us/j/82330330771?pwd=M2RQNHhwUoVvaFZ2UUR1RkJBc1Jldz09>

Dial-in Information: (669) 900-6833
Webinar ID: 823 3033 0771
Password: 272273

Meeting Agenda

1. Call to Order

2. Roll Call

3. Public Comment

4. Consent Calendar

- 4.1 Approve the March 14, 2022 FAC Meeting Minutes

Approve

[4.1_FAC_Minutes_20220314.pdf](#)

- 4.2 FY2021-22 Third Quarter Report of Claims Acted Upon Under the Government Claims Act Update

Information

[4.2_FAC_Government_Claims_Act_FY2021-22_3rd_Qtr_Report_20220509.pdf](#)

- 4.3 2021 Alameda CTC Annual Report Update

Information

[4.3_FAC_AlamedaCTC_Annual_Report_20220509.pdf](#)

- 4.4 Approve the Alameda CTC FY2021-22 Third Quarter Consolidated Financial Report

Approve

[4.4_FAC_FY21-22_3rd_Qtr_Financial_20220509.pdf](#)

- 4.5 Approve the Alameda CTC FY2021-22 Third Quarter Investment Report

Approve

[4.5_FAC_FY21-22_Q3_Investment_Report_20220509.pdf](#)

- 4.6 Approve an Update to the Alameda CTC Investment Policy

Approve

[4.6_FAC_Investment_Policy_2022_20220509.pdf](#)

- 4.7 Approve Commissioner Travel for Alameda CTC Presentation

Approve

[4.7_FAC_Commission_Travel_Approval_20220502.pdf](#)

5. Regular Matters

- 5.1 Approve an Update to the Sales Tax Revenue Budget for FY2021-22

Approve

[5.1_FAC_FY21-22_Sales_Tax_Budget_Update_20220509.pdf](#)

- 5.2 Approve the Alameda CTC FY2022-23 Proposed Budget

Approve

[5.2_FAC_ACTC_FY2022-23_Proposed_Budget_20200509.pdf](#)

[5.2_FAC_ACTC_FY2022-23_Proposed_Budget_Presentation_20220509.pdf](#)

5.3 Approve a Bond Issuance for the Measure BB Capital Program and Bond Documents in Essentially Final Form

Approve

[5.3_FAC_Debt_Issuance_Approval_20220509.pdf](#)

5.4 Approve an Update to Alameda CTC Conflict of Interest Code

Approve

[5.4_FAC_Conflict of Interest Update_20220509.pdf](#)

5.5 Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Adopting the Amended San Joaquin Regional Rail Commission Special Voting Memorandum of Understanding

Action

[5.5_FAC_Amendment Special Voting MOU_20220509.pdf](#)

6. Committee Member Reports

7. Staff Reports

8. Adjournment

Next Meetings:

September 12, 2022

November 14, 2022

Notes:

- All items on the agenda are subject to action and/or change by the Commission.
- To comment on an item not on the agenda (3-minute limit, or at the discretion of the chair), submit a speaker card to the clerk, or follow remote instructions listed in the agenda preamble.
- Call 510.208.7450 (Voice) or 1.800.855.7100 (TTY) five days in advance to request a sign-language interpreter.
- If information is needed in another language, contact 510.208.7400.
- Call 510.208.7400 48 hours in advance to request accommodation or assistance at this meeting.
- Meeting agendas and staff reports are available on the [website calendar](#).
- Alameda CTC is located near 12th St. Oakland City Center BART station and AC Transit bus lines. [Directions and parking information](#) are available online.



Finance and Administration Committee
Meeting Minutes
Monday, March 14, 2022, 9:30 a.m.

4.1

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1. Call to Order

2. Roll Call

A roll call was conducted. All members were present with the exception of Commissioner Freitas.

Subsequent to the roll call:

Commissioner Brown left during item 5.4.

3. Public Comment

There were no public comments.

4. Consent Calendar

4.1. Approve the November 8, 2021 FAC Meeting Minutes

4.2. FY2021-22 Second Quarter Report of Claims Acted Upon Under the Government Claims Act

4.3. Approve the Alameda CTC FY2021-22 Second Quarter Investment Report

4.4. Approve the Alameda CTC FY2021-22 Second Quarter Consolidated Financial Report

4.5. Approve Commissioners Travel to Sacramento and Washington DC for Legislative Related Activities, Travel for the California Association of Councils of Governments and the Self-Help Counties Coalition Focus on the Future Conference, to New York and Other East Coast Locations for Measure BB Bond Financing Activities, and Travel to Attend Caltrans Tour with Toks Omishakin

Commissioner Brown moved to approve the Consent Calendar. Commissioner Bauters seconded the motion. The motion passed with the following roll call votes:

Yes: Bauters, Brown, Cutter, Hernandez, Nason, Ortiz

No: None

Abstain: None

Absent: Freitas

5. Regular Matters

5.1. Approve the FY2021-22 Mid-Year Budget Update

Patricia Reavey presented this item, recommending that the Commission approve the proposed FY 2021-22 Mid-Year Budget update. The fiscal impact of approving the proposed FY2021-22 mid-year budget update would be to allow the roll forward of

audited fund balance from FY2020-21 of \$254.5 million, provide additional resources of \$292.4 million, including debt financing proceeds, and authorize additional expenditures of \$290.6 million, reflecting an overall increase in the fund balance of \$256.4 million for a projected ending fund balance of \$675.9 million.

Commissioner Brown moved to approve this item. Commissioner Cutter seconded the motion. The motion passed with the following roll call votes:

Yes: Bauters, Brown, Cutter, Hernandez, Nason, Ortiz
No: None
Abstain: None
Absent: Freitas

5.2. Selection Process for Bond Counsel, Disclosure Counsel, and Underwriter Services and Declaration of Official Intent to Reimburse Certain Measure BB Expenditures from Proceeds of Indebtedness Update

Patricia Reavey provided the update to the Committee on the selection process for bond counsel, disclosure counsel and underwriter services for the upcoming bond issuance and obtained approval of a resolution declaring the Commission's official intent to reimburse certain Measure BB expenditures from the proceeds of indebtedness. Ms. Reavey noted that bond counsel, disclosure counsel, and Underwriters will be paid during closing with bond proceeds when the bonds are sold.

Commissioner Cutter moved to approve this item. Commissioner Bauters seconded the motion. The motion passed with the following roll call votes:

Yes: Bauters, Brown, Hernandez, Nason, Ortiz
No: None
Abstain: None
Absent: Cutter, Freitas

Commissioner Cutter was experiencing audio problems during the vote.

5.3. Approve an amendment to the Alameda CTC Administrative Code

Tess Lengyel recommended that the Commission approve an amendment to the Alameda CTC Administrative Code, which eliminates the Multi-Modal Committee and incorporates other administrative edits.

Commissioner Ortiz moved to approve this item. Commissioner Hernandez seconded the motion. The motion passed with the following roll call votes:

Yes: Bauters, Brown, Cutter, Hernandez, Nason, Ortiz
No: None
Abstain: None
Absent: Freitas

5.4. Approve an Update to Alameda CTC's Commissioner Travel and Expenditure Policy

Tess Lengyel recommended that the Commission approve an update to the Commissioner Travel and Expenditure Policy to allow for Commission approval of travel.

Commissioner Hernandez moved to approve this item. Commissioner Ortiz seconded the motion. The motion passed with the following roll call votes:

Yes: Bauters, Cutter, Hernandez, Nason, Ortiz

No: None

Abstain: None

Absent: Brown, Freitas

6. Committee Member Reports

There were no member reports.

7. Staff Reports

There were no staff reports.

8. Adjournment/ Next Meeting

The next meeting is: Monday, May 9, 2022 at 9:30 a.m.

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Memorandum

4.2

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DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: FY2021-22 Third Quarter Report of Claims Acted Upon Under the Government Claims Act Update

Recommendation

This item is to provide the Commission with an update on the FY2021-22 Third Quarter Report of Claims Acted upon under the Government Claims Act. This item is for information only.

Summary

There were no actions taken by staff under the Government Claims Act during the third quarter of FY2021-22.

Background

Tort claims against Alameda CTC and other California government entities are governed by the Government Claims Act (Act). The Act allows the Commission to delegate authority to an agency employee to review, reject, allow, settle, or compromise tort claims pursuant to a resolution adopted by the Commission. If the authority is delegated to an employee, that employee can only reject claims or allow, settle, or compromise claims \$50,000 or less. The decision to allow, settle, or compromise claims over \$50,000 must go before the Commission for review and approval.

California Government Code section 935.4 states:

“A charter provision, or a local public entity by ordinance or resolution, may authorize an employee of the local public entity to perform those functions of the governing body of the public entity under this part that are prescribed by the local public entity, but only a charter provision may authorize that employee to allow, compromise, or settle a claim against the local public entity

if the amount to be paid pursuant to the allowance, compromise or settlement exceeds fifty thousand dollars (\$50,000). A Charter provision, ordinance, or resolution may provide that, upon the written order of that employee, the auditor or other fiscal officer of the local public entity shall cause a warrant to be issued upon the treasury of the local public entity in the amount for which a claim has been allowed, compromised, or settled.”

On June 30, 2016, the Commission adopted a resolution which authorized the Executive Director to reject claims or allow, settle, or compromise claims up to and including \$50,000.

There have only been a handful of small claims filed against Alameda CTC and its predecessors over the years, and many of these claims were erroneously filed, and should have been filed with other agencies. As staff moves forward with the implementation of Measure BB, Alameda CTC may experience an increase in claims against the agency as Alameda CTC puts more projects on the streets and highways of Alameda County and as Alameda CTC’s name is recognized as a funding agency on these projects. Staff works directly with the agency’s insurance provider, the Special District Risk Management Authority (SDRMA), when claims are received so that responsibility may be determined promptly and they might be resolved expediently or referred to the appropriate agency. This saves Alameda CTC money because when working with the SDRMA directly, much of the legal costs to address these claims are covered by insurance.

Fiscal Impact: There is no fiscal impact. This is an information item only.



Memorandum

4.3

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 9, 2021

TO: Finance and Administration Committee

FROM: Carolyn Clevenger, Deputy Executive Director of Planning and Policy
Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: 2021 Alameda CTC Annual Report

Recommendation

This item is to inform the Commission that the 2021 Alameda CTC Annual Report has been prepared and completed for distribution. This item is for information only.

Summary

Alameda CTC prepares an annual report each year, as required in the Public Utilities Code section 180111, on progress made to achieve the objective of improving transportation in Alameda County. The 2021 Annual Report highlights key transportation programs and projects that Alameda CTC plans, funds, and delivers and includes financial information for FY 2020-21.

Many of these transportation investments are funded largely through local, voter-approved Measure B and Measure BB sales tax dollars and local, voter-approved Vehicle Registration Fee (VRF) funds. The annual report includes financial information related to Measure B and Measure BB revenues and expenditures for the year ended June 30, 2021, as well as information related to the Vehicle Registration Fee (VRF) Program, including the total net VRF revenue from the start of the program, and revenues and expenditures through June 30, 2021.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachment:

- A. [Draft 2021 Alameda CTC Annual Report](#)

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Memorandum

4.4

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance & Administration
Yoana Navarro, Accounting Manager

SUBJECT: Approve the Alameda CTC FY2021-22 Third Quarter Consolidated Financial Report

Recommendation

It is recommended that the Commission approve the Alameda CTC FY2021-22 Third Quarter Consolidated Financial Report.

Summary

Alameda CTC's expenditures through March 31, 2022 are within year-to-date budget authority per the currently adopted budget. The agency remains in a strong financial position compared to budget through the third quarter of FY2021-22.

The attached FY2021-22 Third Quarter Financial Report has been prepared on a consolidated basis and is compared to the currently adopted budget on a year-to-date basis. This report provides a summary of FY2021-22 actual revenues and expenditures through March 31, 2022. Variances from the year-to-date budget are demonstrated as a percentage of the budget used by line item as well as stating either a favorable or unfavorable variance in dollars. Percentages over 100 percent indicate that actual revenue or expenditure items are more than 75 percent of the total annual budget through the third quarter of the fiscal year, and percentages under 100 percent indicate that actual revenue or expenditure items are less than 75 percent of the total annual budget through the third quarter of the fiscal year. As of March 31, 2022, Alameda CTC activity for the fiscal year results in a net increase in fund balance in the amount of \$42.5 million. While various funds saw an increase in their fund balances, the most significant contributors were the 2000 Measure B Capital Projects Fund and the 2014 Measure BB Special Revenue Fund which both collected sales tax revenues that outpaced expenditures during the fiscal year through March 31.

Background

The following are highlights of actual revenues and expenditures compared to budget as of March 31, 2022 by major category:

Revenues

Sales tax revenues are over budget by \$35.8 million, or 15.2 percent, and grant revenues are under budget by \$37.9 million mostly related to timing on capital projects. Grant revenues are recognized on a reimbursement basis and, therefore, correlate directly with related expenditures. Consequently, capital and other project expenditures are also under budget.

Salaries and Benefits

Salaries and benefits are under budget by \$0.2 million, or 2.8 percent, as of March 31, 2022.

Administration

Costs for overall administration are over budget by \$4.1 million, or 15.0 percent, due to debt service costs which incurred 100 percent of the annual costs by March 31, 2022 compare to 75 percent of the total annual budget amount. Debt service costs are required to be recorded when incurred per government accounting standards. No additional debt service costs will be incurred in the fourth quarter and actual expenditures in the debt service fund will equal 100% of the budget by the end of the fiscal year.

Freeway Operations

Freeway Operations expenditures are under budget by \$4.0 million, or 55.9 percent, primarily related to operations and maintenance costs and a delay in commencement of the Toll System Update special project.

Planning

Planning expenditures are under budget by \$0.6 million, or 32.7 percent, mostly related to timing on planning projects.

Programs

Programs expenditures are over budget by \$4.6 million or 3.1 percent, due to an increase in expenditures for Measure B and Measure BB direct local distributions (DLD) which is directly related to sales tax revenues coming in higher than projected, which was offset by delayed expenditures for various discretionary programs and projects funded in the CIP by 2000 Measure B and Measure BB discretionary funds.

Capital Projects

Capital Projects expenditures are under budget by \$190.5 million, or 71.8 percent. This variance is due, in part, to prolonged right-of-way acquisition negotiations resulting in project construction delays. Alameda CTC utilizes a rolling capital budget system in which any unused approved budget from prior years is available to pay for costs in subsequent fiscal years. Additional budget authority is requested by project only as needed in accordance with the budget process. The year-to-date budget amount used for comparisons is a straight-line amortization of the total approved project budget including unspent budget authority rolled over from the prior year. Expenditures planned through March 31,

2022 in the budget process generally will differ from the straight-line budgeted amount used for this financial statement comparison. However, presenting the information with this comparison helps financial report users, project managers, and the project control team review year-to-date expenditures to give them an idea of how projects are progressing as compared to the approved budget. There are currently no budget issues on capital projects.

Limitations Calculations

Staff has completed the limitation calculations required in both the 2000 Measure B and 2014 Measure BB Transportation Expenditure Plans related to salaries and benefits and administration costs, and Alameda CTC is compliant with all limitation requirements.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachment:

- A. Alameda CTC Consolidated Revenues/Expenditures as of March 31, 2022

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ALAMEDA COUNTY TRANSPORTATION COMMISSION
Consolidated Revenues/Expenditures
March 31, 2022

	<u>Total Consolidated</u>			<u>Favorable/ (Unfavorable)</u>
	<u>YTD</u> <u>Actuals</u>	<u>YTD</u> <u>Budget</u>	<u>% Used</u>	<u>Variance</u>
REVENUES				
Sales Tax Revenue	\$ 271,304,534	\$ 235,500,000	115.20	\$ 35,804,534
Investment Income	2,135,092	1,383,750	154.30	751,342
Member Agency Fees	1,162,776	1,162,776	100.00	-
VRF Funds	9,418,042	9,000,000	104.64	418,042
TFCA Funds	1,762,059	1,796,963	98.06	(34,904)
Toll Revenues	7,694,972	5,625,000	136.80	2,069,972
Toll Violation and Penalty Revenues	2,174,998	1,125,000	193.33	1,049,998
Other Revenues	1,825	-	-	1,825
Regional/State/Federal Grants	7,688,600	37,530,744	20.49	(29,842,144)
Local and Other Grants	756,527	8,819,817	8.58	(8,063,290)
Total Revenues	\$ 304,099,425	\$ 301,944,050	100.71	\$ 2,155,375
EXPENDITURES				
Administration				
Salaries and Benefits ⁽¹⁾	\$ 2,173,217	\$ 2,186,550	99.39	\$ 13,333
General Office Expenses	1,447,885	1,920,431	75.39	472,546
Travel Expense	11,880	24,000	49.50	12,120
Debt Service ⁽²⁾	26,473,200	19,854,900	133.33	(6,618,300)
Professional Services	1,049,011	1,928,588	54.39	879,577
Commission and Community Support	137,574	176,119	78.11	38,545
Contingency	-	375,000	-	375,000
Debt Financing Issuance Costs	-	750,000	-	750,000
Subtotal	31,292,767	27,215,588	114.98	(4,077,179)
Freeway Operations				
Salaries and Benefits ⁽¹⁾	110,863	131,410	84.36	20,547
Operating Expenditures	3,007,223	4,615,440	65.16	1,608,217
Special Project Expenditures	48,453	2,437,500	1.99	2,389,047
Subtotal	3,166,539	7,184,350	44.08	4,017,811
Planning				
Salaries and Benefits ⁽¹⁾	1,110,834	1,195,822	92.89	84,988
Transportation Planning	198,124	750,000	26.42	551,876
Subtotal	1,308,958	1,945,822	67.27	636,864
Programs				
Salaries and Benefits ⁽¹⁾	2,032,018	1,918,602	105.91	(113,416)
Programs Management and Support	652,254	909,849	71.69	257,595
Safe Routes to School Program	1,385,355	2,345,580	59.06	960,225
VRF Programming	6,134,810	8,535,355	71.88	2,400,545
Measure B/BB Direct Local Distribution	140,184,279	121,244,225	115.62	(18,940,054)
Grant Awards	241,148	9,753,227	2.47	9,512,079
TFCA Programming	478,642	1,834,485	26.09	1,355,843
Subtotal	151,108,506	146,541,323	103.12	(4,567,183)
Capital Projects				
Salaries and Benefits ⁽¹⁾	577,323	746,963	77.29	169,640
Capital Project Expenditures	74,138,767	264,469,981	28.03	190,331,214
Subtotal	74,716,090	265,216,944	28.17	190,500,854
Total Expenditures	\$ 261,592,860	\$ 448,104,027	58.38	\$ 186,511,167
Other Financing Sources	-	187,500,000	-	187,500,000
Net Change in Fund Balance	\$ 42,506,565	\$ 41,340,023		
Beginning Fund Balance	620,818,871	620,818,871		
Ending Fund Balance	<u>\$ 663,325,436</u>	<u>\$ 662,158,894</u>		

(1) Salaries and benefits are under budget by \$175,092 or 2.8% as of March 31, 2022.

(2) Debt service cost are required to be recorded when incurred per government accounting standards and will equal budget by year end.

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Memorandum

4.5

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DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SUBJECT: Alameda CTC FY2021-22 Third Quarter Investment Report

Recommendation

It is recommended that the Commission approve the Alameda CTC FY2021-22 Third Quarter Investment Report.

Summary

Alameda CTC's investments for the third quarter were in compliance with the Agency's investment policy, and the Agency has sufficient cash flow to meet expenditure requirements over the next six months.

The Consolidated Investment Report as of March 31, 2022 (Attachment A) provides balance and average return on investment information for all investments held by Alameda CTC at the end of the third quarter of fiscal year 2021-22. The report also shows balances as of June 30, 2021 for comparison purposes. The *Portfolio Review for the Quarter Ending March 31, 2022* (Attachment B), prepared by Public Trust Advisors, provides a review and outlook of market conditions and information regarding investment strategy, portfolio allocation, compliance, and returns by portfolio compared to the benchmarks.

Background

The following are highlights of key investment balance information as of March 31, 2022 compared to prior year-end balances at June 30, 2021:

- The 1986 Measure B investment balance decreased by \$0.1 million or 0.1 percent related to payments for capital project expenditures.

- The 2000 Measure B investment balance increased \$34.6 million or 16.2 percent mainly due to 2000 Measure B sales tax collections outpacing expenditures in the capital projects fund. Final debt service payments were made on March 1 to close out obligations related to the 2014 bond issuance, and the 2000 Measure B sales tax expired on March 31.
- The 2014 Measure BB investment balance decreased \$21.9 million or 14.6 percent related to payments for Measure BB capital project expenditures.
- The Non-Sales Tax investment balance increased \$13.3 million or 10.4 percent mostly related to deferred expenditures for projects.

Investment yields have decreased from last fiscal year with an approximate average return on investments of 0.4 percent through March 31, 2022 compared to the prior fiscal year's average return of 1.0 percent. Return on investments for most funds for the FY2021-22 budget year were projected at approximately 0.25 percent.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachments:

- A. Consolidated Investment Report as of March 31, 2022
- B. Portfolio Review for Quarter Ending March 31, 2022 (provided by Public Trust Advisors)
- C. Holdings by Security Type as of March 31, 2022

Alameda CTC Consolidated Investment Report As of March 31, 2022								
1986 Measure B	Un-Audited	Interest Earned				FY 2020-2021		
	Investment Balance	Interest earned	As of March 31, 2022 Approx. ROI	Budget	Difference	Investment Balance June 30, 2021	Interest earned FY 2020-2021	
Bank Accounts	\$ 644,741	\$ 80	0.02%			\$ 1,375,007	36	
State Treasurer Pool (LAIF) ⁽¹⁾	16,574,065	32,491	0.26%			16,940,144	98,858	
Investment Advisor ^{(1) (2)}	126,879,958	972,965	1.02%			125,887,220	2,325,449	
1986 Measure B Total	\$ 144,098,764	\$ 1,005,536	0.93%	\$ 600,000	\$ 405,536	\$ 144,202,371	\$ 2,424,343	
							<i>Approx. ROI</i>	<i>1.68%</i>
2000 Measure B	Un-Audited	Interest Earned				FY 2020-2021		
	Investment Balance	Interest earned	As of March 31, 2022 Approx. ROI	Budget	Difference	Investment Balance June 30, 2021	Interest earned FY 2020-2021	
Bank Accounts	\$ 4,992,496	\$ 5,307	0.14%			\$ 7,639,742	512	
State Treasurer Pool (LAIF) ⁽¹⁾	72,805,684	134,174	0.25%			59,481,534	320,489	
California Asset Management Program (CAMP)	20,337,386	10,711	0.07%			14,326,675	396	
Investment Advisor ^{(1) (2)}	149,847,922	671,552	0.60%			122,188,752	2,242,950	
2014 Series A Bond Revenue Fund	-	7	1.13%			838	-	
2014 Series A Bond Interest Fund	-	212	0.05%			679,555	461	
2014 Series A Bond Principal Fund	-	5,616	0.05%			9,052,383	14,314	
Project Deferred Revenue ^{(1) (3)}	180,397	347	0.26%			184,647	1,931	
2000 Measure B Total	\$ 248,163,885	\$ 827,926	0.44%	\$ 526,875	\$ 301,051	\$ 213,554,126	\$ 2,581,053	
							<i>Approx. ROI</i>	<i>1.21%</i>
2014 Measure BB	Un-Audited	Interest Earned				FY 2020-2021		
	Investment Balance	Interest earned	As of March 31, 2022 Approx. ROI	Budget	Difference	Investment Balance June 30, 2021	Interest earned FY 2020-2021	
Bank Accounts	\$ 4,049,065	\$ 4,281	0.14%			\$ 9,723,542	472	
State Treasurer Pool (LAIF) ⁽¹⁾	59,984,855	120,569	0.27%			71,236,855	440,380	
California Asset Management Program (CAMP)	-	685	0.07%			5,000,200	200	
Investment Advisor ^{(1) (2)}	62,467,930	39,766	0.08%			62,466,632	283,451	
Project Deferred Revenue ^{(1) (3)}	1,576,633	3,018	0.26%			1,573,483	5,431	
2014 Measure BB Total	\$ 128,078,483	\$ 168,319	0.18%	\$ 153,750	\$ 14,569	\$ 150,000,712	\$ 729,934	
							<i>Approx. ROI</i>	<i>0.49%</i>
Non-Sales Tax	Un-Audited	Interest Earned				FY 2020-2021		
	Investment Balance	Interest earned	As of March 31, 2022 Approx. ROI	Budget	Difference	Investment Balance June 30, 2021	Interest earned FY 2020-2021	
Bank Accounts	\$ 10,858,923	\$ 3,045	0.04%			\$ 8,337,322	795	
State Treasurer Pool (LAIF) ⁽¹⁾	55,440,577	99,440	0.24%			47,661,935	261,058	
California Asset Management Program (CAMP)	60,375,785	33,940	0.07%			58,340,961	89,238	
Project Deferred Revenue ^{(1) (3)}	13,808,349	24,237	0.23%			12,864,499	64,913	
Non-Sales Tax Total	\$ 140,483,634	\$ 160,662	0.15%	\$ 103,125	\$ 57,537	\$ 127,204,717	\$ 416,004	
							<i>Approx. ROI</i>	<i>0.33%</i>
Alameda CTC TOTAL	\$ 660,824,766	\$ 2,162,443	0.44%	\$ 1,383,750	\$ 778,693	\$ 634,961,926	\$ 6,151,334	

Notes:

- (1) All investments are marked to market on the financial statements at the end of the fiscal year per GASB 31 requirements.
- (2) See attachments for detail of investment holdings managed by Investment Advisor.
- (3) Project funds in deferred revenue are invested in LAIF with interest accruing back to the respective projects, as required per individual funding contracts.

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**Alameda County Transportation Commission
Portfolio Review for the Quarter Ending March 31, 2022**

Fixed Income Market Review and Outlook

The U.S. economy closed 2021 on a strong note, with Gross Domestic Product (GDP) expanding at an annualized rate of 6.9% in the final quarter of the year according to updated figures from the Bureau of Economic Analysis. For the full year, the U.S. economy grew 5.7%, marking the strongest annual growth rate since 1984 when the economy surged 7.2% in the wake of recession. While the fourth quarter's robust recovery is encouraging, details regarding the composition of growth support expectations for a softer pace of expansion in the first quarter. After removing the contribution from inventory accumulation, the fourth quarter growth rate fell to a much more muted 1.6%. Looking ahead, the U.S. economy enters 2022 amidst a backdrop of heightened uncertainty which has been intensified by Russia's invasion of Ukraine in late February. Prior to the conflict, the U.S. economy was coming to terms with already elevated inflation and the prospect of higher interest rates and tighter monetary policy from the Federal Reserve. Russia's invasion of Ukraine contributes to existing stagflation crosscurrents by simultaneously adding additional pressure to energy, food, and commodity inflation and casting shadows on the U.S. and global growth prospects. According to a Bloomberg survey of economists, the U.S. economy is expected to grow by a more modest 1.5% annualized rate in the first quarter of 2022.

The recovery in the U.S. labor market continued in the first quarter with nonfarm payroll growth averaging approximately 562k jobs per month, in line with the monthly average for all of calendar year 2021. The unemployment rate closed the first quarter at just 3.6%, near its pre-pandemic low, and underscores the tightness of labor market conditions. While the labor force participation rate remains well below its pre-pandemic levels, the combination of improving wages, rising inflation, and an improving public health backdrop should help attract more workers to available jobs in the months ahead. The competitive and ongoing recovery in labor markets should help pave the way for the Federal Reserve (Fed) to raise interest rates further this year as they combat overheating inflation and look to remove the pandemic-era emergency policy accommodation.

Inflation remains a clear and present danger for consumers and policy makers alike. Prior to Russia's invasion of Ukraine, prices in the U.S. were already rising at a blistering pace as resurgent demand collided with fractured global supply chains. The U.S. Consumer Price Index (CPI) rose to a fresh 40-year high of 7.9% through February on rising gasoline, food, and housing costs. Notably, the February inflation report caught only the beginning of Russia's invasion of Ukraine, and the conflict and resulting sanctions imposed by the West on Russia's economy will likely intensify existing supply chain disruptions while further driving up energy and commodity prices. Excluding food and energy prices, measures of core inflation remain at their highest levels in nearly 40 years with the core

Personal Consumption Expenditure index rising 5.4% for the 12 months ended in February, its largest annual increase since 1983.

In response to persistent and broadening inflationary pressures, the Fed raised its benchmark interest rate by 25 basis points (0.25%) to a range of between 0.25% - 0.50% at its March 16th Federal Open Market Committee meeting. In addition to setting expectations for a more aggressive pace of rate increases, the Fed also laid the foundation to begin reducing the size of their balance sheet later this year. As the Fed pivots policy to catch up with the inflation it previously believed to be transitory, concerns are growing that the central bank may tighten policy too aggressively and risk thrusting the U.S. economy back into recession. Looking ahead, the ability of the Fed to appropriately balance and calibrate policy to rein in inflation without overly restricting growth will be closely scrutinized by market participants.

Treasury yields moved sharply higher over the first quarter of 2022 as investors adjusted to expectations for a faster pace of Fed rate hikes amid persistent and broadening inflationary pressures. For the period, two-, three-, and five-year Treasury yields rose by 1.58%, 1.59%, and 1.28%, respectively. Longer-term Treasury yields also increased over the first quarter but were comparatively more contained with ten-, twenty-, and thirty-year yields rising 0.83%, 0.67%, and 0.54%, respectively. As a result, the yield curve's flattening trend continued over the quarter with the closely watched spread between two- and ten-year Treasury yields collapsing to just one basis point (0.01%) at quarter-end. While shorter-term yields have risen on expectations for Fed rate hikes, longer-term yields have been comparatively more contained as investors simultaneously contemplated the U.S. economy's longer-term growth prospects. Historically, the slope of the yield curve has been a closely watched barometer for longer-term economic growth with periods of inversion (shorter-term yields in excess of longer-term yields) often preceding periods of economic slowdown and recession.

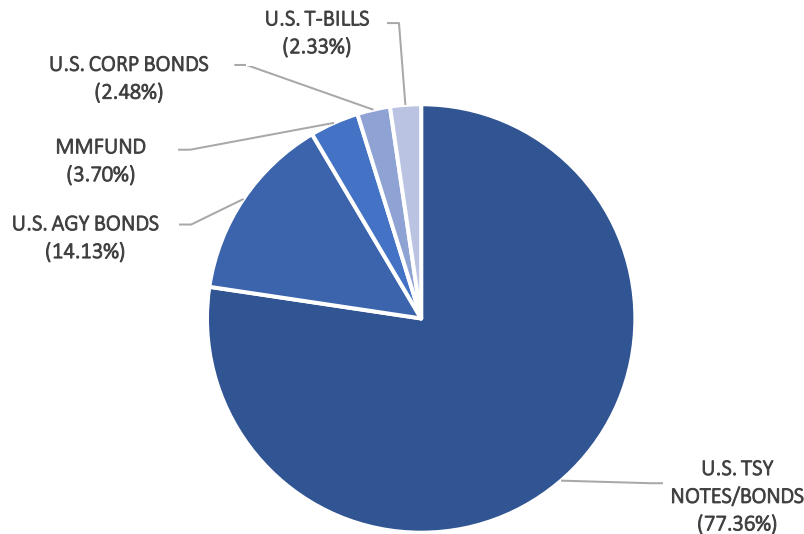
Investment Strategy Update

Alameda CTC's liquidity portfolios remain invested in short-term securities to match anticipated expenditure dates to provide necessary liquidity for ongoing project costs. In light of recent updates to Alameda CTC's cash flow models, amounts previously allocated to the 1986 Measure B Core Portfolio have been earmarked for possible expenditures and are now consolidated, invested, and reported within the 1986 Measure B Liquidity Portfolio. The longer-term 2000 Measure B Core Portfolio remains invested in eligible, permitted securities as set forth in Alameda CTC's investment policy and California Government Code. Over the quarter, the 2000 Measure B Core Portfolio's duration was modestly shorter than its benchmark and its continued allocation to high-quality corporate bonds served to enhance overall portfolio yield and income. Public Trust Advisors is working with Alameda CTC staff to review potential adjustments to current

Core and Liquidity investment strategies as the agency reviews upcoming cash flow needs for projects and programs.

Portfolio Allocation

Provided below is a summary of the Alameda CTC consolidated portfolio as of the quarter ended March 31, 2022.



U.S. Treasury	77.36%
Notes/Bonds:	
U.S. Agency Bonds:	14.13%
Money Market Fund:	3.70%
U.S. Corporate Bonds:	2.48%
U.S. Treasury Bills:	2.33%

Compliance with Investment Policy Statement

As of the quarter ending March 31, 2022, the Alameda CTC portfolios were in compliance with the adopted investment policy.

Core Portfolio

The performance for the core 2000 Measure B portfolio (the Portfolio) is reported on a total return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses), but does not include the deduction of management fees. Total return performance for the Portfolio for the quarter ending March 31, 2022 is summarized in the table below. The Portfolio outperformed its respective benchmark over the quarter as

rates increased and the yield curve steepened. In addition, the Portfolio's continued allocation to high-quality corporate bonds served to enhance overall core portfolio yield and income.

Core Portfolio & Benchmark Total Return ¹

2000 Measure B Portfolio

Portfolio Return: -2.14%

Benchmark Return: -2.34%

¹Note: Past performance is not an indication of future results. Performance is presented prior to the deduction of investment management fees.

2000 Measure B benchmark is the BofAML 1-3 Year AAA-AA US Corporate & Government Index.

Over the quarter, duration for the Portfolio was generally shorter than its benchmark and ended the quarter with a value of 1.64, moderately shorter than the ending benchmark duration of 1.80.

The Portfolio's yield to maturity represents the return the Portfolio will earn in the future if all securities are held to maturity. This calculation is based on the current market value of the Portfolio including unrealized gains and losses. Portfolio yield to maturity for the quarter ending March 31, 2022 is summarized below:

Core Portfolio & Benchmark Yield to Maturity

2000 Measure B Portfolio

Portfolio YTM: 2.10%

Benchmark YTM: 2.20%

Liquidity and Bond Portfolios

The liquidity portion of the 2000 Measure B portfolio (Liquidity portfolio) as well as the 1986 Measure B portfolio, remains invested in short-term cash equivalents and high-grade fixed income securities, as permitted by the Investment Policy, with maturity dates matched to appropriate anticipated expenditure and debt service payment dates. With the final maturity of the Series 2014 bonds at the end of the quarter, the Bond Interest and Principal Fund portfolios have been emptied and will no longer maintain investable balances going forward.

One way to measure the anticipated return of the Liquidity portfolios is their yield to maturity. This is the return the portfolios will earn in the future if all securities are held to maturity. This calculation is based on the current market value of the portfolios. The yield to maturity and weighted average maturity (WAM) for the Liquidity portfolios and the comparable maturity of U.S. Treasury securities as of the quarter ending March 31, 2022 are summarized below:

<i>Liquidity Portfolio & Comparable U.S. Treasury Security Yield to Maturity</i>		
1986 Measure B Portfolio	2000 Measure B Portfolio	2014 Measure BB Portfolio
Portfolio YTM: 1.41%	Portfolio YTM: 1.15%	Portfolio YTM: 0.54%
Comparable TSY YTM: 1.49%	Comparable TSY YTM: 1.26%	Comparable TSY YTM: 0.53%
Portfolio WAM: 0.8 Years	Portfolio WAM: 0.6 Years	Portfolio WAM: 0.2 Years

Note: WAM is the weighted average amount of time until the securities in the portfolio mature.

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Holdings by Security Type ACTC

ACTC 1986 Measure B (159781)

Base Currency: USD As of 03/31/2022

Dated: 04/14/2022

AGCY BOND

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3135G04Q3	05/22/2023	2,480,000.00	98.1529	2,434,192.24	2,474,544.00	2,477,888.65	0.325	1.934%	AA+	Aaa
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3135G05G4	07/10/2023	1,850,000.00	97.8464	1,810,157.90	1,849,790.95	1,849,906.08	0.254	1.438%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAER6	05/05/2023	2,500,000.00	98.4105	2,460,263.33	2,503,150.00	2,501,164.83	0.332	1.955%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAE54	06/26/2023	1,850,000.00	97.9310	1,811,722.91	1,850,111.00	1,850,049.03	0.248	1.439%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAEV7	08/24/2023	1,850,000.00	97.4907	1,803,577.56	1,850,162.80	1,850,076.88	0.247	1.433%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3133834G3	06/09/2023	2,480,000.00	100.2319	2,485,750.70	2,612,010.40	2,532,417.67	0.337	1.975%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3130AKDH6	10/21/2022	1,720,000.00	99.3121	1,708,167.62	1,717,729.60	1,719,367.78	0.191	1.357%	AA+	Aaa
FEDERAL HOME LOAN BANKS	313381BR5	12/09/2022	2,285,000.00	100.3358	2,292,672.62	2,292,672.62	2,291,817.18	1.432	1.822%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3130AFE78	12/09/2022	5,300,000.00	101.1203	5,359,373.73	5,367,787.00	5,312,012.89	2.651	4.258%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3130ADRG9	03/10/2023	4,600,000.00	100.9413	4,643,300.54	4,613,018.00	4,602,951.21	2.677	3.689%	AA+	Aaa
FEDERAL FARM CREDIT BANKS FUNDING CORP	3133ELGN8	10/13/2022	2,285,000.00	100.0837	2,286,912.13	2,294,962.60	2,286,968.29	1.435	1.817%	AA+	Aaa
FEDERAL FARM CREDIT BANKS FUNDING CORP	3133EMGX4	11/23/2022	1,450,000.00	99.2346	1,438,901.34	1,447,941.00	1,449,334.35	0.196	1.143%	AA+	Aaa
---	---	03/04/2023	30,650,000.00	99.6447	30,534,992.61	30,894,449.95	30,723,954.84	1.221	24.260%	AA+	Aaa

CASH

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Receivable	CCYUSD	03/31/2022	36.00	1.0000	36.00	36.00	36.00	0.000	0.000%	AAA	Aaa
Receivable	CCYUSD	03/31/2022	36.00	1.0000	36.00	36.00	36.00	0.000	0.000%	AAA	Aaa

CORP

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
MICROSOFT CORP	594918BH6	11/03/2022	1,000,000.00	100.5566	1,005,566.25	1,023,660.00	1,003,816.13	1.726	0.799%	AAA	Aaa
APPLE INC	037833DC1	09/12/2022	2,000,000.00	100.2782	2,005,564.02	2,028,106.00	2,004,098.79	1.525	1.593%	AA+	Aaa
---	---	09/29/2022	3,000,000.00	100.3718	3,011,130.27	3,051,766.00	3,007,914.92	1.592	2.392%	AA+	Aaa

MMFUND

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
MORG STAN I LQ:GV I	61747C707	03/31/2022	395,890.62	1.0000	395,890.62	395,890.62	395,890.62	0.230	0.315%	AAAm	Aaa
MORG STAN I LQ:GV I	61747C707	03/31/2022	395,890.62	1.0000	395,890.62	395,890.62	395,890.62	0.230	0.315%	AAAm	Aaa

US GOV

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	912828ZH6	04/15/2023	1,850,000.00	98.4883	1,822,033.55	1,854,769.53	1,851,904.80	0.151	1.448%	AA+	Aaa
UNITED STATES TREASURY	91282CAP6	10/15/2023	2,750,000.00	96.9648	2,666,532.00	2,740,654.29	2,744,534.56	0.255	2.119%	AA+	Aaa
UNITED STATES TREASURY	91282CAW1	11/15/2023	2,750,000.00	96.9531	2,666,210.25	2,748,388.67	2,749,036.78	0.272	2.118%	AA+	Aaa
UNITED STATES TREASURY	91282CBA8	12/15/2023	2,750,000.00	96.5273	2,654,500.75	2,737,646.48	2,742,469.43	0.286	2.109%	AA+	Aaa
UNITED STATES TREASURY	91282CAK7	09/15/2023	2,750,000.00	97.1992	2,672,978.00	2,741,943.35	2,745,396.20	0.240	2.124%	AA+	Aaa
UNITED STATES TREASURY	91282CBM2	02/15/2024	1,950,000.00	96.0898	1,873,751.10	1,940,554.69	1,943,790.75	0.296	1.489%	AA+	Aaa
UNITED STATES TREASURY	91282CBE0	01/15/2024	1,950,000.00	96.2773	1,877,407.35	1,941,392.58	1,944,432.00	0.285	1.492%	AA+	Aaa
UNITED STATES TREASURY	91282CBR1	03/15/2024	1,950,000.00	96.1250	1,874,437.50	1,946,267.58	1,947,511.72	0.316	1.489%	AA+	Aaa
UNITED STATES TREASURY	91282XD7	05/31/2022	1,725,000.00	100.2343	1,729,041.68	1,727,425.78	1,725,134.02	1.826	1.374%	AA+	Aaa

Holdings by Security Type ACTC

ACTC 1986 Measure B (159781)

Base Currency: USD As of 03/31/2022

Dated: 04/14/2022

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	9128286Y1	06/15/2022	2,200,000.00	100.2500	2,205,500.00	2,197,765.61	2,199,843.38	1.786	1.752%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	5,700,000.00	100.2969	5,716,923.30	5,557,500.00	5,689,821.43	2.510	4.542%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	2,200,000.00	100.2969	2,206,531.80	2,196,992.18	2,199,750.50	1.797	1.753%	AA+	Aaa
UNITED STATES TREASURY	9128287C8	07/15/2022	2,100,000.00	100.3125	2,106,562.50	2,105,906.25	2,100,606.21	1.647	1.674%	AA+	Aaa
UNITED STATES TREASURY	9128282S8	08/31/2022	2,100,000.00	100.2891	2,106,071.10	2,099,015.63	2,099,860.16	1.641	1.673%	AA+	Aaa
UNITED STATES TREASURY	912828L57	09/30/2022	5,300,000.00	100.3516	5,318,634.80	5,156,734.38	5,280,714.25	2.519	4.226%	AA+	Aaa
UNITED STATES TREASURY	912828YK0	10/15/2022	2,600,000.00	100.1289	2,603,351.40	2,581,414.06	2,596,455.54	1.634	2.068%	AA+	Aaa
UNITED STATES TREASURY	91282CAR2	10/31/2022	2,000,000.00	99.3984	1,987,968.00	1,999,453.12	1,999,809.66	0.141	1.579%	AA+	Aaa
UNITED STATES TREASURY	9128283C2	10/31/2022	1,450,000.00	100.4609	1,456,683.05	1,501,429.69	1,465,363.99	0.180	1.157%	AA+	Aaa
UNITED STATES TREASURY	912828TY6	11/15/2022	2,600,000.00	100.2266	2,605,891.60	2,599,492.19	2,599,891.18	1.632	2.070%	AA+	Aaa
UNITED STATES TREASURY	9128282P4	07/31/2022	10,230,000.00	100.3633	10,267,165.59	10,358,274.58	10,290,629.78	0.092	8.157%	AA+	Aaa
UNITED STATES TREASURY	91282CBD2	12/31/2022	3,510,000.00	99.0391	3,476,272.41	3,501,362.11	3,503,868.44	0.358	2.762%	AA+	Aaa
UNITED STATES TREASURY	91282CBD2	12/31/2022	1,335,000.00	99.0391	1,322,171.99	1,331,506.05	1,332,398.53	0.385	1.050%	AA+	Aaa
UNITED STATES TREASURY	91282CAX9	11/30/2022	5,950,000.00	99.2266	5,903,982.70	5,934,427.72	5,938,427.94	0.418	4.691%	AA+	Aaa
UNITED STATES TREASURY	912828Z29	01/15/2023	1,840,000.00	100.0039	1,840,071.76	1,903,034.37	1,858,799.72	0.204	1.462%	AA+	Aaa
UNITED STATES TREASURY	91282CBG5	01/31/2023	1,935,000.00	98.8281	1,912,323.74	1,934,470.89	1,934,756.23	0.140	1.519%	AA+	Aaa
UNITED STATES TREASURY	912828P38	01/31/2023	10,230,000.00	100.1875	10,249,181.25	10,411,822.27	10,356,035.89	0.270	8.143%	AA+	Aaa
UNITED STATES TREASURY	912828P38	01/31/2023	1,325,000.00	100.1875	1,327,484.38	1,340,786.13	1,337,805.24	0.588	1.055%	AA+	Aaa
UNITED STATES TREASURY	912828Z86	02/15/2023	1,840,000.00	99.8281	1,836,837.04	1,898,937.50	1,858,860.00	0.201	1.459%	AA+	Aaa
UNITED STATES TREASURY	91282CBN0	02/28/2023	1,935,000.00	98.6719	1,909,301.26	1,934,319.73	1,934,671.70	0.144	1.517%	AA+	Aaa
UNITED STATES TREASURY	912828ZD5	03/15/2023	1,840,000.00	98.9219	1,820,162.96	1,854,878.13	1,845,036.57	0.212	1.446%	AA+	Aaa
UNITED STATES TREASURY	91282CBU4	03/31/2023	1,935,000.00	98.4648	1,905,293.88	1,934,168.55	1,934,580.24	0.147	1.514%	AA+	Aaa
UNITED STATES TREASURY	---	01/11/2023	92,580,000.00	99.3092	91,921,258.67	92,712,734.09	92,752,196.83	0.758	73.033%	AA+	Aaa

Summary

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	01/20/2023	126,625,926.62	99.1077	125,863,308.17	127,054,876.66	126,879,993.20	0.888	100.000%	AA+	Aaa

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type ACTC

ACTC 2000 Measure B (159783)

Base Currency: USD As of 03/31/2022

Dated: 04/14/2022

AGCY BOND

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3135G04Q3	05/22/2023	1,370,000.00	98.1529	1,344,694.91	1,366,986.00	1,368,833.65	0.325	0.911%	AA+	Aaa
FEDERAL NATIONAL MORTGAGE ASSOCIATION	3135G05G4	07/10/2023	1,425,000.00	97.8464	1,394,310.82	1,424,838.98	1,424,927.66	0.254	0.945%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAER6	05/05/2023	2,300,000.00	98.4105	2,263,442.26	2,302,898.00	2,301,071.64	0.332	1.534%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAES4	06/26/2023	1,425,000.00	97.9310	1,395,516.29	1,425,085.50	1,425,037.77	0.248	0.946%	AA+	Aaa
FEDERAL HOME LOAN MORTGAGE CORP	3137EAEV7	08/24/2023	1,425,000.00	97.4907	1,389,242.18	1,425,125.40	1,425,059.22	0.247	0.941%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3133834G3	06/09/2023	1,370,000.00	100.2319	1,373,176.80	1,442,925.10	1,398,956.54	0.337	0.931%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3130AFE78	12/09/2022	3,500,000.00	101.1203	3,539,209.06	3,544,765.00	3,507,933.03	2.651	2.399%	AA+	Aaa
FEDERAL HOME LOAN BANKS	3130AKDH6	10/21/2022	2,205,000.00	99.3121	2,189,831.17	2,202,089.40	2,204,189.50	0.191	1.484%	AA+	Aaa
FEDERAL FARM CREDIT BANKS FUNDING CORP	3133EMGX4	11/23/2022	2,045,000.00	99.2346	2,029,347.06	2,042,096.10	2,044,061.20	0.196	1.375%	AA+	Aaa
---	---	03/13/2023	17,065,000.00	99.1626	16,918,770.54	17,176,809.48	17,100,070.22	0.756	11.466%	AA+	Aaa

CASH

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Receivable	CCYUSD	03/31/2022	902.61	1.0000	902.61	902.61	902.61	0.000	0.001%	AAA	Aaa
Receivable	CCYUSD	03/31/2022	902.61	1.0000	902.61	902.61	902.61	0.000	0.001%	AAA	Aaa

CORP

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
TOYOTA MOTOR CREDIT CORP	89236TGL3	10/07/2024	1,700,000.00	98.2191	1,669,724.26	1,681,028.00	1,681,332.36	2.453	1.132%	A+	A1
MICROSOFT CORP	594918BH6	11/03/2022	1,675,000.00	100.5566	1,684,323.47	1,714,630.50	1,681,392.02	1.726	1.141%	AAA	Aaa
INTEL CORP	458140BD1	05/11/2024	1,000,000.00	100.8124	1,008,123.75	1,013,010.00	1,012,740.83	2.201	0.683%	A+	A1
APPLE INC	037833DM9	09/11/2024	980,000.00	98.6917	967,178.83	969,386.60	969,561.74	2.251	0.655%	AA+	Aaa
---	---	01/25/2024	5,355,000.00	99.5361	5,329,350.30	5,378,055.10	5,345,026.95	2.140	3.612%	AA-	Aa3

MMFUND

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
MORG STAN I LQ:GV I	61747C707	03/31/2022	12,032,521.45	1.0000	12,032,521.45	12,032,521.45	12,032,521.45	0.230	8.154%	AAAm	Aaa
MORG STAN I LQ:GV I	61747C707	03/31/2022	12,032,521.45	1.0000	12,032,521.45	12,032,521.45	12,032,521.45	0.230	8.154%	AAAm	Aaa

US GOV

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	912828UN8	02/15/2023	2,680,000.00	100.3555	2,689,527.40	2,752,967.19	2,723,807.69	0.128	1.823%	AA+	Aaa
UNITED STATES TREASURY	912828UN8	02/15/2023	1,030,000.00	100.3555	1,033,661.65	1,049,392.97	1,044,365.16	0.402	0.701%	AA+	Aaa
UNITED STATES TREASURY	912828Q29	03/31/2023	2,625,000.00	99.7930	2,619,566.25	2,676,782.22	2,659,458.37	0.182	1.775%	AA+	Aaa
UNITED STATES TREASURY	912828S35	06/30/2023	500,000.00	99.3164	496,582.00	476,250.00	493,271.33	2.522	0.337%	AA+	Aaa
UNITED STATES TREASURY	912828S92	07/31/2023	4,690,000.00	99.0039	4,643,282.91	4,667,282.81	4,668,006.86	1.606	3.147%	AA+	Aaa
UNITED STATES TREASURY	912828T26	09/30/2023	1,375,000.00	98.9414	1,360,444.25	1,408,300.78	1,397,160.01	0.295	0.922%	AA+	Aaa
UNITED STATES TREASURY	912828X70	04/30/2024	1,835,000.00	99.3086	1,822,312.81	1,892,702.14	1,883,998.47	0.705	1.235%	AA+	Aaa
UNITED STATES TREASURY	912828XT2	05/31/2024	1,375,000.00	99.2188	1,364,258.50	1,437,250.98	1,421,191.86	0.437	0.925%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	4,000,000.00	100.2969	4,011,876.00	3,900,000.00	3,992,857.14	2.510	2.719%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	1,950,000.00	100.2969	1,955,789.55	1,947,333.98	1,949,778.86	1.797	1.325%	AA+	Aaa
UNITED STATES TREASURY	9128282P4	07/31/2022	3,150,000.00	100.3633	3,161,443.95	3,210,662.10	3,168,535.64	0.100	2.142%	AA+	Aaa

Holdings by Security Type ACTC

ACTC 2000 Measure B (159783)

Base Currency: USD As of 03/31/2022

Dated: 04/14/2022

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	9128283C2	10/31/2022	1,875,000.00	100.4609	1,883,641.88	1,941,503.91	1,894,867.23	0.180	1.277%	AA+	Aaa
UNITED STATES TREASURY	9128284D9	03/31/2023	1,085,000.00	100.7578	1,093,222.13	1,113,650.78	1,106,909.42	0.468	0.741%	AA+	Aaa
UNITED STATES TREASURY	9128284L1	04/30/2023	2,060,000.00	101.0352	2,081,325.12	2,123,811.71	2,109,687.38	0.510	1.411%	AA+	Aaa
UNITED STATES TREASURY	9128286G0	02/29/2024	1,375,000.00	100.1719	1,377,363.63	1,447,563.48	1,427,075.84	0.385	0.933%	AA+	Aaa
UNITED STATES TREASURY	912828Z86	02/15/2023	950,000.00	99.8281	948,366.95	980,429.69	959,737.50	0.201	0.643%	AA+	Aaa
UNITED STATES TREASURY	912828ZD5	03/15/2023	1,900,000.00	98.9219	1,879,516.10	1,915,363.29	1,905,200.80	0.212	1.274%	AA+	Aaa
UNITED STATES TREASURY	912828ZH6	04/15/2023	1,425,000.00	98.4883	1,403,458.27	1,428,673.83	1,426,467.21	0.151	0.951%	AA+	Aaa
UNITED STATES TREASURY	912828ZM5	04/30/2022	2,700,000.00	99.9868	2,699,643.60	2,701,054.70	2,700,100.61	0.078	1.830%	AA+	Aaa
UNITED STATES TREASURY	912828ZP8	05/15/2023	1,550,000.00	98.1250	1,520,937.50	1,549,697.27	1,549,852.07	0.134	1.031%	AA+	Aaa
UNITED STATES TREASURY	912828ZR4	05/31/2022	2,700,000.00	99.9563	2,698,820.10	2,701,054.70	2,700,188.90	0.082	1.829%	AA+	Aaa
UNITED STATES TREASURY	91282CAF8	08/15/2023	800,000.00	97.4141	779,312.80	799,093.75	799,440.16	0.176	0.528%	AA+	Aaa
UNITED STATES TREASURY	91282CAG6	08/31/2022	3,150,000.00	99.6797	3,139,910.55	3,150,492.19	3,150,175.21	0.112	2.128%	AA+	Aaa
UNITED STATES TREASURY	91282CAK7	09/15/2023	2,550,000.00	97.1992	2,478,579.60	2,548,107.42	2,548,951.20	0.153	1.680%	AA+	Aaa
UNITED STATES TREASURY	91282CAN1	09/30/2022	3,150,000.00	99.5547	3,135,973.05	3,149,507.81	3,149,803.99	0.137	2.125%	AA+	Aaa
UNITED STATES TREASURY	91282CAP6	10/15/2023	2,550,000.00	96.9648	2,472,602.40	2,548,007.81	2,548,869.08	0.154	1.676%	AA+	Aaa
UNITED STATES TREASURY	91282CAW1	11/15/2023	2,550,000.00	96.9531	2,472,304.05	2,556,873.04	2,553,991.88	0.153	1.675%	AA+	Aaa
UNITED STATES TREASURY	91282CBA8	12/15/2023	2,550,000.00	96.5273	2,461,446.15	2,547,011.73	2,548,228.65	0.166	1.668%	AA+	Aaa
UNITED STATES TREASURY	91282CBE0	01/15/2024	1,900,000.00	96.2773	1,829,268.70	1,891,613.29	1,894,574.77	0.285	1.240%	AA+	Aaa
UNITED STATES TREASURY	91282CBG5	01/31/2023	2,680,000.00	98.8281	2,648,593.08	2,679,895.31	2,679,938.36	0.128	1.795%	AA+	Aaa
UNITED STATES TREASURY	91282CBM2	02/15/2024	1,900,000.00	96.0898	1,825,706.20	1,890,796.88	1,893,949.96	0.296	1.237%	AA+	Aaa
UNITED STATES TREASURY	91282CBN0	02/28/2023	1,900,000.00	98.6719	1,874,766.10	1,899,332.04	1,899,677.64	0.144	1.271%	AA+	Aaa
UNITED STATES TREASURY	91282CBR1	03/15/2024	1,900,000.00	96.1250	1,826,375.00	1,896,363.29	1,897,575.53	0.316	1.238%	AA+	Aaa
UNITED STATES TREASURY	91282CBU4	03/31/2023	1,900,000.00	98.4648	1,870,831.20	1,899,183.59	1,899,587.83	0.147	1.268%	AA+	Aaa
UNITED STATES TREASURY	91282CBV2	04/15/2024	2,760,000.00	96.1211	2,652,942.36	2,767,654.69	2,765,405.44	0.279	1.798%	AA+	Aaa
UNITED STATES TREASURY	91282CBX8	04/30/2023	1,650,000.00	98.2461	1,621,060.65	1,644,070.31	1,645,583.56	0.373	1.099%	AA+	Aaa
UNITED STATES TREASURY	91282CCC3	05/15/2024	2,760,000.00	95.6523	2,640,003.48	2,756,010.94	2,757,150.67	0.299	1.789%	AA+	Aaa
UNITED STATES TREASURY	91282CCD1	05/31/2023	3,710,000.00	97.9961	3,635,655.31	3,687,682.05	3,692,336.82	0.536	2.464%	AA+	Aaa
UNITED STATES TREASURY	91282CCG4	06/15/2024	1,510,000.00	95.4414	1,441,165.14	1,490,476.17	1,493,277.14	0.758	0.977%	AA+	Aaa
UNITED STATES TREASURY	91282CCL3	07/15/2024	3,400,000.00	95.5195	3,247,663.00	3,397,609.38	3,398,094.80	0.400	2.201%	AA+	Aaa
UNITED STATES TREASURY	91282CCN9	07/31/2023	3,195,000.00	97.5234	3,115,872.63	3,152,940.83	3,157,562.72	1.011	2.112%	AA+	Aaa
UNITED STATES TREASURY	91282CCU3	08/31/2023	3,325,000.00	97.3359	3,236,418.67	3,257,331.05	3,262,638.42	1.472	2.193%	AA+	Aaa
UNITED STATES TREASURY	91282CCX7	09/15/2024	3,475,000.00	95.0898	3,304,370.55	3,432,376.97	3,437,947.26	0.815	2.239%	AA+	Aaa
UNITED STATES TREASURY	91282CDA6	09/30/2023	3,250,000.00	97.2734	3,161,385.50	3,174,843.75	3,176,325.32	1.791	2.142%	AA+	Aaa
UNITED STATES TREASURY	91282CDB4	10/15/2024	3,475,000.00	95.5391	3,319,983.73	3,453,688.49	3,456,395.03	0.839	2.250%	AA+	Aaa
UNITED STATES TREASURY	91282CDD0	10/31/2023	1,600,000.00	97.2422	1,555,875.20	1,583,000.00	1,584,859.78	0.980	1.054%	AA+	Aaa
UNITED STATES TREASURY	91282CDM0	11/30/2023	3,925,000.00	97.2539	3,817,215.58	3,839,753.91	3,841,939.71	1.796	2.587%	AA+	Aaa
UNITED STATES TREASURY	91282CDN8	12/15/2024	2,200,000.00	96.1953	2,116,296.60	2,180,835.93	2,182,119.56	1.307	1.434%	AA+	Aaa
UNITED STATES TREASURY	91282CDR9	12/31/2023	2,925,000.00	97.4609	2,850,731.33	2,870,042.00	2,871,384.49	1.820	1.932%	AA+	Aaa
UNITED STATES TREASURY	---	07/29/2023	115,470,000.00	98.1320	113,277,349.14	115,466,323.14	115,370,303.32	0.675	76.768%	AA+	Aaa

Summary

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
--	---	06/11/2023	149,923,424.06	90.3954	147,558,894.05	150,054,611.78	149,848,824.54	0.701	100.000%	AA+	Aaa

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type ACTC

ACTC 2014 Measure BB (159782)

Base Currency: USD As of 03/31/2022

Dated: 04/14/2022

CASH

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Receivable	CCYUSD	03/31/2022	95.54	1.0000	95.54	95.54	95.54	0.000	0.000%	AAA	Aaa
Receivable	CCYUSD	03/31/2022	95.54	1.0000	95.54	95.54	95.54	0.000	0.000%	AAA	Aaa

MMFUND

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
MORG STAN I LQ:GV I	61747C707	03/31/2022	7,914.04	1.0000	7,914.04	7,914.04	7,914.04	0.230	0.013%	AAAm	Aaa
MORG STAN I LQ:GV I	61747C707	03/31/2022	7,914.04	1.0000	7,914.04	7,914.04	7,914.04	0.230	0.013%	AAAm	Aaa

T-BILL

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	912796J42	06/16/2022	5,210,000.00	99.9127	5,205,451.67	5,207,636.90	5,209,378.56	0.057	8.338%	A-1+	P-1
UNITED STATES TREASURY	912796J42	06/16/2022	2,625,000.00	99.9127	2,622,708.38	2,623,959.40	2,624,694.65	0.056	4.201%	A-1+	P-1
UNITED STATES TREASURY	912796J42	06/16/2022	7,835,000.00	99.9127	7,828,160.04	7,831,596.30	7,834,073.21	0.057	12.540%	A-1+	P-1

US GOV

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
UNITED STATES TREASURY	912828N30	12/31/2022	2,600,000.00	100.5156	2,613,405.60	2,613,406.25	2,613,261.06	1.436	4.186%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	5,140,000.00	100.2969	5,155,260.66	5,180,959.38	5,160,034.48	0.180	8.258%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	5,200,000.00	100.2969	5,215,438.80	5,229,859.39	5,217,915.63	0.362	8.354%	AA+	Aaa
UNITED STATES TREASURY	912828XW5	06/30/2022	5,200,000.00	100.2969	5,215,438.80	5,223,156.28	5,215,552.73	0.543	8.354%	AA+	Aaa
UNITED STATES TREASURY	9128286Y1	06/15/2022	5,185,000.00	100.2500	5,197,962.50	5,267,230.89	5,202,620.91	0.095	8.326%	AA+	Aaa
UNITED STATES TREASURY	912828ZM5	04/30/2022	5,185,000.00	99.9868	5,184,315.58	5,187,025.42	5,185,193.21	0.078	8.304%	AA+	Aaa
UNITED STATES TREASURY	912828ZR4	05/31/2022	5,185,000.00	99.9563	5,182,734.16	5,187,025.42	5,185,362.76	0.082	8.302%	AA+	Aaa
UNITED STATES TREASURY	912828ZX1	06/30/2022	10,395,000.00	99.8906	10,383,627.87	10,398,248.44	10,396,299.38	0.075	16.633%	AA+	Aaa
UNITED STATES TREASURY	912828ZX1	06/30/2022	5,190,000.00	99.8906	5,184,322.14	5,189,189.06	5,189,638.69	0.153	8.304%	AA+	Aaa
UNITED STATES TREASURY	912828ZX1	06/30/2022	5,265,000.00	99.8906	5,259,240.09	5,259,241.41	5,260,064.07	0.503	8.425%	AA+	Aaa
UNITED STATES TREASURY	---	06/29/2022	54,545,000.00	100.0865	54,591,746.20	54,735,341.94	54,625,942.91	0.274	87.448%	AA+	Aaa

Summary

Description	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	06/27/2022	62,388,009.58	100.0521	62,427,915.82	62,574,947.82	62,468,025.70	0.247	100.000%	AA+	Aaa

* Grouped by: Security Type. * Groups Sorted by: Security Type. * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

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Memorandum

4.6

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SUBJECT: Approve an Update to the Alameda CTC Investment Policy

Recommendation

It is recommended that the Commission review and approve an update to the Alameda CTC investment policy that was adopted in May 2021.

Summary

An update to the Alameda CTC investment policy is attached in red line to show recommended changes to the investment policy adopted in May 2021. The recommended changes to the policy are intended to clarify the policy and are not substantive in nature, including providing clarification on competitive solicitations for the purchase of securities when only one bid or offer price is received, the effective date in relation to maximum maturity restrictions on allowable investments, and allowing for the investment in other joint powers authority pools in addition to the California Asset Management Program which is already allowed in the adopted policy and in line with California Government Code.

Allowing investments in additional joint powers authority pools, as allowed in the California Government Code, will provide the agency the ability to keep investments liquid in order to meet project needs as we move into the construction phase on many Measure BB projects.

Background

The California Government Code (the Code) Section 53600.5 states, "... the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control." These objectives are also reflected in Alameda CTC's investment policy, in the order of priority demonstrated in the Code. Staff has reviewed the investment policy in consultation with investment advisors and is recommending changes to provide additional clarification. The current investment policy was adopted by the Commission in May 2021.

The attached investment policy (Attachment A) was developed in accordance with the Code in order to define parameters and guide staff and investment advisors in managing Alameda CTC's investment portfolio. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow staff and the investment advisors to function properly within the parameters of fiscal responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The primary objectives of the investment activities within the policy safeguard Alameda CTC assets by mitigating credit and interest rate risk, provide adequate liquidity to meet all operating requirements of Alameda CTC, and attain a market rate of return on investments taking into account the investment risk constraints of safety and liquidity needs.

Through the proposed investment policy, the Commission appoints the Executive Director and the Deputy Executive Director of Finance and Administration as Investment Officers who are responsible for the investment program of the Alameda CTC and will act responsibly as custodians of the public trust. The policy requires the Investment Officers to design internal controls around investments that would prevent the loss of public funds from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of Alameda CTC. It also allows the Investment Officers to periodically reset performance benchmarks to reflect changing investment objectives and constraints.

Fiscal Impact: There is no fiscal impact to the approval of this investment policy.

Attachment:

- A. Draft Alameda CTC Investment Policy May 2022

Alameda County Transportation Commission
Investment Policy
DRAFT
May 202~~1~~

I. Introduction

The intent of the Investment Policy of the Alameda County Transportation Commission (Alameda CTC) is to define the parameters within which funds are to be managed. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal and investment management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow Alameda CTC's Investment Officers (as defined below) to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements, including the California Government Code.

III. Scope

This policy applies to activities of Alameda CTC with regard to investing the financial assets of all funds (except bond funds and retirement funds). In addition, any funds held by trustees or fiscal agents are excluded from these rules; however, all such funds are subject to regulations established by the State of California.

Note that any excluded funds such as employee retirement funds, proceeds from certain bond issuances and Other Postemployment Benefits (OPEB) trust assets are covered by separate policies.

IV. General Objectives

The primary objectives, in order of priority, of investment activities shall be:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit and interest rate risk.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. *Return*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. Standard of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

2. Delegation of Authority and Responsibilities

Responsibilities of the Commission - The Commission, in its role as Alameda CTC's governing body, will retain ultimate fiduciary responsibility for the portfolios. They will receive quarterly reports for review, designate Investment Officers and annually review and adopt the investment policy.

The Commission hereby designates the Executive Director and the Deputy Executive Director of Finance and Administration, as Treasurer, as the Investment Officers.

Responsibilities of the Investment Officers - The Investment Officers are jointly responsible for the operation of the investment program. The Investment Officers shall act in accordance with written procedures and internal controls for the operation of the investment program consistent with the Investment Policy. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

Responsibilities of the Investment Advisor - Alameda CTC may engage the services of one or more external investment advisors to assist in the management of the investment portfolio in a manner consistent with Alameda CTC's objectives. Investment advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy and the California Government Code and must be registered under the Investment Advisors Act of 1940 or be a bank, regulated by the Office of the Comptroller of the Currency (OCC) or Federal Reserve operating under the fiduciary exemption from the Security and Exchange Commission. Any investment advisor shall be required to prepare and provide

Alameda CTC Investment Policy May 2021

comprehensive reports on Alameda CTC's investments on a monthly and quarterly basis, and as requested by Alameda CTC's Investment Officers. At no time shall the investment advisor maintain custody of Alameda CTC cash or assets.

Responsibilities of the Custodian - A third party bank custodian shall hold Alameda CTC cash and assets under management by any investment advisor in the name of Alameda CTC. The custodian shall receive direction from the investment advisor on settlement of investment transactions.

VI. Selection of Financial Institutions and Broker/Dealers

Alameda CTC's procedures are designed to encourage competitive bidding on transactions from an approved list of broker/dealers in order to provide for the best execution on transactions.

The Investment Officer, or the investment advisors, shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. This list will be developed after a process of due diligence confirming that the firms qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Alameda CTC shall purchase securities only from authorized institutions or firms.

The Investment Officer, or the investment advisor, shall obtain competitive offers on all purchases of investment instruments purchased on the secondary market whenever possible. A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform. A competitive solicitation wherein only one bid or offer price is received shall satisfy the requirements of this Investment Policy. In such circumstances where offered securities are unique to one dealer and/or competitive price comparisons are not available, best efforts will be made to document quotations for comparable or alternative securities.

VII. Safekeeping and Custody

1. Delivery vs. Payment

All trades of marketable securities will be executed on a delivery vs. payment (DVP) basis to ensure that securities are deposited in Alameda CTC's safekeeping institution prior to the release of funds.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by Alameda CTC's Investment Officers. All securities will be evidenced by safekeeping receipts in Alameda CTC's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

3. Internal Controls

The Investment Officers are responsible for establishing, maintaining and documenting an internal control structure designed to ensure that the assets of Alameda CTC are protected from loss, theft or misuse. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of Alameda CTC.

VIII. Authorized Investments

The following investments will be permitted by this policy and are those authorized in the California Government Code.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 100%
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 100%
 - c. Type: Senior and fully guaranteed debt obligations
 - d. Maximum per issuer: 35%
3. Repurchase Agreements used solely as short-term investments.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in VIII 1 and 2 above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to Alameda CTC's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by Alameda CTC for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

Alameda CTC Investment Policy May 2021

Alameda CTC or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

Alameda CTC may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$25 billion and having debt rated in the highest short-term rating category as provided by a nationally recognized statistical rating organization.

Alameda CTC will enter into a Master Repurchase Agreement, substantially in the form approved by the Securities Industry and Financial Markets Association (SIFMA) and by Alameda CTC's counsel, with each firm with which it enters into Repurchase Agreements.

- a. Maximum maturity: 90 days
 - b. Maximum percent of portfolio: 20%
4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 10%
 - c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
 - d. Maximum per issuer: 5%
5. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency or authority of any of the other 49 states, in addition to California.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 10%
 - c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
 - d. Maximum per issuer: 5%
6. Bankers' Acceptances, otherwise known as bills of exchange or time drafts which are drawn on and accepted by a commercial bank.
 - a. Maximum maturity: 180 days
 - b. Maximum percent of portfolio: 40%
 - c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
 - d. Maximum per issuer: 5%

7. Commercial paper rated in the highest two short-term rating categories, as provided by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); and (c) has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.
 - a. Maximum maturity: 270 days
 - b. Maximum percent of portfolio: 40%
 - c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
 - d. Maximum per issuer: 5%

No more than 40% of the total portfolio may be invested cumulatively in commercial paper or asset-backed commercial paper as defined in Section 8 below. No more than 10% of the outstanding commercial paper of any single issuer may be purchased. No more than 10% of the total portfolio may be invested in the commercial paper and medium-term notes of a single issuer.

8. Asset-backed commercial paper of "prime" quality and issued by an entity organized within the United States as a special purpose corporation, trust, or limited liability company. The entity that issues the asset-backed commercial paper must meet all of the following conditions: (a) is rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization; and (b) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 - a. Maximum maturity: 270 days
 - b. Maximum percent of portfolio: 40%
 - c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
 - d. Maximum per issuer: 5%

No more than 40% of the total portfolio may be invested cumulatively in asset-backed commercial paper or commercial paper as defined in Section 7 above. No more than 10% of the outstanding commercial paper of any single issuer may be purchased. No more than 10% of the total portfolio may be invested in the commercial paper and medium-term notes of a single issuer.

9. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated a minimum of "A" or its equivalent by a nationally recognized statistical rating organization.

- a. Maximum maturity: 5 years
- b. Maximum percent of portfolio: 30%
- c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
- d. Maximum per issuer: 5%

No more than 10% of the total portfolio may be invested in the medium-term notes and commercial paper of a single issuer.

10. Asset-backed securities, including any consumer receivable pass-through certificate, equipment lease-backed certificate, consumer receivable backed bond, or other pay-through bond with a maximum maturity of five years or less. Asset-backed securities shall be rated "AAA" or its equivalent or better by a nationally recognized statistical rating organization.

- a. Maximum Maturity: 5 years
- b. Maximum percent of portfolio: 20%
- c. Minimum credit quality: AAA (S&P); or Aaa (Moody's); or AAA (Fitch)
- d. Maximum per issuer: 5%

11. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California.

- a. Maximum maturity: 1 year
- b. Maximum percent of portfolio: 10%
- c. Maximum per issuer: 5%

12. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

- a. Maximum maturity: 3 years
- b. Maximum percent of portfolio: 30%
- c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
- d. Maximum per issuer: 5%

13. State of California Local Agency Investment Fund (LAIF)

Although LAIF may invest in securities not permitted in the Alameda CTC's Investment Policy, such investments shall not exclude LAIF from the Alameda CTC's list of eligible investments, provided that LAIF's periodic reports allow the Investment Officer to adequately assess the risk inherent in LAIF's portfolio. Funds invested in LAIF will follow LAIF policies and procedures.

- a. Maximum dollar limit: as determined by LAIF

Alameda CTC Investment Policy May 2021

The LAIF portfolio shall be reviewed annually in order to monitor its continuing suitability as an investment option for the Alameda CTC.

14. The California Asset Management Program (CAMP) and other Joint Powers Authority (JPA) Pools

Shares of beneficial interest, issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities authorized by California Government Code Section 53601 subdivisions (a) to (r), inclusive, and that has retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission having not less than five years of experience investing in the securities and obligations authorized by California Government Code Section 53601 and having at least five hundred million dollars (\$500,000,000) under management.

a. Maximum dollar limit: double the LAIF limit

The CAMP and other JPA Pools shall be reviewed annually in order to monitor its continuing suitability as an investment option for Alameda CTC. Funds invested in CAMP will follow CAMP policies and procedures.

15. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

a. Maximum percent of portfolio: 20%

b. Maximum per Prime Money Market Fund: 5%

c. Maximum per Government Money Market Fund: 10%

d. Minimum credit quality: AAAM (S&P); or Aaa-mf (Moody's); AAAMmf (Fitch)

16. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank and eligible for purchase and sale within the United States.

a. Maximum maturity: 5 years

b. Maximum percent of portfolio: 10%

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- c. Minimum credit quality: AA (S&P); or Aa (Moody's); or AA (Fitch)

Important Notes:

- a) The percentage limitation for all categories of investments and individual issuers refers to the percentage in the overall Alameda CTC portfolio on the date the security or shares are purchased as measured by the settlement date.
- b) The individual security term to maturity restrictions of this Investment Policy shall be based upon the settlement date.
- c) The credit rating requirements of this Investment Policy shall apply at the time of purchase. If the credit rating of a security is downgraded below the minimum required rating level for a new investment of that security type subsequent to its purchase, the investment advisor shall promptly notify the Investment Officer. The Investment Officer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Officer will apply the general objectives of safety, liquidity, yield and legality to make the decision.

IX. Ineligible Investments

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to:

1. "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating-rate notes, or any other complex variable-rate or structured note;
2. Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity except for the purchase of securities issued or backed by the United States government in the event of, and for the duration of, a period of negative market interest rates;
3. Non-agency mortgage-backed pass-through securities;
4. Other non-agency mortgage-backed securities; and
5. Non-agency collateralized mortgage obligations.

X. Investment Parameters

1. Credit Risk – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The diversification requirements included in Section VIII are

designed to mitigate credit risk. Alameda CTC shall additionally mitigate credit risk by adopting the following diversification strategies:

- a. Avoiding overconcentration in any one issuer or business sector;
 - b. Limiting investments in securities with higher credit risks; and
 - c. Maintaining a portion of the portfolio in a highly liquid investment such as LAIF
2. Market Risk - Market risk is the risk that the portfolio will fluctuate due to changes in the general level of interest rates. Alameda CTC recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. Alameda CTC shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cash flow purposes. Alameda CTC further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. Alameda CTC, therefore, adopts the following strategies to control and mitigate its exposure to market risk:
- a. Alameda CTC shall invest in securities with varying maturities, maintaining a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
 - b. The maximum percent of callable securities in the portfolio shall be 25%;
 - c. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy;
 - d. Liquidity funds will be held in LAIF, CAMP or in money market instruments maturing within one year or less or held in securities with maturities matched to anticipated expenditures;
 - e. Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will only be invested in higher quality and liquid securities; and
 - f. The duration of the Core or benchmarked portion of the portfolio shall at all times be approximately equal to the duration of a Market Benchmark Index selected by Alameda CTC based on Alameda CTC's investment objectives, constraints and risk tolerances, plus or minus 25%.
3. Maximum percentages for a particular issuer or investment type may be

exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

XI. Performance and Program Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar weighted average maturity and credit profile commensurate with investment risk constraints and liquidity needs of Alameda CTC.

Alameda CTC may periodically update the performance benchmarks to reflect current investment objectives and constraints and shall communicate such changes to the investment advisor.

Appendix I

AUTHORIZED INVESTMENTS SUMMARY TABLE

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
U.S. Treasury Notes, Bonds, Bills or Certificates of Indebtedness	100%	100%	None	5 years	5 years	NA	NA
Federal or U.S. Sponsored Obligations fully guaranteed by Federal Agencies or U.S. Government Sponsored Enterprises	100%	100%	Max 35% per issuer	5 years	5 years	NA	Senior and Fully Guaranteed Debt
Repurchase Agreements	NA	20%	Strict collateral requirements; Master Repurchase Agreement	1 year	90 days	NA	NA
State of California and California Local Agency Bonds	NA	10%	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
Bonds of any of the other 49 states in addition to California	NA	10%	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)

Alameda CTC Investment Policy May 2022~~1~~

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Bankers' Acceptances	40%	40%	Max 5% per issuer	180 days	180 days	NA	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch)
Commercial paper of U.S. corporations with total assets exceeding \$500,000,000	40%	40%	Max 10% of outstanding paper of any single issuer & max 5% of portfolio of any one issuer	270 days	270 days	A-1 or P-1 or F-1	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch)
Asset-backed commercial paper issued by entities organized in the U.S.	40%	40%	Max 10% of outstanding paper of any single issuer & max 5% of portfolio of any one issuer	270 days	270 days	A-1 or P-1 or F-1	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch)
Medium Term Corporate Notes of U.S. Corporations	30%	30%	Max 5% per issuer	5 years	5 years	A	A (S&P) or A2 (Moody's) or A (Fitch)
Asset-Backed Securities	20%	20%	Max 5% per issuer	5 years	5 years	AA	AAA (S&P) or Aaa (Moody's) or AAA (Fitch)
California Collateralized Time Deposits	NA	10%	Max 5% per issuer	NA	1 year	NA	NA

Alameda CTC Investment Policy May 2022~~1~~

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Negotiable Certificate of Deposits	30%	30%	Max 5% per issuer	5 years	3 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
State of California- Local Agency Investment Fund (LAIF)	NA	NA	As limited by LAIF	NA	NA	NA	NA
California Asset Management Program <u>and other Joint Powers Authority Pools</u>	NA	NA	Double the LAIF limit	NA	NA	NA	NA
Shares of Beneficial Interests (Money Market Funds)	20%	20%	Max 5% per Prime fund, Max 10% per Government fund	NA	N/A	AAA	AAAm (S&P) or Aaa-mf (Moody's) or AAmmf (Fitch)
Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank	30%	10%	NA	5 years	5 years	AA	AA (S&P) or Aa (Moody's) or AA (Fitch)



Memorandum

4.7

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Vanessa Lee, Clerk of the Commission

SUBJECT: Approve Commissioner Travel for Alameda CTC Presentation

Recommendation

It is recommended that the Commission approve Commission Chair Bauters' travel for a presentation of Alameda CTC projects and programs to the Port Authority of New York and New Jersey on June 30, which will add one day of travel to the previously approved travel for Measure BB bond financing related activities.

Summary

Per the Commissioner Travel and Expenditure Policy, all travel for Alameda CTC Commissioners must be preapproved by the Finance and Administration Committee or the Commission to be eligible for reimbursement under this Policy.

- The Chair will join staff in attending Measure BB bond financing outreach events in New York and other east coast locations as well as the actual bond sale in New York all in one combined trip currently scheduled for late June 2022, which was approved by the Commission in March 2022.
- This recommendation will add one more day of travel onto this previous approval to allow Chair Bauters to present to the Port Authority of New York and New Jersey on Alameda CTC projects and programs in response to a request from the Port.

Approval of this item will authorize Commissioner Bauters to be reimbursed for all reasonable and necessary expenditures while traveling on authorized agency business.

Background

The Chair of the Commission will join staff traveling to New York and other east coast locations to hold institutional investor outreach events to inform institutional investment

advisors about Alameda CTC, its leadership, and the projects and programs in the Measure BB program in order to obtain interest in Alameda CTC bonds before the sale, and as part of the same trip, attend the actual Measure BB bond sale event in New York.

The Chair was requested by the Port Authority of New York and New Jersey to present on Alameda CTC workplan items, and this request will add one more day of travel to the previously approved financing travel.

Requests for reimbursement of expenditures incurred during these travel events must be submitted on the authorized Alameda CTC Expense Reimbursement Form within 30 calendar days after the conclusion of the trips along with required documentation per the adopted policy.

Fiscal Impact: The fiscal impact of this item includes all reasonable and necessary expenditures incurred during travel, which are already included in the updated FY2021-22 budget.



Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SUBJECT: Approve Measure B and Measure BB Sales Tax Budget Update for FY2021-22

Recommendation

It is recommended that the Commission approve:

- An increase to the Alameda CTC Measure B sales tax revenue budget for FY2021-22 from the currently adopted amount of \$119.0 million to \$138.0 million for an increase of \$19.0 million and an increase in the corresponding direct local distribution expenditure authority based on the formulas established in the 2000 Transportation Expenditure Plan regardless of actual collection amounts, and
- An increase to the Alameda CTC Measure BB sales tax revenue budget for FY2021-22 from the currently adopted amount of \$195.0 million to \$214.5 million for an increase of \$19.5 million and an increase in the corresponding direct local distribution expenditure authority based on the formulas established in the 2014 Transportation Expenditure Plan regardless of actual collection amounts.

Summary

The proposed Measure B and Measure BB revenue increases to the budget are 16.0 and 10.0 percent higher than the currently adopted budgets. Based on receipts to date, sales tax revenues are projected to out-perform the conservative projections in the budget proposed during the pandemic. Overall receipts for the first half of the fiscal year were higher than budget by about 16 percent and generally came in slightly higher in the first half of the fiscal year mostly due to holiday spending. This revised projection brings the agency total sales tax projections for the agency to a total of \$352.5 million for the fiscal year which is higher than the agency's historical peak collection level of \$341 million which occurred last year. These revised sales tax projections will be included as a budget adjustment to the FY2021-22 budget, increasing projected revenues overall by \$38.5 million and the corresponding direct

local distribution (DLD) budgeted expenditures based on the formulas established in the 2000 and 2014 Transportation Expenditure Plans.

Background

An adjustment to sales tax revenues in the budget is not always necessary once it has been established, however, when actual revenues are coming in higher than budget, it is imperative that we ensure that the agency has adequate legal expenditure authority to allow for the transfer of all required DLD funds to the member agencies as sales tax revenues are collected. For this reason, staff recommends the Commission adopt this sales tax revenue budget update for FY2021-22.

Fiscal Impact: The fiscal impact of approving the proposed FY2021-22 sales tax revenue and expenditure budget update would be to provide additional resources of \$38.5 million and authorize the corresponding DLD expenditures to member agencies based on the formulas established in the 2000 and 2014 Transportation Expenditure Plans regardless of actual sales tax collection amounts.



Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Alameda County Transportation Commission

FROM: Patricia Reavey, Deputy Executive Director of Finance and Admin.
Lily Balinton, Director of Finance

SUBJECT: Alameda CTC FY2022-23 Proposed Budget

Recommendation

It is recommended that the Commission approve the Alameda CTC Proposed Budget for FY2022-23.

Summary

The Alameda CTC FY2022-23 Proposed Consolidated Budget (Proposed Budget) demonstrates a sustainable, balanced budget utilizing projected revenues and fund balance in some funds to fund total expenditures. The roll forward fund balance in the Measure BB Capital Fund contains projected bond proceeds included in the adopted FY2021-22 mid-year budget update. The Proposed Budget has been prepared based on the modified accrual basis of accounting, which is consistent with the basis of accounting utilized to prepare the agency's audited financial statements. It has been segregated by fund type and includes an adjustment column in order to eliminate interagency revenues and expenditures on a consolidated basis. The fund types included are General Funds, Express Lanes Fund, Special Revenue Funds, Exchange Fund, Debt Service Funds, and Capital Projects Funds.

The Proposed Budget is summarized in Attachment A of this staff report and contains projected revenues totaling \$410.9 million and anticipated expenditures of \$429.3 million. Salaries and benefits expenditures are nominal as compared to total budgeted expenditures. These revenue and expenditure totals constitute a net decrease in fund balance of \$18.4 million and a projected consolidated ending fund balance of \$657.6 million.

Approval of the Proposed Capital Program budget is requested for the total amount found in the "Proposed FY2022-23 Capital Budget w/ Estimated Rollover" column on the attached FY2022-23 Proposed Capital Programs Budget sheet (Attachment B). This column includes both the additional capital budget amount requested for FY2022-23 as well as an estimated

rollover balance from the adopted FY2021-22 budget. The capital program amount carried forward to the Proposed Consolidated Budget sheet (Attachment A) does not include the roll forward budget authority because the expenditure amount is still included in the approved budget for FY2021-22 and, therefore, is already netted out of the projected roll forward fund balance from the FY2021-22 adopted budget. During the mid-year budget update process, the roll forward fund balance will be updated to actual based on audited financial statements. Consequently, the capital program budget amount on the FY2022-23 Proposed Consolidated Mid-Year Budget Update spreadsheet, which will come to the Commission for approval later in FY2022-23, will be for the full capital budget including both the actual roll forward balance from FY2021-22 and any additional requested capital budget for FY2022-23. This methodology is necessary to ensure accurate and reliable fund balance information in the Alameda CTC budget.

Direct local distribution (DLD) expenditures are distributed using a formula established in the 2014 Transportation Expenditure Plan (2014 TEP) and are estimated in the Proposed Budget based on projected sales tax revenues. Approval of DLD expenditures is requested based on actual revenues received, regardless of sales tax revenue projected, in order to allow staff to continue to pass through the DLD funding required in the 2014 TEP to the member agencies on a monthly basis.

The Proposed Budget includes revenues and expenditures necessary to provide vital programs and planning projects for Alameda County and to deliver significant capital projects that expand access and improve mobility in Alameda County consistent with the updated Comprehensive Investment Plan (CIP) adopted in April 2022.

In January 2014, the Commission adopted a General Fund Balance Reserve Policy to conform to best practices in mitigating risk for the agency. The policy was developed in accordance with best practice recommendations by the Government Finance Officers' Association. Alameda CTC has included the General Fund balance reserve amount in this budget which is calculated based on 2 months' worth of expenditures in the General Fund and 1 months' worth of expenditures in all other funds and amounts to \$36.7 million. The Express Lanes Fund includes a maintenance reserve carried over from prior years of \$5.0 million, and the operational risk reserve in this fund remains at the goal level of \$20.0 million, which was established in the approved I-580 Express Lane 20 Year Expenditure Plan. The reserves in this budget are in line with best practices and are necessary to ensure financial stability and the ability to fund maintenance when needed on the I-580 Express Lanes and to cover unanticipated expenses, such as those related to commitments in the operations and maintenance agreement with Caltrans, and loss of revenue due to unexpected events such as the COVID-19 pandemic, catastrophic failure of the toll lane systems, or a natural disaster, which are not covered by insurance. This budget also allows for the I-580 Express Lanes Fund to pay the \$15.4 million balance due on the loan from Measure B used to construct the lanes. The total amount of all reserves in the Proposed Budget is \$61.7 million which is 8.5 percent of total expenditures including the roll forward capital budget.

Background

Development of the Proposed Budget for FY2022-23 focused on the mission and core functions of Alameda CTC that will enable Alameda CTC to plan, fund and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County. It includes funding to support the agency's key initiatives related to:

- Community
 - Deliver safe, community-supported multimodal projects
 - Increase accessibility for all transportation users
 - Modernize infrastructure
- Economy
 - Advance projects to support economic vitality, jobs, safety and access
 - Meet/exceed Local Business Contract Equity Program goals
 - Strengthen partnerships to expand to employment, services and education
- Equity
 - Expand community engagement
 - Advance multimodal projects that promote equity
 - Expand senior and youth safety and access programs
- Clean Mobility
 - Support emerging technologies (alternative fuels, reduce GHG emissions)
 - Implement projects and programs resulting in sustainable transportation and land use strategies
 - Launch new Mobility Roadmap, expanding clean transportation
- Accountability
 - Develop sustainable and balanced budgets
 - Ensure transparency
 - Contracting to support economic recovery, jobs and local and small businesses

The Proposed Budget includes funding for all approved agency positions filled or planned to be filled in FY2022-23. Salaries and benefits in the Proposed Budget account for 1.3 percent of budgeted expenditures including roll forward capital budget authority.

The 2014 Measure BB Salary and Benefits Limitation ratio and the 2000 Measure B and 2014 Measure BB Administrative Cost Limitation ratios were calculated based on the revenues and expenditures in the Proposed Budget and were found to be compliant with requirements in the Transportation Expenditure Plans and the Public Utility Code.

Fiscal Impact: The fiscal impact if the FY2022-23 Proposed Consolidated Budget is approved will be to provide resources of \$410.9 million and authorize expenditures of \$429.3 million, with an overall decrease in fund balance of \$18.4 million for a projected ending fund balance of \$657.6 million.

Attachments:

- A. Alameda CTC Fiscal Year 2022-23 Proposed Consolidated Budget
- B. Alameda CTC Fiscal Year 2022-23 Proposed Capital Programs Budget

**Alameda County Transportation Commission
Fiscal Year 2022-23
Proposed Consolidated Budget**

5.2A

	General Funds	Express Lanes Fund	Special Revenue Funds	Exchange Fund	Debt Service Fund	Capital Projects Funds	Inter-Agency Adjustments/ Eliminations	Total
Projected Beginning Fund Balance:	\$ 102,341,444	\$ 41,255,043	\$ 170,503,850	\$ 6,468,362	\$ 9,810,884	\$ 345,559,320	\$ -	\$ 675,938,902
Revenues:								
Sales Tax Revenues	\$ 14,400,000	\$ -	\$ 252,085,842	\$ -	\$ -	\$ 93,514,158	\$ -	\$ 360,000,000
Investment Income	330,000	175,000	670,000	55,000	-	1,070,000	-	2,300,000
Member Agency Fees	1,596,879	-	-	-	-	-	-	1,596,879
VRF Funds	-	-	12,000,000	-	-	-	-	12,000,000
TFCA Funds	-	-	1,935,000	-	-	-	-	1,935,000
Toll Revenues	-	11,000,000	-	-	-	-	-	11,000,000
Toll Violation and Penalty Revenue	-	1,200,000	-	-	-	-	-	1,200,000
Other Revenues	-	-	13,100	-	14,500,000	-	(14,513,100)	-
Regional/State/Federal Grants	2,043,253	-	3,045,744	-	-	13,500,000	-	18,588,997
Local and Other Grants	-	-	-	187,149	-	2,090,238	-	2,277,387
Total Revenues	18,370,132	12,375,000	269,749,686	242,149	14,500,000	110,174,396	(14,513,100)	410,898,263
Expenditures:								
<u>Administration</u>								
Salaries and Benefits	3,010,094	-	-	-	-	5,661	-	3,015,754
General Office Expenses	2,333,244	-	400	-	-	10,000	(400)	2,343,244
Travel Expense	52,000	-	-	-	-	-	-	52,000
Debt Service	-	-	-	-	14,500,000	-	-	14,500,000
Debt Financing Issuance Cost	-	-	-	-	-	1,000,000	-	1,000,000
Professional Services	3,256,123	-	105,000	-	-	225,000	-	3,586,123
Commission and Community Support	236,825	-	12,700	-	-	-	(12,700)	236,825
Contingency	500,000	-	-	-	-	-	-	500,000
<u>Freeway Operations</u>								
Salaries and Benefits	-	169,998	-	-	-	-	-	169,998
Operating Expenditures	-	6,634,100	-	-	-	-	-	6,634,100
Special Project Expenditures	-	2,860,000	-	-	-	-	-	2,860,000
<u>Planning</u>								
Salaries and Benefits	1,369,203	-	-	-	-	-	-	1,369,203
Transportation Planning/Transportation Expenditure Plan	-	-	1,470,000	-	-	-	-	1,470,000
<u>Programs</u>								
Salaries and Benefits	126,977	-	2,801,636	52,875	-	-	(72,802)	2,908,686
Programs Management and Support	430,000	-	1,003,320	-	-	-	-	1,433,320
Safe Routes to School Programs	-	-	3,221,264	-	-	-	-	3,221,264
VRF Programming	-	-	18,898,244	-	-	-	-	18,898,244
Measure BB Direct Local Distribution	-	-	183,218,112	-	-	-	-	183,218,112
Grant Awards	-	-	18,468,000	-	-	-	-	18,468,000
TFCA Programming	-	-	3,577,000	-	-	-	-	3,577,000
Exchange Fund Programming	-	-	-	123,026	-	-	-	123,026
<u>Capital Projects</u>								
Salaries and Benefits	-	3,461	-	-	-	1,850,643	(47,011)	1,807,093
Capital Project Expenditures	-	(1,240)	(3,611,573)	11,248	-	161,493,591	-	157,892,027
<u>Indirect Cost Recovery/Allocation</u>								
Indirect Cost Recovery from Capital, Spec Rev & Exch Funds	(119,813)	-	-	-	-	-	119,813	-
Total Expenditures	11,194,653	9,666,319	229,164,104	187,149	14,500,000	164,584,894	(13,100)	429,284,020
Interfund Transfer	-	-	(14,500,000)	-	-	-	14,500,000	-
Net Change in Fund Balance	7,175,479	2,708,681	26,085,582	55,000	-	(54,410,499)	-	(18,385,758)
Projected Ending Fund Balance	109,516,922	43,963,724	196,589,431	6,523,362	9,810,884	291,148,821	-	657,553,145
Freeway Maintenance Contributions	-	5,000,000	-	-	-	-	-	5,000,000
Fund Balance/Operational Reserves	36,707,648	20,000,000	-	-	-	-	-	56,707,648
Loan Repayment I-580 EL to MB	-	15,422,142	-	-	-	-	-	15,422,142
Projected Net Fund Balance	\$ 72,809,275	\$ 3,541,582	\$ 196,589,431	\$ 6,523,362	\$ 9,810,884	\$ 291,148,821	-	\$ 580,423,355

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**Alameda County Transportation Commission
Fiscal Year 2022-23
Proposed Capital Programs Budget**

5.2B

Capital Programs	(A)	(B)	(A) - (B) = (C)	(D)	(C) + (D) = (E)	Funding			
	Adopted FY 2021-22 Capital Budget	Estimated FY 2021-22 Expenditures	Estimated FY 2021-22 Rollover to FY 2022-23	Proposed FY 2022-23 Capital Budget Request	Proposed FY 2022-23 Capital Budget w/ Estimated Rollover	Total Local	Total Regional	Total State	Total Federal
1986 Measure B Capital Program	\$ 6,021,207	\$ 31,227	\$ 5,989,981	\$ 500,000	\$ 6,489,981	\$ 6,489,981	\$ -	\$ -	\$ -
2000 Measure B Capital Program	64,558,434	1,134,314	63,424,120	(27,512,478)	35,911,642	35,911,642	-	-	-
2000 Measure B SRF Discretionary Capital Program	-	-	-	105,000	105,000	105,000	-	-	-
2014 Measure BB Capital Program	249,524,185	53,670,534	195,853,651	188,266,474	384,120,125	331,761,772	300,000	48,158,650	3,899,703
2014 Measure BB SRF Discretionary Capital Program	15,630,964	151,702	15,479,262	(3,611,573)	11,867,690	11,867,690	-	-	-
Non-Sales Tax Capital Program	6,654,682	164,816	6,489,865	2,090,238	8,580,103	6,311,965	1,627,813	640,324	-
Non-Sales Tax Exchange Fund Capital Program	6,107,769	293,035	5,814,734	11,248	5,825,982	5,825,982	-	-	-
Non-Sales Tax SRF Capital Program	1,185,419	193,000	992,419	-	992,419	992,419	-	-	-
Express Lanes Capital Program	3,994,929	-	3,994,929	2,221	3,997,150	3,997,150	-	-	-
	<u>\$ 353,677,589</u>	<u>\$ 55,638,627</u>	<u>\$ 298,038,962</u>	<u>\$ 159,851,131</u>	<u>\$ 457,890,092</u>	<u>\$ 403,263,601</u>	<u>\$ 1,927,813</u>	<u>\$ 48,798,975</u>	<u>\$ 3,899,703</u>

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ALAMEDA COUNTY TRANSPORTATION COMMISSION

FY2022-23 Proposed Budget

A presentation by

Lily Balinton
Director of Finance
May 9, 2022



Budget Development Goals

Provides revenues and expenditures to deliver on the agency's mission and support key initiatives, consistent with the Comprehensive Investment Plan.

- Includes the allocation of resources and funding for:
 - Community – delivering safe, community supported multimodal projects; increasing accessibility for all transportation users; and modernizing infrastructure
 - Economy – advancing projects to support economic vitality, jobs, safety and access; meeting/exceeding LBCE Program goals; and strengthening partnerships to expand to employment, services and education
 - Equity – expanding community engagement; advancing multimodal projects that promote equity; and expanding senior and youth safety and access programs
 - Clean mobility – Supporting emerging technologies and implementing projects and programs resulting in sustainable transportation and land use strategies



Overview of Proposed Budget

- Budget control by fund type.

Fund types include:

- General Fund
- Express Lanes Fund
- Special Revenue Funds
- Exchange Fund
- Debt Service Fund
- Capital Projects Funds



Overview of Proposed Budget (cont'd)

Significant programming, planning, and programs activities in the budget include:

- Measure BB Direct Local Distributions and Measure B and Measure BB Discretionary Grants Funding Programs
- Vehicle Registration Fee Program
- Transportation Funds For Clean Air Program
- Affordable Student Transit Pass Program
- Safe Routes to School (SR2S) Program
- Congestion Management Programs
- Transportation Planning Projects (e.g. multi-modal plans, I-580 Corridor Strategy)



Overview of Proposed Budget (cont'd)

Significant capital projects in the budget include:

Construction

- GoPort Program of Projects – FITS, 7SGSE
- I-80 Gilman Interchange Improvements
- SR-84 Widening and SR-84/I-680 Interchange Improvements
- I-680 Express Lane - Southbound Gap Closure
- BART 19th Street Modernization

Design

- Oakland Alameda Access
- East Bay Greenway Phase 1
- Union City Boulevard Bike Lanes Phase 2
- Irvington BART Station



Overview of Proposed Budget (cont'd)

Significant capital projects in the budget include:

Environmental

- I-80 Ashby Interchange Improvements
- I-880 Whipple – Industrial Interchange Improvements
- I-880 Winton – A Street Interchange Improvements
- SR-262 (Mission Boulevard) Cross Connector

Planning (multiple phases)

- East 14th/Mission and Fremont Blvd. Multimodal Corridor
- San Pablo Avenue Multimodal Corridor



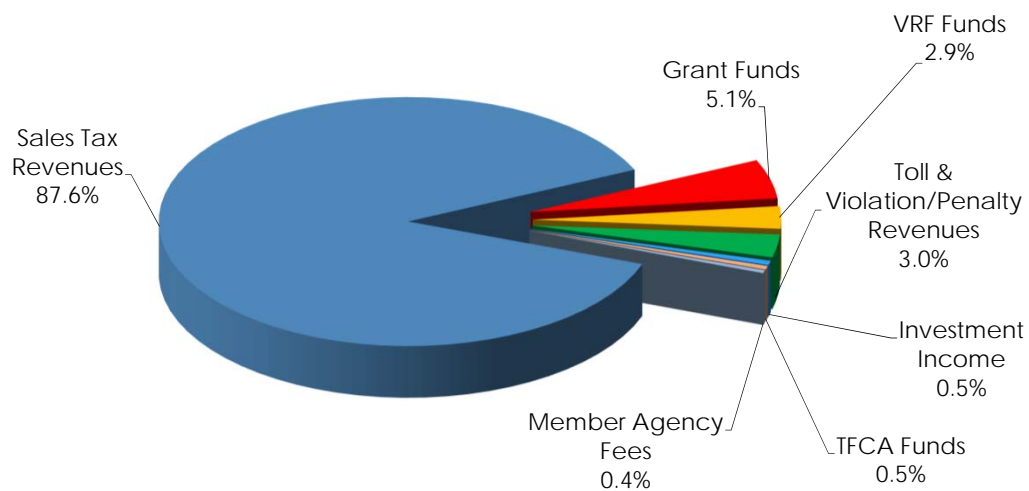
Alameda County Transportation Commission

Fiscal Year 2022-23 Proposed Consolidated Budget

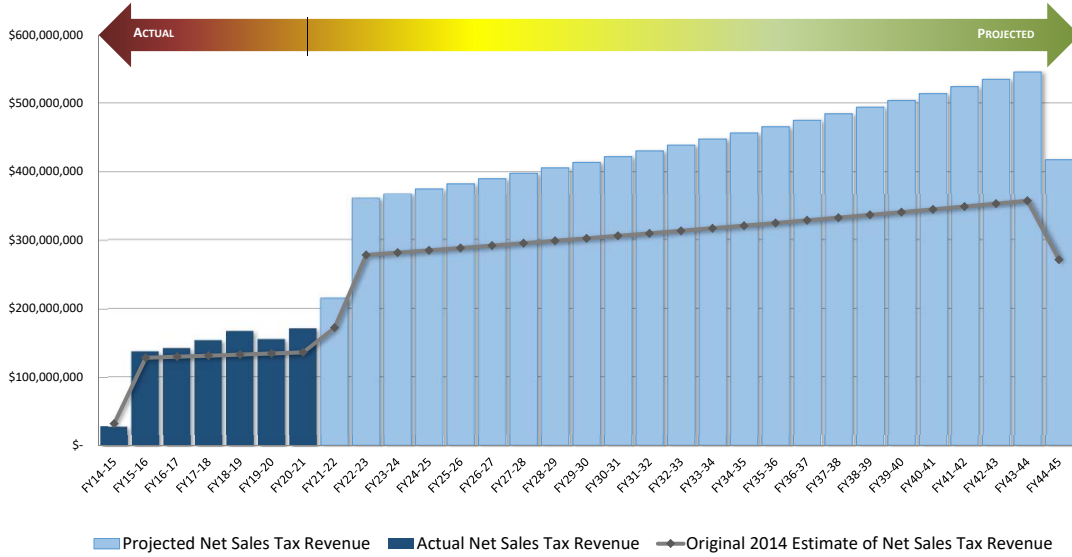
REVENUES	(\$ in Millions)
Sales Tax Revenues	\$360.0
Grant Funds	20.9
Toll and Violation/Penalty Revenues	12.2
VRF Funds	12.0
Investment Income	2.3
TFCA Funds	1.9
Member Agency Fees	1.6
Total Revenues	\$410.9



Alameda CTC FY2022-23 Revenues



Measure BB Sales Tax Revenues



Alameda CTC FY2022-23 Proposed Consolidated Budget

Alameda County Transportation Commission

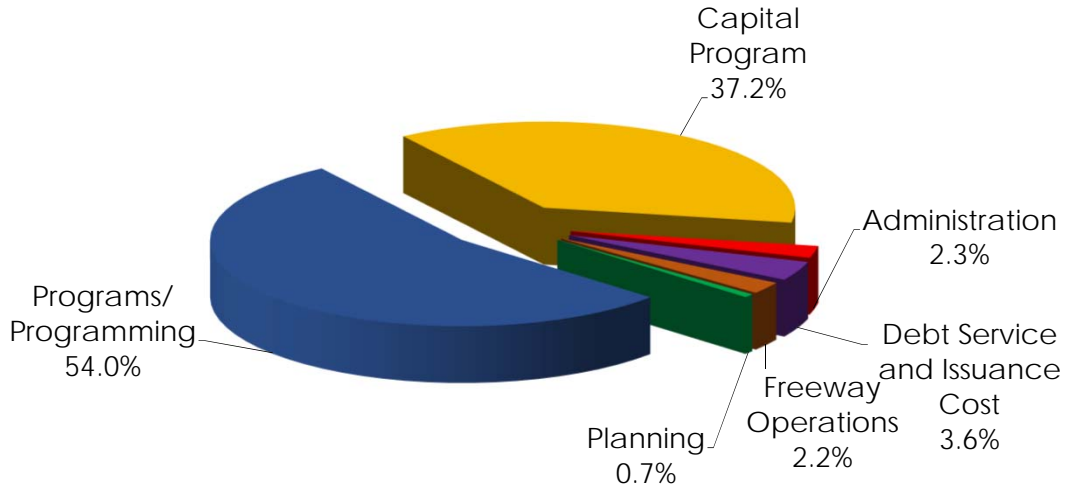
Fiscal Year 2022-23 Proposed Consolidated Budget

EXPENDITURES	(\$ in Millions)
Administration	\$9.7
Debt Service and Debt Issuance Cost	15.5
Freeway Operations/Special Projects	9.7
Planning	2.8
Programs/Programming	231.9
Capital Program	159.7
Total Expenditures	\$429.3



Alameda CTC FY2022-23 Proposed Consolidated Budget

Alameda CTC FY2022-23 Expenditures



Alameda County Transportation Commission

Fiscal Year 2022-23 Proposed Consolidated Budget Summary (\$ in Millions)

Projected Beginning Fund Balance		\$675.9
REVENUES		
Sales Tax Revenues	\$360.0	
Grant Revenues	20.9	
Toll and Violation/Penalty	12.2	
VRF Revenues	12.0	
Other Income	5.8	
Total Revenues		410.9
EXPENDITURES		
Administration	9.7	
Debt Service	15.5	
Freeway Operations	9.7	
Planning	2.8	
Programs/Programming	231.9	
Capital Program	159.7	
Total Expenditures		(429.3)
Projected Ending Fund Balance		\$657.5



Alameda County Transportation Commission

Fiscal Year 2022-23 Reserves (\$ in Millions)

Projected Ending Fund Balance		\$657.5
RESERVES/SET ASIDES		
Fund Balance	\$36.7	
I-580 Express Lanes Maintenance	5.0	
I-580 Express Lanes Operational Risk	20.0	
I-580 Loan Repayment to Measure B	15.4	
Total Reserves and Set Asides		(77.1)
Projected Net Fund Balance		\$580.4



Conclusion

- A sustainable Alameda CTC FY2022-23 proposed budget
- Staff recommends approval of the proposed budget with the following fiscal impacts:
 - Provide resources of \$410.9 million
 - Authorize expenditures of \$429.3 million
 - Overall decrease in fund balance of \$18.4 million
 - Projected ending fund balance of \$657.5 million





Memorandum

5.3

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: Debt Issuance for the Measure BB Capital Program

Recommendation

It is recommended that the Commission approve the structure and issuance of Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 for the delivery of the Measure BB capital program for a par amount not to exceed \$150 million and adopt the authorizing resolution approving financing documents in their substantially final forms.

Summary

Per the Public Utilities Code, Alameda CTC is authorized to issue limited tax bonds to finance capital expenditures as provided for in the transportation expenditure plan which are to be payable from the proceeds of the sales tax measure. The Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 (Series 2022 Bonds), to be issued in a par amount not to exceed \$150 million, will provide funding on a programmatic basis for the Measure BB capital projects program. The projects and TEP categories with the largest draw on Measure BB capital project funds over the next few years include Congestion Relief, Local Bridge Seismic Safety (TEP 26), Countywide Freight Corridors (TEP27), State Route (SR) 84/Interstate (I)-680 Interchange and SR-84 Widening (TEP 31), and I-680 High Occupancy Toll/High Occupancy Vehicle Lane from SR 237 to Alcosta (TEP 35), which together account for more than the total debt financing need. The issuance of the Series 2022 Bonds will ensure that the Measure BB program will be able to continue to meet the financing requirements of these and other projects in the Measure BB program, as well as pay debt service, both in the near term and throughout the life of the measure.

Approval of the requested action will allow for the bond issuance process to proceed expeditiously, taking advantage of what is still considered a low interest rate environment and strong bond market. In addition, the most current revenue projections and cash flow analysis for the Measure BB capital program indicates that there will be more than adequate funding available to repay the associated debt service.

The financing team has completed the following steps in the bond issuance process:

- Drafted forms of documents to meet Alameda CTC's objectives
- Created and presented a comprehensive overview of Alameda CTC, the regional economy, and the security and structure for the Series 2022 Bonds to S&P Global Ratings and Fitch and requested ratings (Staff will bring rating information to the May Commission meeting, as rating are expected to be received by then.)

Once the Commission has approved the issuance of the Series 2022 Bonds and associated documents, the next steps in the bond issuance process will be to (with approximate timing):

- Print and distribute the Preliminary Official Statement (end of May),
- Market the Series 2022 Bonds to investors via conference calls, investor meetings and web-based audio-visual presentation (mid to late June),
- Price the Series 2022 Bonds (last week of June),
- Sign the Bond Purchase Agreement (last week of June),
- Print the final Official Statement (1st week of July),
- Sign all final financing and bond documents (1st week of July), and
- Close the Series 2022 Bond sale (2nd week of July).

In order to comply with covenants in the bond documents and to maintain positive investor relations, staff will review and update procedures, as necessary, to ensure that once bonds are issued, debt service is paid accurately and timely and that continuing disclosure requirements are met. Continuing disclosure information should reflect the changes in sales tax revenues over time and includes specific events that can have a material impact on key features of the bonds. This information is loaded on the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) website at www.EMMA.MSRB.org.

Background

Objectives in Structuring the Series 2022 Bonds

In designing the structure of the Series 2022 Bonds, the financing team had the following objectives:

- Design a financing structure that can be executed quickly to take advantage of what is still considered a low interest rate environment,
- Ensure that cash flow demands were met to fund the Measure BB capital program,
- Utilize a traditional fixed-rate structure, and
- Secure a strong credit rating from both S&P Global Ratings and Fitch.

Series 2022 Bonds: Security and Preliminary Structure

The financing team reviewed several options for how the Series 2022 Bonds should be structured utilizing a traditional fixed-rate approach. The recommended security and structure includes the following elements:

- Gross pledge of Measure BB sales tax revenues, net of administration costs
- Issuance of premium-bonds with a not to exceed amount of \$150 million par value
- First principal payment is expected to be March 1, 2023
- Level debt service from 2022 - 2045
- Final maturity of the Series 2022 Bonds is expected to be March 1, 2045
- No debt service reserve fund
- Callable after 10 years at par
- Estimated Maximum Annual Debt Service (MADS) coverage of 38.7x (based on FY2021 sales tax revenues times 2 and a preliminary bond par amount of \$120.7 million)

Some of these structural features may change based on changes in market conditions between now and the time the Series 2022 Bonds are sold/priced, which is expected to be late June to early July.

Overview of Bond Documents

The recommendation is for the Commission to approve the substantially final form of several financing and bond documents that are required to execute the Series 2022 Bonds and to adopt an updated post-issuance tax compliance policies and procedures to comply with requirements established by the Internal Revenue Service applicable to issuers of tax-exempt bonds. Each of these documents has either been prepared or reviewed by bond counsel or bond disclosure counsel, Norton Rose Fulbright US LLP or Stradling Yocca Carlson & Rauth, A Professional Corporation, respectively. All financing documents also have been reviewed by Alameda CTC's general counsel and the financing team, which includes staff, PFM Financial Advisors, LLC as municipal advisors, Citigroup as senior managing underwriter and Goldman Sachs & Co. LLC and Jefferies LLC as co-managing underwriters.

Master Indenture – The master indenture is the agreement between Alameda CTC and U.S. Bank Trust Company, N.A., as trustee acting on behalf of the bond holders, which sets forth the basic terms and conditions for the transaction, creates the sales tax revenue pledge and security features, establishes the flow of funds and the duties of the bond trustee.

First Supplemental Indenture – The first supplemental indenture is the agreement between Alameda CTC and U.S. Bank Trust Company, N.A., as trustee acting on behalf of the bond holders, which sets forth the terms of the Series 2022 Bonds, including interest rates and maturity dates.

Preliminary Official Statement – The preliminary official statement (POS) is the document that is distributed to potential investors to solicit their interest in purchasing the Series 2022 Bonds. It provides information concerning the bond issue and background information concerning Alameda CTC. As required by the Securities and Exchange Commission, the document must be true and correct in all material respects, and may not have any misleading omissions. Subsequent to pricing the Series 2022 Bonds, the pricing

information will be inserted. After the pricing information is inserted, the preliminary designation is deleted from the document and the document is identified as the Official Statement, which will be distributed to all purchasers of the Series 2022 Bonds.

Bond Purchase Agreement – The bond purchase agreement is a contract between Alameda CTC and the underwriting syndicate, which is represented by Citigroup, as senior managing underwriter of the Series 2022 Bonds, under which the underwriter will purchase the Series 2022 Bonds from Alameda CTC and resell them to investors. Under this agreement, the underwriter would receive compensation based on a formula of \$1.25 per \$1,000 of bonds issued, plus actual expenses for the underwriters’ legal counsel and other costs directly related to the transaction. The level of compensation is favorable as compared with other comparably-sized bond transactions that have recently been completed. For a \$150 million bond issue, based on this formula, the underwriter’s discount would be approximately \$187,500, excluding expenses. The compensation and expense reimbursement is contingent on the closing of the transaction.

Continuing Disclosure Certificate – The continuing disclosure certificate is an agreement between Alameda CTC and U.S. Bank Trust Company, N.A., serving as Dissemination Agent, under which Alameda CTC agrees to provide certain information related to the sales tax revenues on an annual basis and to provide notices of certain specified events to the marketplace for the life of the Series 2022 Bonds.

Updated Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds – These policies and procedures are required to be established and adopted by issuers of tax-exempt bonds to ensure compliance with the requirements of federal tax law which preserve the tax-exempt status of interest on the Series 2022 Bonds.

Not to Exceed Bond Authorization

The recommended not to exceed amount of bond authorization for the Series 2022 Bonds is \$150 million. At this time, staff anticipates issuing approximately \$120.7 million in bonds. However, the maximum authorization level has been set higher in order to provide flexibility in structuring the bonds themselves, in relation to premium or discount. This flexibility will allow the Alameda CTC financing team to respond appropriately to any changes in market conditions and investor demand that may occur between now and the date of the bond sale.

Cost of Issuance

Alameda CTC will incur up to an estimated \$616,072 in costs associated with the Series 2022 Bond issuance, referred to as “costs of issuance”. These costs will be paid from the proceeds of the bond issuance and they include:

- Up to \$68,000 for PFM for acting as municipal advisor on this transaction. This amount is contingent on the closing of the transaction.

- Up to \$117,000 for Norton Rose Fulbright US LLP, to serve as bond counsel for this transaction. This amount is contingent on the closing of the transaction.
- Up to \$37,500 for Stradling Yocca Carlson & Rauth, A Professional Corporation, to serve as bond disclosure counsel for this transaction. This amount is contingent on the closing of the transaction.
- Up to an estimated \$209,322 for Citigroup/Goldman Sachs & Co. LLC and Jefferies for acting as underwriter on this transaction. This amount is contingent on the closing of the transaction.
- An estimated \$184,250 will be needed for rating agency fees, trustee fees, bond printer and other miscellaneous costs.

Remaining Steps in Series 2022 Bond Issuance

If the Commission approves the recommendation, the financing team will proceed to take the financing to market. The following steps will occur prior to the closing of the Series 2022 Bond issuance, which is currently scheduled for the week of July 11, 2022 (subject to change based on market conditions):

- Finalize the Preliminary Official Statement, print and distribute to potential investors,
- Market the Series 2022 Bonds to investors through conference calls, investor meetings and a web-based audio-visual presentation,
- Price the Series 2022 Bonds,
- Sign the Bond Purchase Agreement,
- Print the final Official Statement,
- Sign all final financing and bond documents, and
- Close the Series 2022 Bond sale.

During the sale of the Series 2022 Bonds, Alameda County residents will be given priority on bond purchase orders (meaning orders received from Alameda County residents will be filled at the final yield before others). Staff expects to report back to the Commission on the final results of the Series 2022 Bond issuance at the July 2022 Commission meeting.

Fiscal Impact: The fiscal impact for approving this item is an estimated \$9.44 million of expenses for FY2022-23. Cost of issuance expenses of up to \$616,072 will be paid out of bond proceeds and debt service costs of approximately \$8.82 million will be accrued for July through March and paid out of Measure BB sales tax revenues next fiscal year on September 1, 2022 and March 1, 2023.

All costs were included in the adopted FY2021-22 budget in case bond closing occurred in this fiscal year, but based on the current projected close and funding date for the bond sale, the FY2022-23 budget may need to be updated at mid-year to transfer bond proceeds and expenditure authority to the FY2022-23 budget.

Attachments:

- A. Authorizing Resolution – Authorizing the Issuance and Sale of Not to Exceed \$150 million Aggregate Principal Amount of Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022
- B. Indenture Between Alameda County Transportation Commission and U.S. Bank Trust Company, N.A., as Trustee Relating to Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds)
- C. First Supplemental Indenture Between Alameda County Transportation Commission and U.S. Bank Trust Company, N.A., as Trustee Relating to Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022
- D. Preliminary Official Statement for Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022
- E. Alameda County Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 Bond Purchase Agreement
- F. Continuing Disclosure Certificate by Alameda County Transportation Commission Designating U.S. Bank Trust Company, N.A., as Dissemination Agent
- G. Updated Post Issuance Tax Compliance Procedures for Tax-Exempt Bonds



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City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Tess Lengyel

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
RESOLUTION 22-008**

A RESOLUTION OF ALAMEDA COUNTY TRANSPORTATION COMMISSION AUTHORIZING \$150,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS MEASURE BB SENIOR SALES TAX REVENUE BONDS (LIMITED TAX BONDS), SERIES 2022 AND AUTHORIZING RELATED DOCUMENTS AND THE TAKING OF CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Alameda County Transportation Commission (“Alameda CTC”) a joint exercise of powers authority and public instrumentality organized under the laws of the State of California and authorized to impose taxes under the Local Transportation Authority and Improvement Act, being Section 180000 *et seq.* of the Public Utilities Code of the State of California (the “Act”); and

WHEREAS, Alameda CTC is authorized by the Act to impose retail transactions and use taxes that are applicable in the incorporated and unincorporated areas of the County of Alameda, California (the “County”), if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with the authority under the Act, on June 26, 2014 Alameda CTC passed and adopted Ordinance No. 2014-1, known as the “Alameda County Transportation Commission Transaction and Use Tax Ordinance” (the “Ordinance”), to extend an existing one-half of one percent (1/2%) transactions and use tax then set to expire on March 31, 2022, and to impose and collect an additional one-half of one percent (1/2%) tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions, i.e. a total of one percent (1.0%) tax (together, the “Measure BB Sales Tax”) to finance transportation improvements; and

WHEREAS, the Ordinance was submitted to the electors of the County in the form of Measure BB and approved by greater than a two-thirds vote at an election held on November 4, 2014; and

WHEREAS, Measure BB, as so approved, commenced the additional one-half of one percent tax on April 1, 2015, and extended the existing tax effective as of April 1, 2022, and the combined Measure BB Sales Tax is scheduled to expire on March 31, 2045; and

WHEREAS, Chapter 6 of the Act provides that Alameda CTC may issue bonds payable from the proceeds of the Measure BB Sales Tax; and

WHEREAS, the governing body of Alameda CTC (the “Commission”) now wishes to authorize Alameda CTC to issue one or more series or subseries of bonds pursuant to the Act in the total aggregate principal amount not to exceed \$150,000,000, to be secured by a lien on certain Measure BB Sales Tax revenues as described in the Master Indenture (defined below), and has determined that such bonds shall be issued and entitled, subject to additional series, subseries and other designations, the “Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022” (the “Series 2022 Bonds”); and

WHEREAS, this Commission hereby further determines that the Series 2022 Bonds may be issued as shall be described in the Indenture (the “Master Indenture”) as supplemented by a First Supplemental Indenture (the “First Supplemental” and, together with the Master Indenture, the “Indenture”), each to be entered into by and between Alameda CTC and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), the form of which has been prepared and presented to this Commission; and

WHEREAS, in connection with the issuance and delivery of the Series 2022 Bonds, Alameda CTC wishes to prepare and distribute an Official Statement (in preliminary and final form) describing, among other things, the terms of the Series 2022 Bonds, the Project (as defined in the Master Indenture), and various terms of the documents or amendments to documents relating to the Series 2022 Bonds and the transactions contemplated therein and by this Resolution; and

WHEREAS, there has been presented at this meeting proposed forms of certain financing documents relating to the Series 2022 Bonds; and

WHEREAS, it is necessary for this Commission to approve the forms of and to authorize the execution, delivery, and performance of certain financing documents related to the Series 2022 Bonds, to authorize the issuance and sale of the Series 2022 Bonds and to authorize various actions in connection therewith.

NOW, THEREFORE BE IT RESOLVED by this Commission as follows.

Section 1. Authorization of Series 2022 Bonds. The issuance, sale and delivery of the Series 2022 Bonds by Alameda CTC is hereby authorized and approved in accordance with the provisions of the Indenture, in one or more series or subseries, to provide funds to finance the Project and other planned expenditures, or the reimbursement of Alameda CTC for prior expenditures as permitted by the Act and the Ordinance, and fund costs of issuance for the Series 2022 Bonds.

Section 2. Approval of Indenture and Bond Terms. The proposed forms of the Master Indenture and the First Supplemental, each by and between Alameda CTC and the Trustee, as submitted to this Commission and on file with the Clerk of this Commission, and the terms and conditions thereof, which are incorporated by reference herein, are hereby authorized and approved. The Chair, the Vice Chair, the Executive Director and the Deputy Executive Director of Finance and Administration, who also serves as the Auditor-Controller of the Commission, and any other officer or employee of Alameda CTC designated in writing by the Executive Director or the Deputy Executive Director of Finance and Administration to represent Alameda CTC (each, an “Authorized Representative”), are each hereby authorized and directed to execute and deliver the Master Indenture and First Supplemental to the Trustee, in substantially the forms on file with the Clerk of this Commission, with such additions thereto or changes therein, as such Authorized Representative executing the same, with the advice of Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The selection of U.S. Bank Trust Company, National Association to serve as Trustee under the Indenture is hereby ratified, confirmed and approved. Each Authorized Representative is hereby authorized to select any state banking corporation, national banking association or other qualified financial institution as successor trustee under the Indenture from time to time, if deemed in the best interest of Alameda CTC. The interest payment dates, terms of redemption and other terms of the Series 2022 Bonds shall be (subject to the limitations set forth in this Section 2) as provided in the Indenture. Each Authorized Representative is hereby authorized and directed to determine the following with respect to the Series 2022 Bonds: (a) the total aggregate principal amount of the Series 2022 Bonds, which shall not exceed \$150,000,000; (b) the final maturity of the Series 2022 Bonds, which shall not be later than March 31, 2045; (c) the maximum true interest rate on the Series 2022 Bond, which shall not exceed 5.00%; and (d) the underwriters’ discount or fee with respect to the sale of the Series 2022 Bonds, which shall not exceed 0.20% of the principal amount thereof.

Section 3. Preliminary Official Statement and Official Statement. The proposed form of Preliminary Official Statement, substantially in the form submitted to this Commission and on file with the Clerk of this Commission, with such additions, deletions or changes therein as shall be approved by an Authorized Representative is hereby authorized and approved. Each of the Authorized Representatives is hereby authorized to execute and deliver a certificate deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for the omission of those items permitted to be omitted therefrom by such Rule). This Commission hereby authorizes and directs the preparation of the Official Statement, and the execution and delivery thereof by any Authorized Representative, for and in the name of Alameda CTC. The Underwriters (as defined below) are hereby authorized and directed to distribute (including by electronic delivery) copies of the Preliminary Official Statement to potential purchasers of the Series 2022 Bonds and copies of the Official Statement to persons purchasing the Series 2022 Bonds.

Section 4. Bond Purchase Agreement. The proposed form of the Bond Purchase Agreement (the “Purchase Agreement”) by and between Alameda CTC and Citigroup Global Markets Inc., as representative of the underwriters of the Series 2022 Bonds listed on the cover of the Preliminary Official Statement (collectively, the “Underwriters”), in the form on file with the Clerk of this Commission, with such additions, deletions or changes therein as shall be approved by an Authorized Representative is hereby authorized and approved. Each Authorized Representative is hereby authorized to execute and deliver the Purchase Agreement, with such additions thereto or changes

therein as such Authorized Representative executing the same, with the advice of Bond Counsel, may require or approve (subject to the limitations set forth in Section 2 hereof), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Continuing Disclosure Agreement. The proposed form of Continuing Disclosure Agreement of Alameda CTC, designating U.S. Bank Trust Company, National Association or any other qualified firm selected by an Authorized Representative to serve as the initial dissemination agent thereunder (the “Dissemination Agent”), submitted to this Commission and on file with the Clerk of this Commission, and the terms and provisions thereof, which are hereby incorporated herein by reference, is hereby authorized and approved. Each Authorized Representative is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement, with such additions thereto or changes therein as such Authorized Representative executing the same, with the advice of Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Good Faith Estimates. Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the governing body of a public body obtain from an underwriter, financial advisor or private lender and disclose, before authorizing the issuance of bonds with a term of greater than 13 months, certain good faith cost estimates. Set forth in attached Exhibit A, which is incorporated by reference, are good faith estimates of: (a) the true interest cost of the Series 2022 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2022 Bonds, (c) the amount of proceeds of the Series 2022 Bonds expected to be received net of the fees and charges paid to third parties, and (d) the sum total of all debt service payments on the Series 2022 Bonds calculated to the final maturity of the Series 2022 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the Series 2022 Bonds.

Section 7. Additional Authorization. Each Authorized Representative and the other officers, employees and agents of Alameda CTC are hereby authorized and directed, jointly and severally, for and in the name of Alameda CTC, to do any and all things and to take all actions, including execution and delivery of any and all certificates, requisitions, agreements, notices, consents and other documents which they, or any of them, may deem necessary or advisable to consummate the lawful issuance and sale of the Series 2022 Bonds, to arrange for the sale and delivery of all or any portion of the Series 2022 Bonds and to consummate the transactions contemplated by the Indenture, and this Resolution, and such actions previously taken by such officers, employees and agents are hereby ratified, confirmed and approved.

Section 8. Effective Date. This Resolution shall become effective immediately upon its adoption.

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from PFM Financial Advisors LLC with respect to the Series 2022 Bonds approved in the attached Resolution, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Series 2022 Bonds:

1. *True Interest Cost of the Series 2022 Bonds.* Assuming an aggregate principal amount of Series 2022 Bonds of \$120,740,000 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Series 2022 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2022 Bonds, is 3.424%.

2. *Finance Charge of the Series 2022 Bonds.* Assuming an aggregate principal amount of Series 2022 Bonds of \$120,740,000 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Series 2022 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2022 Bonds), is \$616,072 as follows:

<u>Cost of Issuance</u>	<u>Estimated Amounts</u>
Bond Counsel	\$117,000
Disclosure Counsel	37,500
Municipal Advisor	68,000
Trustee	2,000
Trustee's Counsel	1,500
Printer	5,000
Rating Agencies	160,750
Miscellaneous	15,000
Underwriter	209,322
Total	<u>\$616,072</u>

3. *Amount of Proceeds to be Received.* Assuming an aggregate principal amount of Series 2022 Bonds of \$120,745,000 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by Alameda CTC for sale of the Series 2022 Bonds less the finance charge of the Series 2022 Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Series 2022 Bonds, is \$140,000,000.

4. *Total Payment Amount.* Assuming an aggregate principal amount of Series 2022 Bonds of \$120,745,000 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments Alameda CTC will make to pay debt service on the Series 2022 Bonds plus the finance charge of the Series 2022 Bonds described in paragraph 2 above not paid with the proceeds of the Series 2022 Bonds, calculated to the final maturity of the Series 2022 Bonds, is \$202,916,381.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Series 2022 Bond sales, the amount of Series 2022 Bonds sold, the amortization of the Series 2022 Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Series 2022 Bonds sold will be determined by Alameda CTC based on need for project funds and other factors. The actual interest rates at which the Series 2022 Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Series 2022 Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond Alameda CTC's control. Alameda CTC has approved the execution and delivery of the Series 2022 Bonds with a maximum true interest cost not to exceed 5.00% per annum.

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INDENTURE

By and between

ALAMEDA COUNTY TRANSPORTATION COMMISSION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of June 1, 2022

Relating to

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB SENIOR SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)

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INDENTURE

This INDENTURE, dated as of June 1, 2022 (as more fully defined in Section 1.02, the “Indenture”), between the ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and public instrumentality organized under the laws of the State of California (“Alameda CTC”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, Alameda CTC is authorized to impose taxes under the Local Transportation Authority and Improvement Act, being Section 180000 *et seq.* of the Public Utilities Code of the State of California (the “Act”); and

WHEREAS, Alameda CTC is authorized by the Act to impose retail transactions and use taxes that are applicable in the incorporated and unincorporated areas of the County of Alameda, California (the “County”), if authorized by at least two-thirds of the electors voting on the issue; and

WHEREAS, in accordance with the authority under the Act, on June 26, 2014 Alameda CTC passed and adopted Ordinance No. 2014-1, known as the “Alameda County Transportation Commission Transaction and Use Tax Ordinance” (the “Ordinance”), to extend an existing one-half of one percent (1/2%) transactions and use tax then set to expire on March 31, 2022, and to impose and collect an additional one-half of one percent (1/2%) tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions, i.e. a total of one percent (1.0%) tax (together, the “Measure BB Sales Tax”) to finance transportation improvements; and

WHEREAS, the Ordinance was submitted to the electors of the County in the form of Measure BB and approved by greater than a two-thirds vote at an election held on November 4, 2014; and

WHEREAS, Measure BB, as so approved, commenced the additional one-half of one percent tax on April 1, 2015, and extended the existing tax effective as of April 1, 2022, and the combined Measure BB Sales Tax is scheduled to expire on March 31, 2045; and

WHEREAS, Chapter 6 of the Act provides that Alameda CTC may issue bonds payable from the proceeds of the Measure BB Sales Tax; and

WHEREAS, the Commission (defined herein) has determined it necessary and advisable to issue its Bonds (defined herein) for the purpose of financing the cost of the

projects and programs described in the 2014 Transportation Expenditure Plan (defined herein), such Series 2022 Bonds (defined herein) to be payable from and secured by a pledge of the Pledged Revenues (defined herein), subject to the right of Alameda CTC to issue additional bonds and other evidences of indebtedness under the conditions and subject to the restrictions as set forth in this Agreement, that may be payable on a parity, subordinate or junior subordinate basis from the Pledged Revenues and be secured on such lien by such Pledged Revenues;

WHEREAS, the execution and delivery of this Indenture has in all respects been duly and validly authorized by resolution duly passed and approved by the Commission; and

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued, authenticated and delivered hereunder, to secure the payment of Parity Obligations in accordance with terms hereof and to provide the terms and conditions under which all property, rights and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Alameda CTC does hereby agree and covenant with the Trustee for the benefit of the respective owners, from time to time, of the Bonds, or any part thereof, and for the benefit of the holders of Parity Obligations, in accordance with terms hereof, as follows:

ARTICLE I

EQUALITY OF SECURITY; DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01 Equality of Security. In consideration of the acceptance of the Bonds by the owners thereof from time to time, this Indenture shall be deemed to be and shall constitute a contract among Alameda CTC, the Trustee and the owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of Alameda CTC or the Trustee shall be for the equal and proportionate benefit, security and protection of all owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reasons of the Series, time of issue, sale or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing herein

shall prevent additional security being provided for the benefit of a particular Series of Bonds under any supplement to this Indenture.

SECTION 1.02 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Accreted Value” means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value at any date shall be the amounts set forth in the Accreted Value Table as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date plus the amount of daily interest accrued from such preceding compounding date to the date of determination.

“Accreted Value Table” means the table denominated as such which appears as an exhibit to, and to which reference is made in, a Supplemental Indenture providing for a Series of Capital Appreciation Bonds issued pursuant to such Supplemental Indenture.

“Act” means the Local Transportation Authority and Improvement Act, being Section 180000 *et seq.* of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

“Annual Debt Service” means, for any Fiscal Year, the aggregate amount (without duplication) of principal and interest on all Bonds and Parity Obligations becoming due and payable during such Fiscal Year calculated using the principles and assumptions set forth under the definition of Debt Service.

“Assumed Debt Service” means for any Fiscal Year the aggregate amount of principal and interest which would be payable on all Bonds if each Excluded Principal Payment were amortized on a substantially level debt service basis or other amortization schedule provided by Alameda CTC for a period commencing on the date of calculation of such Assumed Debt Service and ending on the earlier of (i) the date specified by Alameda CTC or (ii) the last date Alameda CTC is authorized to collect the Measure BB Sales Tax (as such tax may be extended), such Assumed Debt Service to be calculated on a level debt service basis or other amortization schedule provided by Alameda CTC, based on a fixed interest rate equal to the rate at which Alameda CTC could borrow for such period, as set forth in a certificate of a Consultant, delivered to the Trustee, who may rely conclusively on such certificate, such certificate to be delivered within 30 days of the date of calculation.

“Auditor-Controller” means the Deputy Executive Director of Finance and Administration of Alameda CTC.

“Authorized Denomination” means, with respect to any Series of Bonds, any denomination authorized by the Supplemental Indenture under which such Bonds are issued.

“Authorized Representative” means the Chair, the Vice Chair, the Executive Director and the Deputy Executive Director of Finance and Administration, and any other officer or employee of Alameda CTC designated in writing by the Executive Director or the Deputy Executive Director of Finance and Administration to represent Alameda CTC in a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of Alameda CTC by an Authorized Representative.

“Beneficial Owner” means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bond, including, without limitation, any Person holding Bonds through nominees or depositories, including the Securities Depository.

“Bond” or **“Bonds”** means the Series 2022 Bonds and indebtedness and securities of any kind or class, including bonds, notes, bond anticipation notes and other obligations issued under the provisions of Article III of this Indenture. “Bond” or “Bonds” shall not include any subordinated obligations or junior subordinated obligations incurred by Alameda CTC as permitted by Section 3.05(D).

“Bond Obligation” means, as of any given date of calculation, (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

“Bond Register” has the meaning given to such term in Section 2.07.

“Bondholder” or **“Holder,”** whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

“Business Day” means, except as is otherwise provided in the Supplemental Indenture pursuant to which a Series of Bonds are issued, any day other than (1) a Saturday, Sunday, or a day on which banking institutions in the State, the State of New York or the jurisdiction in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed, (2) for purposes of payments and other actions relating to Bonds secured by a Credit Enhancement or supported by a Liquidity Facility, a day upon which commercial banks in the city in which is located the office of the issuing bank at which demands for payment under the Credit Enhancement or Liquidity Facility, as applicable, are to be presented are authorized or obligated by law or executive order to be closed, (3) a day on which the New York Stock Exchange is closed, or (4) for so long as DTC is the Depository for any Series of Bonds, a day on which DTC’s money market instrument settlement services are closed.

“Capital Appreciation Bonds” means the Bonds of any Series designated as Capital Appreciation Bonds in the Supplemental Indenture providing for the issuance of

such Series of Bonds and on which interest is compounded and paid at maturity or on prior redemption.

“Cede & Co.” means the nominee of DTC as the registered owner of the Bonds.

“CDTFA” means the California Department of Tax and Fee Administration, which collects the Measure BB Sales Tax.

“Certificate,” “Statement,” “Request,” “Requisition” and **“Order”** of Alameda CTC mean, respectively, a written certificate, statement, request, requisition or order signed in the name of Alameda CTC by an Authorized Representative. If and to the extent required by Section 1.03, each such instrument shall include the statements provided for in Section 1.03.

“Code” means the Internal Revenue Code of 1986, and the regulations applicable thereto or issued thereunder, or any successor to the Internal Revenue Code of 1986. Reference to any particular Code section shall, in the event of such a successor Code, be deemed to be reference to the successor to such Code section.

“Commission” means the governing body of Alameda CTC.

“Consultant” means any accountant, attorney, consultant, municipal advisor or investment banker, or firm thereof, retained by Alameda CTC to perform acts and carry out the duties provided for such Consultant in this Indenture. Such accountant, attorney, consultant, municipal advisor or investment banker, or firm thereof, shall be nationally recognized within its profession for work of the character required, as determined in the sole discretion of Alameda CTC.

“Continuing Covenants Agreement” means a continuing covenants agreement, if any, or similar agreement between a Direct Lender, or any successor, and Alameda CTC, with respect to all or substantially all of a Series of Bonds or Parity Debt initially purchased thereunder.

“Continuing Covenants Rate” means, with respect to any Direct Lender Bonds, the interest rate per annum, if any, specified as applicable to such Direct Lender Bonds in the applicable Continuing Covenants Agreement.

“Continuing Disclosure Certificate” means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Certificate, dated on or about the date of issuance of such Series of Bonds, executed by Alameda CTC, as the same may be supplemented, modified or amended in accordance with its terms.

“Corporate Trust Office” or corporate trust office means the corporate trust office of the Trustee, or such other or additional offices as may be designated by the Trustee from time to time.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to Alameda CTC and related to the authorization, issuance, sale and delivery of a Series of Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, travel expenses and costs relating to rating agency meetings and other meetings concerning such Series of Bonds, general marketing expenses, initial fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, municipal advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, surety, insurance, credit enhancement and liquidity costs, termination fees payable in connection with the termination of an Interest Rate Swap Agreement, and any other cost, charge or fee in connection with the initial delivery of a Series of Bonds or any Parity Obligations delivered in connection with a Series of Bonds.

“Costs of Issuance Fund” means a fund by that name established pursuant to the provisions of a Supplemental Indenture to pay Costs of Issuance with respect to a Series of Bonds being issued pursuant to such Supplemental Indenture.

“Costs” or **“Costs of the Project”** means, as applied to a Project or portion thereof financed under this Indenture, all or any part of the cost of construction and acquisition of all real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for a Project, the cost of demolishing or removing any structures on land so acquired, including the cost of acquiring any land to which the structures may be removed, the cost of all machinery and equipment, vehicles, rolling stock, financing charges, interest prior to, during and for a period after completion of construction as determined by Alameda CTC, provisions for working capital, reserves for principal and interest, and for extensions, enlargements, additions, replacement, renovations and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, estimates and administrative expenses and other expenses necessary or incidental to the determination of the feasibility of constructing any Project or incidental to the construction, acquisition or financing of any Project and, with respect to the use of Bond proceeds, such other costs and expenses as are permitted by the Act at the time such Bonds are issued.

“Counterparty” means an entity which has entered into an Interest Rate Swap Agreement with Alameda CTC.

“County” means the County of Alameda, California.

“Credit Enhancement” means, with respect to a Series of Bonds, any Insurance, letter of credit, line of credit, surety bond or other instrument, if any, which secures or guarantees the payment of principal of and interest on a Series of Bonds, issued by an insurance company, commercial bank or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

“Credit Provider” means, with respect to a Series of Bonds, the Insurer, commercial bank or other financial institution issuing (or having primary obligation, or

acting as agent for the financial institutions obligated, under) a Credit Enhancement then in effect with respect to such Series of Bonds.

“Current Interest Bonds” means the Bonds of any Series designated as Current Interest Bonds in the Supplemental Indenture providing for the issuance of such Series of Bonds and that pay interest to the Holders thereof on a periodic basis prior to maturity.

“Debt Service,” when used with respect to any Bonds or Parity Obligations (for purposes of this definition of “Debt Service,” herein collectively referred to as “Obligations”), means, as of any date of calculation and with respect to any Fiscal Year, the sum of (1) the interest becoming due on such Obligations during such Fiscal Year and (2) the principal or Mandatory Sinking Account Payments required with respect to such Obligations during such Fiscal Year; computed on the assumption that no portion of such Obligations shall cease to be Outstanding during such Fiscal Year except by reason of the application of such scheduled payments; provided, however, that for purposes of such computation:

(A) Excluded Principal Payments (and the interest related thereto provided such interest is being paid from the same source as the Excluded Principal Payments) shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(B) in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such Obligations, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Obligations on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond;

(C) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is excluded or expected to be excluded from gross income for federal income tax purposes, the interest rate on such Obligations for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the average of the SIFMA Swap Index for the five years preceding such date of calculation;

(D) if any Obligations bear, or if any Obligations proposed to be issued will bear, interest at a variable interest rate for which an Interest Rate Swap Agreement is not in place and the interest on which is included or expected to be included in gross income for federal income tax purposes, the interest rate on such Obligations shall be calculated at an interest rate equal to 100% of the average One Month USD LIBOR Rate or, if such rate shall no longer be in general use, any financial industry-recognized successor that provides comparable rate quotations, as designated by Alameda CTC and

its Municipal Advisor in writing in a Statement of Alameda CTC delivered to the Trustee, during the three years preceding such date of calculation or such higher rate as shall be specified in a Certificate of Alameda CTC in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

(E) with respect to any Obligations bearing interest, or expected to bear interest, at a variable interest rate for which an Interest Rate Swap Agreement is in place providing for a fixed rate of interest to maturity or for a specific term with respect to such Obligations, the interest rate on such Obligations shall be assumed to be the synthetic fixed interest rate specified in such Interest Rate Swap Agreement for such term; provided that if, pursuant to a Certificate of Alameda CTC filed with the Trustee in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement, the sum of (i) interest payable on such Obligations, plus (ii) amounts payable by Alameda CTC under such Interest Rate Swap Agreement, less (iii) amounts receivable by Alameda CTC under such Interest Rate Swap Agreement, is expected to be greater than the interest payable on the Obligations to which such Interest Rate Swap Agreement relates (i.e., if such Interest Rate Swap Agreement is an “off-market” Interest Rate Swap Agreement), then, in such instance, such excess amounts expected to be payable by Alameda CTC under such Interest Rate Swap Agreement or in connection with such Obligations shall be included in the calculation of Debt Service;

(F) with respect to any Obligations bearing interest, or expected to bear interest, at a fixed interest rate for which an Interest Rate Swap Agreement is in place providing for a net variable interest rate with respect to such Obligations for a specific term, the interest rate on such Obligations shall be assumed to be equal for such term to the sum of (i) the fixed interest rate or rates to be paid on the Obligations, minus (ii) the fixed interest rate receivable by Alameda CTC under such Interest Rate Swap Agreement, plus (iii) the average interest rate of the index on which the Interest Rate Swap Agreement is based, as identified in a Certificate of Alameda CTC, or, if not based on an identifiable index, then the SIFMA Swap Index, in each case, over the five years preceding the date of calculation or such higher rate as shall be specified in a Certificate of Alameda CTC in connection with the issuance of an additional Series of Bonds or Parity Obligations or any calculation of the Reserve Requirement;

(G) if any Obligations feature an option on the part of the owners or an obligation under the terms of such Obligations to tender all or a portion of such Obligations to Alameda CTC, the Trustee or other fiduciary or agent, and requires that such Obligations or portion thereof be purchased if properly presented, then for purposes of determining the amounts of principal and interest due in any Fiscal Year on such Obligations, the options or obligations of the owners of such Obligations to tender the same for purchase or payment prior to the stated maturity or maturities shall be ignored and not treated as a principal maturity;

(H) principal and interest payments on Obligations shall be excluded to the extent such payments are to be paid from Pledged Revenues then held on deposit by the

Trustee or from other amounts on deposit with the Trustee or other fiduciary in escrow specifically therefor and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Obligations held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest;

(I) with respect to Obligations bearing interest that is subject to Subsidy Payments and such Subsidy Payments are not included as Pledged Revenues but instead are applied directly to offset the interest due on such Obligations, the interest rate on such Obligations shall be assumed to be the rate net of such Subsidy Payments;

(J) if the Obligations are Paired Obligations, the interest rate on such Obligations shall be the resulting linked rate or effective fixed interest rate to be paid by Alameda CTC with respect to such Paired Obligations;

(K) any payment obligation under an Obligation that was or is optional or contingent (such as the obligation to make a termination payment under an Interest Rate Swap Agreement), whether or not the option is exercised or the contingency occurs, and any payments that are not scheduled payments, may be excluded; and

(L) if any of the Obligations are, or upon issuance will be, obligations payable in a currency other than lawful currency of the United States of America, then such obligations shall be assumed to be payable in lawful currency of the United States of America at the rate payable by Alameda CTC pursuant to Alameda CTC's related currency swap or contract entered into in connection with such obligations or, in the absence of such swap or contract, at the rate determined by Alameda CTC using a currency market conversion factor selected by Alameda CTC.

“Defeasance Securities” means noncallable: (i) U.S. Treasury certificates, notes, bills and bonds, including State and Local Government Series securities; (ii) direct obligations of the U.S. Treasury; (iii) Resolution Funding Corp. securities (“REFCORP”); (iv) pre-refunded municipal bonds rated the same level as U.S. Treasury Notes and Bonds by Moody’s and by S&P, or only by S&P; provided, however, that if such municipal bonds are rated only by S&P, then such pre-refunded municipal bonds must have been pre-refunded with cash, direct United States obligations or United States guaranteed obligations; (v) obligations issued by the following agencies, which are backed by the full faith and credit of the United States: (a) Farmers Home Administration (FmHA) – certificates of beneficial ownership; (b) General Services Administration – participation certificates; (c) U.S. Maritime Administration – Guaranteed Title XI financing; (d) Small Business Administration guaranteed participation certificates and guaranteed pool certificates; (e) GNMA guaranteed MSB and participation certificates; and (f) U.S. Department of Housing and Urban Development (HUD) Local Commission Bonds, or (vi) obligations of government-sponsored agencies that are not backed by the full faith and credit of the United States limited to: (a) Federal Home Loan Mortgage Corp. (FHLMC) debt obligations; (b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) consolidated system-wide bonds and notes; (c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; (d) Federal National Mortgage

Association (FNMA) debt obligations; (e) Financing Corp. (FICO) debt obligations; and (f) other obligations approved by the applicable Rating Agencies for defeasance escrows.

“Direct Lender” means a bank or other financial institution that is the initial purchaser of all or substantially all of a Series of Bonds or Parity Debt pursuant to a Continuing Covenants Agreement.

“Direct Lender Bonds” means any Bonds or Parity Debt held by a Direct Lender, or any successor.

“DTC” means The Depository Trust Company, New York, New York, or any successor thereto.

“Electronic Means” means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

“Event of Default” means any of the events specified in Section 7.01.

“Excluded Principal Payment” means each payment of principal of Bonds or Parity Obligations which Alameda CTC determines (in a Certificate of Alameda CTC) that Alameda CTC intends to pay from future debt obligations of Alameda CTC, grants from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of Alameda CTC, upon which determination of Alameda CTC the Trustee may conclusively rely. No such determination shall affect the security for such Bonds or the obligation of Alameda CTC to pay such payments from Pledged Revenues or amounts on deposit in the Reserve Fund, if any.

“Fees and Expenses Fund” means the fund by that name established pursuant to Section 5.02.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of June 1, 2022, by and between Alameda CTC and the Trustee, supplementing and amending this Indenture.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of Alameda CTC, which designation shall be provided to the Trustee in a Certificate delivered by Alameda CTC.

“Fitch” means Fitch Inc., and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by Alameda CTC.

“Gross Sales Tax” means the amount of Measure BB Sales Tax revenues collected by the CDTFA pursuant to the Ordinance, including CDTFA’s administrative fees.

“Holder” or **“Bondholder,”** whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

“Information Services” means the Electronic Municipal Market Access system (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; and, in accordance with the then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds and Alameda CTC may designate in a Request of Alameda CTC delivered to the Trustee.

“Interest Fund” means the fund by that name established pursuant to Section 5.02.

“Interest Payment Date,” with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Interest Rate Swap Agreement” means an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security, however denominated, entered into between Alameda CTC and a Counterparty, in connection with or incidental to, the issuance or carrying of Bonds, including, without limitation, an interest rate swap, cap, collar, option, floor, forward, derivative, or other hedging agreement, arrangement or security entered into in advance of the issuance of Bonds and designated by Alameda CTC in a Certificate or Supplemental Indenture as a Parity Obligation.

“Investment Securities” means the following:

(i) United States Government Securities defined as direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the payment of principal and interest by the United States of America;

(ii) federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises or corporations;

(iii) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, and eligible for purchase and sale within the United States, rated “AA” or its equivalent or better by a nationally recognized statistical rating organization (referred to in this definition of Investment Securities as an “NRSRO”);

(iv) asset-backed securities, including any consumer receivable pass-through certificate, equipment lease-backed certificate, consumer receivable backed bond, or other pay-through bond with a maximum maturity of five years or less. Asset-backed securities shall be rated “AAA” or its equivalent by an NRSRO;

(v) corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations, financial institutions, non-profits, or other entities organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States (not to include other investment securities), which have a long-term rating of “A” or its equivalent or better by an NRSRO;

(vi) obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any U.S. state and with a long-term of “A” or its equivalent or better by an NRSRO;

(vii) negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally- licensed or state-licensed branch of a foreign bank with a long-term rating of “A” or a short-term rating of “A-1” or their respective equivalents or better by an NRSRO;

(viii) bank deposits with a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company, in California provided such deposits shall be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by such securities and obligations as are described in Sections 53630 through 53686 of the California Government Code;

(ix) commercial paper and asset-backed commercial paper rated “A-1” or better by an NRSRO, which purchases may not exceed two hundred seventy (270) days maturity;

(x) bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term obligations of which are rated “A-1” or better by two NRSROs, which purchases may not exceed one hundred eighty (180) days maturity;

(xi) Government money market funds as defined by Securities and Exchange Commission Rule 2a-7(a)(16);

(xii) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 of the California Government Code. Investments shall be restricted to those pooled programs that seek to maintain a stable net asset value;

(xiii) The Local Agency Investment Fund, being the State of California managed investment pool;

(xiv) The pooled investment fund of the County of Alameda, California, which is administered in accordance with the investment policy of such County;

(xv) Shares in a California common law trust established pursuant to Title I , Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended;

(xvi) Repurchase agreements that meet the following criteria:

(1) Acceptable providers shall consist of (a) registered broker/dealers subject to Securities Investors’ Protection Corporation jurisdiction or commercial banks insured by the Federal Deposit Insurance Corporation (referred to in this definition of Investment Securities as “FDIC”), if such broker/dealer or bank has an uninsured, unsecured and unguaranteed rating of A3/ P- 1 or better by Moody’s and A-/A-1 or better by S&P, or (b) domestic structured investment companies rated Aaa by Moody’s and AAA by S&P; and

(2) The repurchase agreement shall limit acceptable securities specified in subsections (i) and (ii) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for investments specified in subsection (i) above and 105% for investments specified in subsection (ii) above. The repurchase agreement shall require:

(a) the Trustee or an independent third party acting solely as agent (referred to in this definition of Investment Securities as the “Agent”) for the Trustee to value the collateral securities no less frequently than weekly,

(b) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and

(c) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) business days of such valuation.

(3) The repurchase securities shall be delivered free and clear of any lien to the Trustee or to the Agent, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee; and

(4) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and Alameda CTC and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

(xvii) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

(1) Acceptable providers of uncollateralized investment agreements shall consist of (a) domestic insurance companies, (b) domestic FDIC-insured commercial banks, or (c) U.S. branches of foreign banks, rated at least Aa3 by Moody's and AA- by S&P;

(2) Acceptable providers of collateralized investment agreements shall consist of domestic insurance companies, domestic commercial banks, U.S. branches of foreign banks, or broker/dealers rated at least A3 or better by Moody's and A- or better by S&P. Required collateral levels shall be as set forth in (xvi)(5) below;

(3) The investment agreement shall provide that if the provider's ratings fall below Aa3 by Moody's or AA- by S&P, the provider shall within ten (10) days either (a) repay the principal amount plus any accrued interest on the investment; or (b) deliver collateral described in (xvi)(5)(a) or (xvi)(5)(b) below (referred to in this definition of Investment Securities as "Permitted Collateral");

(4) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty to Alameda CTC;

(5) The investment agreement shall provide for the delivery of Permitted Collateral which shall be maintained at the following collateralization levels at each valuation date:

(a) investments specified in subsection (i) above at 104% of principal plus accrued interest; or

(b) investments specified in subsection (ii) above at 105% of principal and accrued interest.

(6) The investment agreement shall require the Trustee or Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels;

(7) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account and registered in the name of the Trustee or the Agent; and

(8) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under (xvi)(5) above, the Trustee shall receive an opinion of counsel as to the perfection of the security interest in the collateral;

(xviii) Forward delivery agreements in which the securities delivered mature on or before each cash flow date that meet the following criteria;

(1) Acceptable providers shall be limited to domestic insurance companies, domestic commercial banks, U.S. branches of foreign banks, rated Baa3- or better by Moody's or BBB- or better by S&P;

(2) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the providers ratings are suspended, withdrawn or fall below Baa3 from Moody's or BBB- from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value; and

(3) Permitted securities shall include the investments listed subsections in (i) and (ii) above.

(xix) Any other forms of investments, which at the time of investment are legal investments, under the California Government Code, for Alameda CTC's surplus funds;

Maturity of investments shall be governed by the following:

(1) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments;

(2) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements; and

(3) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five (5) years or less.

“Kroll” means Kroll Bond Rating Agency, LLC, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency selected by Alameda CTC.

“Letter of Credit Account” means an account by that name established to hold funds that are drawn on Credit Enhancement provided in the form of a letter of credit and that are to be applied to pay the principal of or interest on a Series of Bonds, which account shall be established pursuant to the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Liquidity Facility” means, with respect to a Series of Bonds, a line of credit, letter of credit, revolving credit facility, standby purchase agreement or similar liquidity facility securing or guaranteeing the payment of purchase price of such Series of Bonds and issued by a commercial bank, insurance company, pension fund or other financial institution, and delivered or made available to the Trustee, as from time to time supplemented or amended pursuant to its terms.

“Liquidity Facility Bonds” means any Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding any Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of the applicable Liquidity Facility.

“Liquidity Facility Rate” means, with respect to a Series of Bonds, the interest rate per annum, if any, specified as applicable to Liquidity Facility Bonds in the Liquidity Facility delivered in connection with such Series of Bonds.

“Liquidity Provider” means, with respect to a Series of Bonds, the commercial bank, insurance company, pension fund or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect with respect to such Series of Bonds.

“Mandatory Sinking Account Payment” means, with respect to Bonds of any Series and maturity, the amount required by the Supplemental Indenture establishing the terms and provisions of such Series of Bonds to be deposited by

Alameda CTC in a Sinking Account for the payment of principal of Term Bonds of such Series and maturity.

“Maturity Date” means, with respect to a Series of Bonds, the date of maturity or maturities specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Maximum Annual Debt Service” means the maximum amount of Annual Debt Service becoming due and payable on all Bonds Outstanding and all Parity Obligations outstanding during the period from the date of such calculation through the final maturity date of the Bonds and Parity Obligations, calculated utilizing the assumptions set forth under the definition of Debt Service.

“Maximum Interest Rate” means, with respect to all Bonds other than Liquidity Facility Bonds or Direct Lender Bonds, the lesser of (i) 12% per annum and (ii) the maximum rate of interest that may legally be paid on the Bonds from time to time, and means, with respect to Liquidity Facility Bonds or Direct Lender Bonds, the lesser of (x) the Liquidity Facility Rate or Continuing Covenants Rate, as applicable, and (ii) the maximum rate of interest that may legally be paid on the Liquidity Facility Bonds or Direct Lender Bonds, as applicable, from time to time.

“Measure BB Sales Tax” shall have the meaning ascribed to such term in the Recitals hereto.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by Alameda CTC.

“Notice Parties” means, as and to the extent applicable, Alameda CTC, the Trustee, the Credit Provider, if any, for the Series of Bonds to which the notice being given relates, the auction agent, if any, for the Series of Bonds to which the notice being given relates, the broker-dealer, if any, for the Series of Bonds to which the notice being given relates, the Liquidity Provider, if any, for the Series of Bonds to which the notice being given relates, and the remarketing agent, if any, for the Series of Bonds to which the notice being given relates.

“Obligations” has the meaning given to such term in the definition of “Debt Service.”

“One Month USD LIBOR Rate” means the rate for deposits in U.S. dollars for a one-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the date of determination of such rate, except that, if such rate does not appear on such page

on such date, the One Month USD LIBOR Rate means a rate determined on the basis of the rates at which deposits in U.S. dollars for a one-month maturity and in a principal amount of at least U.S. \$1,000,000 are offered at approximately 11:00 a.m., London time, on such date, to prime banks in the London interbank market by three major banks in the London interbank market (herein referred to as the “Reference Banks”) selected by the Trustee (provided, however, that the Trustee may appoint an agent to identify such Reference Banks). The Trustee or its agent is to request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the One Month LIBOR Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Trustee or its agent, at approximately 11:00 a.m., New York City time, on such date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. \$1,000,000 having a one-month maturity. If none of the banks in New York City selected by the Trustee or its agent is then quoting rates for such loans, then the One Month LIBOR Rate for the ensuing interest period will mean the One Month LIBOR Rate most recently in effect. Any rate described above that appears or is quoted as less than 0% shall be deemed to be 0%.

“**Opinion of Bond Counsel**” means a written opinion of Norton Rose Fulbright US LLP, or another law firm of national standing in the field of public finance selected by Alameda CTC.

“**Ordinance**” shall have the meaning ascribed to such term in the Recitals hereto, and any amendments or extensions thereto, together with any future ordinance that is adopted pursuant to the Act from time to time and that is designated as the “Ordinance” hereunder pursuant to a Supplemental Indenture, as such future ordinance may be amended or extended pursuant to the Act or other applicable law.

“**Other Lender Amounts**” shall have the meaning set forth in Section 3.05(F) hereof.

“**Outstanding**,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (1) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of Alameda CTC shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.10; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture; provided, however, that in the event the principal of or interest due on any Bonds shall be paid by the Credit Provider pursuant to the Credit Enhancement issued in connection with such Bonds, such Bonds shall remain Outstanding for all purposes and shall not be considered defeased or otherwise satisfied or paid by Alameda CTC and the pledge of Pledged Revenues and all covenants, agreements and other obligations of Alameda CTC to the Holders shall

continue to exist and shall run to the benefit of such Credit Provider and such Credit Provider shall be subrogated to the rights of such Holders.

“Paired Obligations” means any Series (or portion thereof) of Obligations designated as Paired Obligations in the Supplemental Indenture or other document authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts; and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of Alameda CTC for the term of such Obligations.

“Parity Obligations” means (i) any indebtedness, installment sale obligation, lease obligation or other obligation of Alameda CTC for borrowed money or (ii) any Interest Rate Swap Agreement (excluding fees and expenses and termination payments on Interest Rate Swap Agreements, which fees and expenses and termination payments shall be secured by a lien and charge on the Pledged Revenues subordinate to the lien and charge upon Pledged Revenues that secures the Bonds, any Parity Obligations and payment of principal of and interest on any Second Lien Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with Section 3.05(C), and in each case having an equal lien and charge upon the Pledged Revenues and therefore being payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

“Participating Underwriter” means any of the original underwriters of a Series of Bonds required to comply with Rule 15c2-12.

“Person” means an association, corporation, firm, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Pledged Revenues” means (i) all Pledged Tax Revenues and (ii) all Swap Revenues; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 hereof, any remaining amounts transferred to Alameda CTC pursuant to Section 5.02(B) hereof shall be released from the lien of this Indenture and shall no longer constitute Pledged Revenues hereunder. Pledged Revenues shall also include such additional sources of revenue, if any, pledged to pay the Bonds as set forth in a Supplemental Indenture.

“Pledged Tax Revenues” means Sales Tax Revenues, minus 4.0% administrative costs of Alameda CTC.

“Principal Fund” means the fund by that name established pursuant to Section 5.02.

“Principal Office” means, with respect to the Trustee, the corporate trust office of the Trustee, or such other or additional offices as may be designated by the Trustee from time to time, and means, with respect to a Credit Provider or a Liquidity Provider,

the office designated as such in writing by such party in a notice delivered to the Trustee and Alameda CTC.

“Project” means capital outlay expenditures for transportation purposes in the 2014 Transportation Expenditure Plan and also including, without limitation, administrative, engineering, inspection, legal, fiscal agent, financial consultant and other fees, bond and other reserve funds, working capital, bond or note interest estimated to accrue during the construction period and for a period of not to exceed three years thereafter, and expenses for all proceedings for the authorization, issuance and sale of Bonds or Parity Debt.

“Project Fund” means the fund or funds by that name established pursuant to Section 5.08 hereof to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the portion of the Project being financed with the proceeds of such Series of Bonds.

“Proportionate Basis,” when used with respect to the redemption of Bonds, means that the amount of Bonds of each maturity to be redeemed shall be determined as nearly as practicable by multiplying the total amount of funds available for redemption by the ratio which the amount of Bond Obligation of Bonds of such maturity bears to the amount of all Bond Obligation of Bonds to be redeemed, provided, however that, any Bond may only be redeemed in an Authorized Denomination. For purposes of the foregoing, Term Bonds shall be deemed to mature in the years and in the amounts of the Mandatory Sinking Account Payments, and Capital Appreciation Bonds and Current Interest Bonds maturing or subject to Mandatory Sinking Account Payments in the same year shall be treated as separate maturities. When used with respect to the payment or purchase of a portion of Bonds, “Proportionate Basis” shall have the same meaning set forth above except that “pay” or purchase” shall be substituted for “redeem” or “redemption” and “paid” or “purchased” shall be substituted for “redeemed.”

“Purchase Fund” means a fund by that name established to hold funds to be applied to pay the purchase price of a Series of Bonds, which fund shall be established pursuant to the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Rating Agency” means each of Fitch, Moody’s, S&P and Kroll, or any other nationally recognized securities rating agency selected by Alameda CTC.

“Rating Category” means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

“Rebate Fund” means that fund by that name established pursuant to Section 5.09.

“Rebate Instructions” means, with respect to any Series of Bonds, those calculations and directions required to be delivered to the Trustee by Alameda CTC pursuant to the Tax Certificate delivered in connection with such Series of Bonds.

“Rebate Requirement” means, with respect to any Series of Bonds, the Rebate Requirement determined in accordance with the Tax Certificate delivered in connection with such Series of Bonds.

“Record Date,” with respect to each Series of Bonds, shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Redemption Fund” means the fund by that name established pursuant to Section 5.08.

“Redemption Price” means, with respect to any Bond (or portion thereof) the Bond Obligation of such Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

“Refunding Bonds” means a Series of Bonds or a portion of a Series of Bonds issued pursuant to the provisions set forth in Section 3.04.

“Reserve Facility” means any insurance policy, letter of credit or surety bond issued by a Reserve Facility Provider, meeting the requirements set forth in the Supplemental Indenture establishing the related Reserve Fund, and delivered to the Trustee in satisfaction of all or a portion of the Reserve Requirement applicable to one or more Series of Bonds.

“Reserve Facility Provider” means any issuer of a Reserve Facility.

“Reserve Fund” means any fund by that name established with respect to one or more Series of Bonds pursuant to the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Reserve Requirement” with respect to a Series of Bonds for which Alameda CTC shall have established a Reserve Fund shall have the meaning specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

“Revenue Fund” means the Revenue Fund established pursuant to Section 5.01.

“Rule 15c2-12” means Securities and Exchange Commission Rule 15c2-12, as supplemented and amended from time to time.

“Sales Tax Revenues” means Gross Sales Tax minus any refunds and any fees imposed by the CDTFA for the performance of functions incident to the administration and operation of the Ordinance.

“Second Lien Obligations” means any obligations of Alameda CTC issued or incurred in accordance with Section 3.05(D), and secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Bonds and Parity Obligations and senior to the lien and charge on Pledge Revenues that secures the Third Lien Obligations.

“Second Lien Obligations Fund” means the fund by that name established pursuant to Section 5.02.

“Securities Depository” means DTC, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depository, or no such depositories, as Alameda CTC may designate in a Request of Alameda CTC delivered to the Trustee.

“Serial Bonds” means Bonds, maturing in specified years, for which no Mandatory Sinking Account Payments are provided.

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

“Series 2022 Bonds” means the Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022, issued under Article III hereof and the First Supplemental Indenture.

“SIFMA Swap Index” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (“SIFMA”) or by any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date, or any other swap index selected by Alameda CTC and acceptable to the Trustee.

“Sinking Account” means an account by that name established in the Principal Fund pursuant to Section 5.04 for the payment of Term Bonds.

“S&P” means S&P Global Ratings, a business unit of S&P Global Inc., and its successors and assigns, except that if such entity or business shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by Alameda CTC.

“State” means the State of California.

“Subsidy Payments” means, with respect to a Series of Bonds issued under the Code that creates a direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable Code provisions, which Alameda CTC has elected to receive under the Code.

“Supplemental Indenture” means any supplemental trust agreement hereafter duly executed and delivered, supplementing, modifying or amending this Indenture, but only if and to the extent that such supplemental trust agreement is authorized specifically hereunder.

“Swap Revenues” means all regularly-scheduled amounts (but not termination payments) owed or paid to Alameda CTC by any Counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by Alameda CTC to such Counterparty under such Interest Rate Swap Agreement.

“Tax Certificate” means each Tax Certificate delivered by Alameda CTC at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

“Term Bonds” means Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

“Third Lien Obligations” means any obligations of Alameda CTC issued or incurred in accordance with Section 3.05(E), and secured by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds, the Parity Obligations and the Second Lien Obligations.

“Third Lien Obligations Fund” means the fund by that name established pursuant to Section 5.02.

“Indenture” means this Indenture, dated as of June 1, 2022, between Alameda CTC and the Trustee, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Indenture delivered pursuant to the provisions hereof.

“Trustee” means U.S. Bank Trust Company, National Association a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor, as Trustee as provided in Section 8.01.

“Variable Rate Indebtedness” means any indebtedness, including Bonds, Parity Obligations, Second Lien Obligations and Third Lien Obligations, the interest rate on which is not fixed at the time of incurrence of such indebtedness, and has not at some subsequent date been fixed, at a numerical rate or rates for the entire term of such indebtedness.

“2014 Transportation Expenditure Plan” means the 2014 Transportation Expenditure Plan, dated January 2014, together with all amendments thereto.

SECTION 1.03 Content of Certificates. Every certificate provided for in this Indenture with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (3) a statement that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate given by an officer of Alameda CTC may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, a financial advisor, an investment banker or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, a financial advisor, and investment banker or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of Alameda CTC) upon a certificate or opinion of or representation by an officer of Alameda CTC, unless such counsel, accountant, financial advisor, investment banker or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of Alameda CTC, or the same counsel, accountant, financial advisor, investment banker or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants, financial advisors, investment bankers or independent consultants may certify to different matters, respectively.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization of Bonds. Bonds may be issued hereunder as fully registered bonds without coupons, in book-entry form or otherwise, from time to time as the issuance thereof is approved by Alameda CTC. The maximum principal amount of Bonds which may be issued and Outstanding hereunder at any one time shall not exceed \$1,000,000,000; subject, however, to any additional limitations contained in the Act and the Ordinance and to the right of Alameda CTC, which is hereby reserved, to limit the aggregate principal amount of Bonds which may be issued or Outstanding hereunder. The Bonds are designated generally as “Alameda County Transportation

Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds),” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by Alameda CTC, subject to the covenants, provisions and conditions herein contained.

SECTION 2.02 Terms of the Bonds. The Bonds of each Series shall bear interest, if any, at such rate or rates or determined in such manner and payable at such intervals as may be determined by Alameda CTC at the time of issuance thereof pursuant to the Supplemental Indenture under which issued, not to exceed the Maximum Interest Rate, and shall mature and become payable on such date or dates and in such year or years as Alameda CTC may determine by the Supplemental Indenture creating such Series. Principal of and interest on such Bonds shall be payable in such manner as may be specified in the Supplemental Indenture creating such Series. The Bonds of each Series shall be issued in such denominations as may be authorized by the Supplemental Indenture creating such Series.

Unless otherwise provided in the Supplemental Indenture delivered in connection with such Series of Bonds, the Bonds of each Series shall be initially registered in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one bond certificate for each maturity of each Series of Bonds. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10, or in the event the use of the Securities Depository is discontinued, in accordance with the provisions set forth in Section 2.05.

SECTION 2.03 Form of Bonds. The Bonds of any Series shall be in such form or forms as may be specified in the Supplemental Indenture creating such Series.

SECTION 2.04 Execution of Bonds. The Bonds shall be executed in the name and on behalf of Alameda CTC by the facsimile or manual signature of one or more of its Authorized Representatives. Unless otherwise provided in any Supplemental Indenture, the Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of Alameda CTC before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by Alameda CTC, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon Alameda CTC as though those who signed and attested the same had continued to be such officers of Alameda CTC, and also any Bond may be signed and attested on behalf of Alameda CTC by such persons as at the actual date of execution of such Bond shall be the proper officers of Alameda CTC although at the nominal date of such Bond any such person shall not have been such officer of Alameda CTC.

Except as may be otherwise be provided in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds, only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form recited in the Supplemental Indenture creating such Series of Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this

Indenture, and such certificate of authentication when manually executed by the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the register required to be kept pursuant to the provisions of Section 2.07, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, Alameda CTC shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same Series, tenor, maturity and interest rate and a like aggregate principal amount; provided that, unless otherwise provided in any Supplemental Indenture, no registration of transfer may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

SECTION 2.06 Exchange of Bonds. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor, maturity and interest rate; provided that, unless otherwise provided in any Supplemental Indenture, no exchange may occur during the period established by the Trustee for selection of Bonds for redemption, or of any Bond or portion of a Bond so selected for redemption. The Trustee shall require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 2.07 Bond Register. Unless otherwise provided in a Supplemental Indenture delivered in connection with a Series of Bonds, the Trustee will keep or cause to be kept, at its Corporate Trust Office sufficient books for the registration and transfer of each Series of Bonds (the “Bond Register”), which shall at all times be open to inspection during normal business hours by Alameda CTC and each Credit Provider upon reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

SECTION 2.08 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by Alameda CTC, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. A temporary Bond may be in the form of a single Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by Alameda

CTC and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If Alameda CTC issues temporary Bonds Alameda CTC will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same Series, tenor and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09 Bonds Mutilated; Lost; Destroyed or Stolen. If any Bond shall become mutilated, Alameda CTC, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by the Trustee and delivered to, or upon the Order of, Alameda CTC. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to Alameda CTC and to the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to both shall be given, Alameda CTC, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and interest rate in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity). Alameda CTC may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by Alameda CTC and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of Alameda CTC whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. Neither Alameda CTC nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

SECTION 2.10 Use of Securities Depository. Unless otherwise provided in a Supplemental Indenture delivered in connection with a Series of Bonds, notwithstanding any provision of this Indenture to the contrary:

(A) The Bonds shall be delivered and registered as provided in Section 2.02. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) (each, a “substitute depository”); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by Alameda CTC upon (a) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (b) a determination by Alameda CTC that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any Person as provided below, upon (a) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained or (b) a determination by Alameda CTC that it is in the best interests of Alameda CTC to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A) above, upon receipt of the Outstanding Bonds by the Trustee, together with a Statement of Alameda CTC to the Trustee, a single new Bond for each maturity of each Series of Bonds then Outstanding shall be executed and delivered in the aggregate principal amount of the Bonds of such Series then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Statement of Alameda CTC. In the case of any transfer pursuant to clause (3) of subsection (A) hereof, upon receipt of the Outstanding Bonds by the Trustee together with the Statement of Alameda CTC to the Trustee, new Bonds of each Series then Outstanding shall be authorized and prepared by Alameda CTC and authenticated and delivered by the Trustee in such authorized denominations and registered in the names of such Persons as are requested in such a Statement of Alameda CTC, numbered in such manner as the Trustee shall determine, subject to the limitations of Section 2.02.

(C) In the case of partial redemption or an advance refunding of any Series of the Bonds evidencing all or a portion of such amount Outstanding, the Securities Depository shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(D) Alameda CTC and the Trustee shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or Alameda CTC; and Alameda CTC and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying or otherwise

dealing with any Beneficial Owners of the Bonds. Neither Alameda CTC nor the Trustee will have any responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for the Holder of any Bond.

(E) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, Alameda CTC and the Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of, redemption premium, if any, purchase price and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01 Issuance of Bonds. Whenever Alameda CTC shall determine to issue a Series of Bonds hereunder, Alameda CTC (i) shall authorize the execution of a Supplemental Indenture specifying the principal amount, and prescribing the forms of Bonds of such Series and providing the terms, conditions, distinctive designation, denominations, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, tender provisions, if any, and place or places of payment of principal or Redemption Price, if any, of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Indenture, (ii) shall execute such Supplemental Indenture and (iii) shall deliver such Supplemental Indenture to the Trustee for execution.

SECTION 3.02 Issuance of Additional Bonds. Subsequent to the issuance of the Series 2022 Bonds, Alameda CTC may by Supplemental Indenture establish one or more additional Series of Bonds, payable from Pledged Revenues and secured by the pledge made under this Indenture equally and ratably with the Series 2022 Bonds, and Alameda CTC may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by Alameda CTC, but only, with respect to each additional Series of Bonds issued subsequent to the Series 2022 Bonds issued under the First Supplemental Indenture, upon compliance by Alameda CTC with the provisions of this Section 3.02, Section 3.03 and any additional requirements set forth in said Supplemental Indenture and subject to the specific conditions set forth below, each of which is hereby made a condition precedent to the issuance of any such additional Series of Bonds.

(A) No Event of Default shall have occurred and then be continuing, or such Event of Default shall be cured by the issuance of such additional Series of Bonds.

(B) Subject to the provisions of Section 5.05, in the event a Supplemental Indenture providing for the issuance of such Series shall require either (i) the

establishment of a Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the Supplemental Indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Said deposit shall be made as provided in the Supplemental Indenture providing for the issuance of such additional Series of Bonds and may be made from the proceeds of the sale of such Series of Bonds or from other funds of Alameda CTC or from both such sources or may be made in the form of a Reserve Facility.

(C) The aggregate principal amount of Bonds issued hereunder shall not exceed any limitation imposed by the Ordinance or any other law or by any Supplemental Indenture. Alameda CTC shall file with the Trustee a Certificate of Alameda CTC certifying that the issuance of such additional Series of Bonds and the expected use of proceeds thereof is in compliance with the provisions of Section 6.10 hereof.

(D) Alameda CTC shall file with the Trustee a certificate showing that the amount of Pledged Revenues (excluding Swap Revenues) collected during any 12 consecutive calendar months specified by Alameda CTC within the most recent 18 calendar months immediately preceding the date on which such additional Series of Bonds will become Outstanding shall have been at least equal to two times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued, which certificate in each case shall also set forth the computations upon which such certificate is based.

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

If additional assets or revenues are included within the definition of “Pledged Revenues” by a Supplemental Indenture, such additional assets or revenues shall be included in the calculations to be provided in subsection (D) above as if Alameda CTC had received such additional assets or revenues as “Pledged Revenues” during all relevant periods of calculation.

SECTION 3.03 Proceedings for Issuance of Additional Bonds.

Subsequent to the issuance of the Series 2022 Bonds, before any additional Series of Bonds shall be issued and delivered, Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by Alameda CTC.

(B) A Certificate of Alameda CTC certifying that the requirements specified in Section 3.02(A), Section 3.02(B) and Section 3.02(C) hereof have been satisfied by Alameda CTC.

(C) A Certificate of Alameda CTC certifying (on the basis of computations made as of the date of sale of such Series of Bonds) that the requirements of Section 3.02(D) is satisfied.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with this Indenture and that such Series of Bonds, when duly executed by Alameda CTC and authenticated and delivered by the Trustee, will be valid and binding obligations of Alameda CTC.

SECTION 3.04 Issuance of Refunding Bonds.

(A) Refunding Bonds may be authorized and issued by Alameda CTC without compliance with the provisions of Sections 3.02(D) or 3.03(C); provided, that the Trustee shall have been provided with either (i) a certificate to the effect that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds or (ii) a certificate to the effect that issuance of such Refunding Bonds and the resulting refundings, prepayments and/or defeasances will generate present value savings. Such Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

(1) the principal or Redemption Price of the Outstanding Bonds or outstanding Parity Obligations to be refunded;

(2) all expenses incident to the calling, retiring or paying of such Outstanding Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Bonds;

(3) any termination payment owed by Alameda CTC to a Counterparty after offset for any payments made to Alameda CTC from such Counterparty under any Interest Rate Swap Agreement that was entered into in connection with the Bonds or Parity Obligations to be refunded;

(4) interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Bonds or Parity Obligations will be called for redemption or paid at maturity;

(5) interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds or Parity Obligations to be refunded; and

(6) funding a Reserve Fund for the Refunding Bonds, if required.

(B) Before such Series of Refunding Bonds shall be issued and delivered pursuant to this Section 3.04, Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Refunding Bonds have been satisfied).

(1) A Supplemental Indenture authorizing such Series of Refunding Bonds executed by Alameda CTC.

(2) A Certificate of Alameda CTC certifying that the requirements of Sections 3.02(A), (B) and (C) and 3.04(A) hereof are satisfied.

(3) If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Holders of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by Alameda CTC; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, Alameda CTC may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or uncanceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Bonds; and provided further that no provision of this Indenture shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

(4) An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with this Indenture and that such Series of Refunding Bonds, when duly executed by Alameda CTC and authenticated and delivered by the Trustee, will be valid and binding obligations of Alameda CTC.

(5) The proceeds of the sale of the Refunding Bonds shall be applied by the Trustee according to the Order of Alameda CTC to the retirement of the Outstanding Bonds or Parity Obligations for the refunding of which said Refunding Bonds are to be issued, and the other expenses described in Section 3.04(A) hereof. All Bonds or Parity Obligations purchased, redeemed or retired by use of funds received from the sale of Refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of Refunding Bonds, shall be forthwith canceled and shall not be reissued.

SECTION 3.05 Limitations on the Issuance of Obligations Payable from Pledged Revenues; Parity Obligations; Second Lien Obligations; Third

Lien Obligations. Subsequent to the issuance of the Series 2022 Bonds, Alameda CTC will not, so long as any Bonds are Outstanding, issue or incur any obligations or securities, howsoever denominated, payable in whole or in part from Pledged Revenues except as set forth below.

- (A) Bonds authorized pursuant to Sections 3.01 and 3.02.
- (B) Refunding Bonds authorized pursuant to Section 3.04.
- (C) Parity Obligations, provided that the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:
 - (1) Such Parity Obligations have been duly and legally authorized by Alameda CTC for any lawful purpose;
 - (2) No Event of Default shall have occurred and then be continuing, or such Event of Default will be cured by the issuance or incurrence of such Parity Obligations, as evidenced by the delivery of a Certificate of Alameda CTC to that effect, which Certificate of Alameda CTC shall be filed with the Trustee;
 - (3) Such Parity Obligations are being issued or incurred (i) for purposes of refunding in compliance with the requirements for the issuance of Refunding Bonds set forth in Section 3.04 or (ii) Alameda CTC shall have placed on file with the Trustee a Certificate of Alameda CTC certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements set forth in Section 3.02(D) relating to the issuance of an additional Series of Bonds have been satisfied with respect to such Parity Obligations, which certificate shall also set forth the computations upon which such certificate is based; and
 - (4) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Parity Obligations and Alameda CTC shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Parity Obligations).
- (D) Second Lien Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest and reserve fund requirements, if any, for all Bonds Outstanding, and all Parity Obligations outstanding, as the same become due and payable, and at the times and in the amounts as required in this Indenture and in the instrument or instruments pursuant to which any Second Lien Obligations were issued or incurred, and that are secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Bonds and Parity Obligations, provided that the following conditions to issuance or incurrence of such Second Lien Obligations are satisfied:

(1) Such Second Lien Obligations have been duly and legally authorized by Alameda CTC for any lawful purpose; and

(2) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Second Lien Obligations and Alameda CTC shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Second Lien Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Second Lien Obligations).

(E) Third Lien Obligations that are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Pledged Revenues after the prior payment or deposit of all amounts then required to be paid or deposited hereunder from Pledged Revenues for principal, premium, interest, reserve fund requirements and similar obligations, if any, for all Bonds Outstanding, all Parity Obligations outstanding and all Second Lien Obligations outstanding, as the same become due and payable, and at the times and in the amounts as required in this Indenture and in the instrument or instruments pursuant to which any Third Lien Obligations were issued or incurred, and that are secured by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds, the Parity Obligations and the Second Lien Obligations; provided, that the following conditions to issuance or incurrence of such Third Lien Obligations are satisfied:

(1) Such Third Lien Obligations have been duly and legally authorized by Alameda CTC for any lawful purpose; and

(2) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Third Lien Obligations and Alameda CTC shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Third Lien Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Third Lien Obligations).

(F) All Credit Provider, Liquidity Provider and Direct Lender fees, expenses and similar obligations, and all fees, expenses and similar obligations (other than swap termination payments) under Interest Rate Swap Agreements (collectively, "Other Lender Amounts"), may be secured by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds, the Parity Obligations, the Second Lien Obligations and the Third Lien Obligations.

(G) Termination payments with respect to Interest Rate Swap Agreements may be secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Other Lender Amounts.

SECTION 3.06 Calculation of Maximum Annual Debt Service with Respect to Bonds and Parity Obligations. For purposes of this Article III, Maximum Annual Debt Service with respect to Bonds shall be determined no later than the date of delivery of such Bonds, and no earlier than the 60th day preceding the date of pricing or sale of such Bonds, utilizing the assumptions set forth in the definition of Debt Service. For purposes of this Article III, Maximum Annual Debt Service with

respect to Parity Obligations shall be determined no later than the date of incurrence of such Parity Obligations utilizing the assumptions set forth in the definition of Debt Service; provided, however, that if a Parity Obligation is contingent upon funds being provided pursuant to such Parity Obligation to pay principal, or purchase price of, or interest on a Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder.

SECTION 3.07 Application of Proceeds. Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

ARTICLE IV

REDEMPTION, TENDER AND PURCHASE OF BONDS

SECTION 4.01 Terms of Redemption, Tender and Purchase. Each Series of Bonds may be made subject to redemption or mandatory or optional tender and purchase prior to their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions and upon such notice and with such effect as may be provided in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

SECTION 4.02 Notice of Redemption. Unless otherwise specified in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds, each notice of redemption shall be mailed by the Trustee, not less than twenty (20) days nor more than ninety (90) days prior to the redemption date, to each Holder and the Information Services. A copy of such notice shall also be provided to each of the Notice Parties with respect to Series of Bonds to which such notice relates. Notice of redemption to the Holders, the Information Services and the applicable Notice Parties shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of 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, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, if any, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither Alameda CTC nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any 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 Alameda CTC nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

Failure by the Trustee to give notice to any Notice Party or the Information Services or failure of any Holder, any Notice Party or the Information Services to receive notice or any defect in any such notice shall not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of Bonds delivered pursuant to this Section 4.02 or any provision of any Supplemental Indenture, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Article X hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such amounts shall not have been so received said notice shall be of no force and effect and Alameda CTC shall not be required to redeem such Bonds. If such notice of redemption contains such a condition and such amounts are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice given pursuant to this Section 4.02 may be rescinded by written notice given to the Trustee by Alameda CTC and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.02.

SECTION 4.03 Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, Alameda CTC shall execute (but need not prepare) and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of Alameda CTC, a new Bond or Bonds of authorized denominations, and of the same Series, maturity and interest rate, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.04 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment and such funds are hereby pledged to such payment. All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

PLEDGED REVENUES

SECTION 5.01 Pledge of Pledged Revenues; Revenue Fund.

(A) As security for the payment of all amounts owing on the Bonds and Parity Obligations, Alameda CTC hereby irrevocably pledges to the Trustee: (i) all Pledged Revenues; and (ii) all amounts, including proceeds of the Bonds, held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provision of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture. The collateral identified above shall immediately be subject to this pledge, and this pledge shall constitute a first lien on and security interest in such collateral which shall immediately attach to the collateral and be effective, binding and enforceable against Alameda CTC and all others asserting the rights therein, to the extent set forth, and in accordance with, this Indenture irrespective of whether those parties have notice of this pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of Pledged Revenues and all amounts held on deposit in the funds and accounts established hereunder (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund) herein made shall be irrevocable until all of the Bonds, all Parity Obligations and amounts owed in connection with the Bonds and Parity Obligations are no longer Outstanding. All Bonds and Parity Obligations shall be of equal rank without preference, priority or distinction of any Bonds and Parity Obligations over any other Bonds and Parity Obligations.

Alameda CTC shall cause Sales Tax Revenues to be transmitted by the CDTFA directly to the Trustee. From such Sales Tax Revenues the Trustee shall promptly transfer to Alameda CTC the amount required for Alameda CTC's administrative costs. The Trustee shall then deposit the remainder, i.e. Pledged Tax Revenues, in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain hereunder. The Pledged Tax Revenues and all other amounts deposited into the Revenue Fund pursuant to this Section 5.01(B), shall be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and the Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Indenture. Investment income on amounts held by the Trustee hereunder (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, a Letter of Credit Account or a Purchase Fund, are provided in a Supplemental Indenture), shall also be deposited in the Revenue Fund. All moneys at any time held in the Revenue Fund shall be held in trust for the benefit of the Holders of the Bonds and the holders of Parity Obligations and shall be disbursed, allocated and applied solely for the uses and purposes set forth in this Indenture. The obligation of Alameda CTC to make payments of principal of, interest on and redemption premium of Bonds and Parity Obligations shall be an absolute obligation and shall be payable prior to any allocation of such payments under the Ordinance.

(B) The Bonds are limited obligations of Alameda CTC and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the Pledged Revenues and other funds pledged hereunder.

SECTION 5.02 Allocation of Pledged Tax Revenues.

(A) So long as any Bonds are Outstanding and Parity Obligations, Second Lien Obligations and all other amounts payable hereunder remain unpaid, the Trustee shall set aside in each month following receipt of the Pledged Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Trustee shall establish, maintain and hold in trust for the benefit of the Holders of the Bonds and, as and to the extent applicable, the holders of Parity Obligations) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Pledged Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Trustee pursuant to Section 3.05 (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Bonds shall be payable from the Interest Fund and the required deposits below shall be adjusted to include payments on such Interest Rate Swap Agreements in accordance with Section 5.11:

(1) Interest Fund. Following receipt of the Pledged Tax Revenues in each month, the Trustee shall deposit in the Interest Fund as soon as practicable in such month an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) during the next ensuing six months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six months), until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which shall be governed by subparagraph (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Series of Bonds the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Series of Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by Alameda CTC, or if Alameda CTC shall not have specified an interest rate in writing, calculated at the maximum interest

rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month shall be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six months upon all of the Bonds issued hereunder and then Outstanding, and on [June] 1 and [December] 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having Interest Payment Dates other than [June] 1 and [December] 1) shall be transferred to Alameda CTC (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates).

All Swap Revenues received by Alameda CTC with respect to Interest Rate Swap Agreements that are Parity Obligations shall be transferred by Alameda CTC to the Trustee and deposited in the Interest Fund and credited to the above required deposits. All Subsidy Payments received by Alameda CTC shall be transferred by Alameda CTC to the Trustee and deposited in the Interest Fund and credited to the above required deposits.

(2) Principal Fund; Sinking Accounts. Following receipt of the Pledged Tax Revenues in each month, the Trustee shall deposit in the Principal Fund as soon as practicable in such month an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that from the date of delivery of a Series of Bonds until the first date principal is due with respect to such Series of Bonds, the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of principal

becoming due on said date with respect to such Series of Bonds; provided further that if Alameda CTC certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal becoming due and payable in such month. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment.

If the Pledged Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding twelve-month period and any of said Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six-month period. If Pledged Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts shall be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current twelve-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such twelve-month period.

No deposit need be made into the Principal Fund so long as there shall be in such fund (i) moneys sufficient to pay the Bond Obligation of all Serial Bonds then Outstanding and maturing by their terms within the next 12 months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if Alameda CTC certifies to the Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than [June] 1 of each year, the Trustee shall request from Alameda CTC a Certificate of Alameda CTC setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On [June] 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than [June] 1) shall be transferred to Alameda CTC.

(3) Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Trustee shall make such deposit to such Reserve Fund as is required pursuant to Section 5.05(D), each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Reserve Requirement.

(4) Second Lien Obligations Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee shall establish, maintain and hold in trust a separate fund designated as the “Second Lien Obligations Fund.” As long as any Second Lien Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2) and (3) above have been made shall be transferred on the same Business Day to the Second Lien Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Second Lien Obligations, the Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(5) Third Lien Obligations Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee shall establish, maintain and hold in trust a separate fund designated as the “Third Lien Obligations Fund.” As long as any Third Lien Obligations remain unpaid, any Pledged Revenues remaining in the Revenue Fund after the deposits described in (1), (2), (3) and (4) above have been made shall be transferred on the same Business Day to the Third Lien Obligations Fund. After the Trustee has made any deposit or payment of Pledged Revenues as in the current month required by the instrument or instruments creating the Third Lien Obligations, the Trustee shall transfer any remaining Pledged Revenues back to the Revenue Fund.

(6) Fees and Expenses Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Fees and Expenses Fund.” At the direction of Alameda CTC, after the deposits described in (1), (2), (3), (4) and (5) above have been made, the Trustee shall deposit as soon as practicable in each month in the Fees and Expenses Fund (i) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Bonds or any Parity Obligations) owing in such month or the following month by Alameda CTC in connection with the Bonds or any Parity Obligations, and (ii) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by Alameda CTC in connection with Second Lien Obligations. Alameda CTC shall inform the Trustee of such amounts, in writing, on or prior to the first Business Day of each month.

(7) Swap Termination Payments Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee shall establish, maintain and hold in trust a separate fund designated as the “Swap Termination Payments Fund.” At the direction of Alameda CTC, after the deposits described in (1), (2), (3) and (4) above have been made, the Trustee shall deposit as soon as practicable in

each month in the Swap Termination Payments Fund any amounts necessary to pay termination payments owing in such month or the following month by Alameda CTC in connection with any Interest Rate Swap Agreements. Alameda CTC shall inform the Trustee of such amounts, in writing, on or prior to the first Business Day of each month.

(B) Any Pledged Revenues remaining in the Revenue Fund after the foregoing deposits described in (1), (2), (3), (4), (5), (6) and (7) of subsection (A) above, except as Alameda CTC shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred to Alameda CTC on the same Business Day or as soon as practicable thereafter, to be used by Alameda CTC for any lawful purpose and after such transfer to Alameda CTC shall be released from the lien of this Indenture and shall no longer constitute “Pledged Revenues” hereunder.

SECTION 5.03 Application of Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purposes of: (a) paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture), or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit, and (b) making periodic payments on Interest Rate Swap Agreements, as provided in Section 5.11.

SECTION 5.04 Application of Principal Fund.

(A) All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of paying the Bond Obligation of the Bonds when due and payable, except that all amounts in the Sinking Accounts shall be used and withdrawn by the Trustee solely to purchase or redeem or pay at maturity Term Bonds, as provided herein, or for reimbursing the Credit Provider for a drawing for such purposes made on Credit Enhancement provided in the form of an irrevocable, direct-pay letter of credit.

(B) The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds of each Series and maturity, designated as the “_____ Sinking Account,” inserting therein the Series and maturity designation of such Bonds. On or before the Business Day prior to any date upon which a Mandatory Sinking Account Payment is due, the Trustee shall transfer the amount of such Mandatory Sinking Account Payment (being the principal thereof, in the case of Current Interest Bonds, and the Accreted Value, in the case of Capital Appreciation Bonds) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of such Series and maturity for which such Sinking Account was established, in the manner provided in this Indenture or the Supplemental Indenture pursuant to which such Series of Bonds was created; provided that, at any time prior to

giving such notice of such redemption, the Trustee shall, upon receipt of a Request of Alameda CTC, apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as is directed by Alameda CTC, except that the purchase price (excluding accrued interest, in the case of Current Interest Bonds) shall not exceed the principal amount or Accreted Value thereof. If, during the twelve-month period (or six-month period with respect to Bonds having semi-annual Mandatory Sinking Account Payments) immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, or, during said period and prior to giving said notice of redemption, Alameda CTC has deposited Term Bonds of such Series and maturity with the Trustee, or Term Bonds of such Series and maturity were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Term Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Term Bonds purchased or deposited pursuant to this subsection shall be cancelled by the Trustee and destroyed by the Trustee and a certificate of destruction shall be delivered to Alameda CTC by the Trustee. Any amounts remaining in a Sinking Account on [June] 1 of each year following the redemption as of such date of the Term Bonds for which such account was established shall be withdrawn by the Trustee and transferred as soon as practicable to Alameda CTC to be used for any lawful purpose. All Term Bonds purchased from a Sinking Account or deposited by Alameda CTC with the Trustee in a twelve-month period ending [May 31] (or in a six-month period ending [May 31] or [November 30] with respect to Bonds having semi-annual Mandatory Sinking Account Payments) and prior to the giving of notice by the Trustee for redemption from Mandatory Sinking Account Payments for such period shall be allocated first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Term Bonds, if any, occurring on the next [June] 1 or [December] 1, then as a credit against such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of Alameda CTC. All Term Bonds redeemed by the Trustee from the Redemption Fund shall be credited to such future Mandatory Sinking Account Payments for such Series and maturity of Term Bonds as may be specified in a Request of Alameda CTC.

SECTION 5.05 Establishment, Funding and Application of Reserve Funds. Alameda CTC may at its sole discretion at the time of issuance of any Series of Bonds or at any time thereafter by Supplemental Indenture provide for the establishment of a Reserve Fund as additional security for a Series of Bonds. Any Reserve Fund so established by Alameda CTC shall be available to secure one or more Series of Bonds as Alameda CTC shall determine and shall specify in the Supplemental Indenture establishing such Reserve Fund. Any Reserve Fund established by Alameda CTC shall be held by the Trustee and shall comply with the requirements set forth in this Section 5.05.

(A) Subject to Section 5.05(C), all amounts in any Reserve Fund (including all amounts which may be obtained from a Reserve Facility on deposit in such Reserve Fund) shall be used and withdrawn by the Trustee, as hereinafter provided: (i) for the purpose of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds of the Series to which such Reserve Fund relates; or (ii) together with any other moneys available therefor, (x) for the payment or redemption of all Bonds then Outstanding of the Series to which such Reserve Fund relates, (y) for the defeasance or redemption of all or a portion of the Bonds then Outstanding of the Series to which such Reserve Fund relates; provided, however, that if funds on deposit in any Reserve Fund are applied to the defeasance or redemption of a portion of the Series of Bonds to which such Reserve Fund relates, the amount on deposit in the Reserve Fund immediately subsequent to such partial defeasance or redemption shall equal the Reserve Requirement applicable to all Bonds of such Series Outstanding immediately subsequent to such partial defeasance or redemption, or (z) for the payment of the final principal and interest payment of the Bonds of such Series. Unless otherwise directed in a Supplemental Indenture, the Trustee shall apply amounts held in cash or Investment Securities in any Reserve Fund prior to applying amounts held in the form of Reserve Facilities in any Reserve Fund, and if there is more than one Reserve Facility being held on deposit in any Reserve Fund, shall, on a pro rata basis with respect to the portion of a Reserve Fund held in the form of a Reserve Facility (calculated by reference to the maximum amount of such Reserve Facility), draw under each Reserve Facility issued with respect to such Reserve Fund, in a timely manner and pursuant to the terms of such Reserve Facility to the extent necessary to obtain sufficient funds on or prior to the date such funds are needed to pay the Bond Obligation of, Mandatory Sinking Account Payments with respect to, and interest on the Bonds of the Series to which such Reserve Fund relates when due. Unless otherwise specified in a Supplemental Indenture, if the Trustee has notice that any payment of principal of or interest on a Bond has been recovered from a Holder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee, pursuant to the terms of, and if so provided by, the terms of the Reserve Facility, if any, securing the Bonds of such Series, shall so notify the issuer thereof and draw on such Reserve Facility to the lesser of the extent required or the maximum amount of such Reserve Facility to pay to such Holders the principal and interest so recovered.

(B) The Trustee shall notify Alameda CTC of any deficiency in any Reserve Fund (i) due to a withdrawal from such Reserve Fund for purposes of making up any deficiency in the Interest Fund or the Principal Fund relating to the Bonds of the Series to which such Reserve Fund relates or (ii) resulting from a valuation of Investment Securities held on deposit in such Reserve Fund pursuant to Section 5.11 and shall request that Alameda CTC replenish such deficiency or repay any and all obligations due and payable under the terms of any Reserve Facility comprising part of any Reserve Requirement. Unless otherwise specified in a Supplemental Indenture, upon receipt of such notification from the Trustee, Alameda CTC shall instruct the Trustee to commence setting aside in each month following receipt of Pledged Tax Revenues for deposit in the applicable Reserve Fund an amount equal to one-twelfth of the aggregate amount of each unreplenished prior withdrawal from such Reserve Fund or decrease resulting

from a valuation pursuant to Section 5.11 and shall further instruct the Trustee to transfer to each Reserve Facility Provider providing a Reserve Facility satisfying a portion of the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates, an amount equal to one-twelfth of the aggregate amount of any unreplenished prior withdrawal on such Reserve Facility, such amount to be transferred by the Trustee as promptly as possible after receipt of the Pledged Tax Revenues each month, commencing with the month following Alameda CTC's receipt of notification from the Trustee of withdrawal or decrease resulting from a valuation, as applicable, until the balance on deposit in such Reserve Fund is at least equal to the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates.

(C) Unless Alameda CTC shall otherwise direct in writing, any amounts in any Reserve Fund in excess of the Reserve Requirement relating to the Bonds of the Series to which such Reserve Fund relates shall be transferred by the Trustee to Alameda CTC on the Business Day following [June] 1 of each year; provided that such amounts shall be transferred only from the portion of such Reserve Fund held in the form of cash or Investment Securities. In addition, amounts on deposit in any Reserve Fund shall be transferred by the Trustee to Alameda CTC upon the defeasance, retirement or refunding of Bonds of the Series to which such Reserve Fund relates or upon the replacement of cash on deposit in such Reserve Fund with one or more Reserve Facilities in accordance with Section 5.05(A) or Section 5.05(B). The Reserve Requirement shall be calculated on each [June] 1 and upon the issuance or retirement of a Series of Bonds and upon the defeasance of all or a portion of a Series of Bonds.

(D) Unless otherwise specified in a Supplemental Indenture, in lieu of making a Reserve Requirement deposit in cash or in replacement of moneys then on deposit in a Reserve Fund (which shall be transferred by the Trustee to Alameda CTC) or in substitution of any Reserve Facility comprising part of a Reserve Requirement for any Bonds, Alameda CTC may, at any time and from time to time, deliver to the Trustee a Reserve Facility meeting the requirements in any Supplemental Indenture for the issuance of the Bonds, securing an amount which, together with moneys, Investment Securities, or other Reserve Facilities then on deposit in a Reserve Fund, is no less than the Reserve Requirement relating to the Bonds to which such Reserve Fund relates.

SECTION 5.06 Application of Second Lien Obligations Fund. All moneys in the Second Lien Obligations Fund shall be applied to the payment of principal of and interest on Second Lien Obligations in accordance with Section 5.02(A)(4).

SECTION 5.07 Application of Third Lien Obligations Fund. All moneys in the Third Lien Obligations Fund shall be applied to the payment of principal of and interest on Third Lien Obligations in accordance with Section 5.02(A)(5).

SECTION 5.08 Application of Fees and Expenses Fund. All amounts in the Fees and Expenses Fund shall be used and withdrawn by the Trustee solely for the purpose of paying fees, expenses and similar charges owed by Alameda CTC in connection with the Bonds, any Parity Obligations, Second Lien Obligations or Third Lien Obligations as such amounts shall become due and payable.

SECTION 5.09 Establishment, Funding and Application of Project Fund. Proceeds of Bonds which are to be used to pay Costs of the Project shall be deposited into a Fund or Funds which individually and collectively shall be designated the “Alameda County Transportation Commission Measure BB Sales Tax Revenue Bonds Project Fund” (the “Project Fund”), which may be held either by Alameda CTC or the Trustee or part by Alameda CTC and part by the Trustee, all as provided by this Indenture and relevant Supplemental Indentures. All moneys in the Project Fund shall be held and disbursed as provided in the Supplemental Indenture or Supplemental Indentures under which such Fund or Funds were created.

Alameda CTC may by Supplemental Indenture create additional accounts and subaccounts within the subfunds described above. The Trustee shall transfer moneys between and among such subfunds, accounts and subaccounts to the extent held by it upon the receipt of a Request of Alameda CTC.

SECTION 5.10 Rebate Fund.

(A) Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with the terms and requirements of each Tax Certificate as directed in writing by Alameda CTC. Subject to the transfer provisions provided in paragraph (C) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of America, and neither the Trustee nor any Holder nor any other Person shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Indenture and by the applicable Tax Certificates. Alameda CTC hereby covenants to comply with the directions contained in each Tax Certificate and the Trustee hereby covenants to comply with all written instructions of Alameda CTC delivered to the Trustee pursuant to each Tax Certificate (which instructions shall state the actual amounts to be deposited in or withdrawn from the Rebate Fund and shall not require the Trustee to make any calculations with respect thereto). The Trustee shall be deemed conclusively to have complied with the provisions of this Section 5.10(A) if it follows such instructions of Alameda CTC, and the Trustee shall have no liability or responsibility to enforce compliance by Alameda CTC with the terms of any Tax Certificate nor to make computations in connection therewith.

(B) Pursuant to each Tax Certificate, an amount shall be deposited in the Rebate Fund by Alameda CTC so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement applicable to the Series of Bonds to which such Tax Certificate relates. Computations of each Rebate Requirement shall be furnished by or on behalf of Alameda CTC to the Trustee in accordance with the applicable Tax Certificate.

(C) The Trustee shall invest all amounts held in the Rebate Fund, pursuant to written instructions of Alameda CTC, in Investment Securities, subject to the

restrictions set forth in the applicable Tax Certificate. Money shall not be transferred from the Rebate Fund except as provided in paragraph (D) below.

(D) Upon receipt of Rebate Instructions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Rebate Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of a Series of Bonds and payment and satisfaction of any Rebate Requirement applicable to such Series of Bonds, shall be withdrawn and remitted to Alameda CTC in accordance with a Request of Alameda CTC.

(E) Notwithstanding any other provision of this Indenture, including in particular Article X thereof, the obligation to remit the Rebate Requirement applicable to each Series of Bonds to the federal government of the United States of America and to comply with all other requirements of this Section and each Tax Certificate shall survive the defeasance or payment in full of the Bonds.

SECTION 5.11 Payment Provisions Applicable to Interest Rate Swap Agreements. In the event Alameda CTC shall enter into an Interest Rate Swap Agreement, the amounts received by Alameda CTC, if any, pursuant to such Interest Rate Swap Agreement shall also be applied to the deposits required hereunder. If Alameda CTC so designates in a Supplemental Indenture establishing the terms and provisions of such Series of Bonds (or if such Interest Rate Swap Agreement is entered into subsequent to the issuance of such Series of Bonds, if Alameda CTC so designates in a Certificate of Alameda CTC delivered to the Trustee concurrently with the execution of such Interest Rate Swap Agreement), regularly-scheduled payments payable under such Interest Rate Swap Agreement (excluding termination payments in connection with Interest Rate Swap Agreements which shall in all cases be payable from, and secured by, Pledged Revenues on a subordinate basis to Bonds, Parity Obligations, Second Lien Obligations, Third Lien Obligations and Other Lender Amounts) shall constitute Parity Obligations under this Indenture, and, in such event, Alameda CTC shall pay or cause to be paid to the Trustee for deposit in the Interest Fund, at the times and in the manner provided by Section 5.02, the amounts to be paid pursuant to such Interest Rate Swap Agreement, as if such amounts were additional interest due on Bonds, and the Trustee shall pay to the Counterparty to such Interest Rate Swap Agreement, to the extent required thereunder, from amounts deposited in the Interest Fund for the payment of interest on the Series of Bonds with respect to which such Interest Rate Swap Agreement was entered into.

SECTION 5.12 Investment in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to this Indenture shall be invested, as directed by Alameda CTC, solely in Investment Securities. All Investment Securities shall, as directed by Alameda CTC in writing or by telephone, promptly confirmed in writing, be acquired subject to the limitations set forth in Section 6.08, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be

established by Request of Alameda CTC. If and to the extent the Trustee does not receive investment instructions from Alameda CTC with respect to the moneys in the funds and accounts held by the Trustee pursuant to this Indenture, such moneys shall be invested in [Investment Securities described in clause (12)] of the definition thereof and the Trustee shall thereupon request investment instructions from Alameda CTC for such moneys.

Unless otherwise provided in a Supplemental Indenture establishing such Reserve Fund, moneys in any Reserve Fund shall be invested in Investment Securities maturing in not more than five years, or having a put option or demand option providing funds upon request for the purpose of payment of the Bonds to which such Reserve Fund relates as provided herein. Moneys in the remaining funds and accounts shall be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Indenture establishing the terms and provisions of a Series of Bonds or a Request of Alameda CTC: (i) all interest, profits and other income received from the investment of moneys in the Interest Fund representing accrued interest or capitalized interest shall be retained in the Interest Fund and applied on the next Interest Payment Date; (ii) all interest, profits and other income received from the investment of moneys in a Reserve Fund shall be retained in such Reserve Fund to the extent of any deficiency therein, and otherwise shall be transferred to the Revenue Fund; (iii) all interest, profits and other income received from the investment of moneys in a Costs of Issuance Fund shall be transferred to the Interest Fund and applied on the next Interest Payment Date; (iv) all interest, profits and other income received from the investment of moneys in the Project Fund shall be retained in the Project Fund, unless Alameda CTC shall direct that such earnings be transferred to the Rebate Fund; (v) all interest, profits and other income received from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund, except as otherwise provided in Section 5.10, (vi) all interest, profits and other income received from the investment of moneys in any Purchase Fund shall be retained in such Purchase Fund; and (vii) all interest, profits and other income received from the investment of moneys in any other fund or account shall be transferred to the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Securities equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Securities shall be credited to the fund or account from which such accrued interest was paid.

Unless otherwise provided in a Supplemental Indenture establishing such Reserve Fund, all Investment Securities credited to any Reserve Fund shall be valued (at market value) as of [June] 1 of each year (or the next succeeding Business Day if such day is not a Business Day), such market value to be determined by the Trustee in the manner then currently employed by the Trustee or in any other manner consistent with corporate trust industry standards. Notwithstanding anything to the contrary herein, in making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to it, including those available through its regular accounting system.

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture (except the Rebate Fund and any Purchase Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of Alameda CTC may impose its customary charge therefor. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Securities are credited. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance herewith.

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

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01 Punctual Payments. Alameda CTC will punctually pay or cause to be paid the principal or Redemption Price of and interest on all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, and shall punctually pay or cause to be paid all Mandatory Sinking Account Payments, but in each case only out of Pledged Revenues as provided in this Indenture.

SECTION 6.02 Extension of Payment of Bonds. Alameda CTC will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any Bonds or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of Alameda CTC to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

SECTION 6.03 Waiver of Laws. Alameda CTC will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the

covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by Alameda CTC to the extent permitted by law.

SECTION 6.04 Further Assurances. Alameda CTC will make, execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Indenture.

SECTION 6.05 Against Encumbrances. Alameda CTC will not create any pledge, lien or charge upon any of the Pledged Tax Revenues having priority over or having parity with the lien of the Bonds except only as permitted in Section 3.05.

SECTION 6.06 Accounting Records. Alameda CTC will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Pledged Revenues. Such books of record and account shall be available for inspection by the Trustee at reasonable hours and under reasonable circumstances; provided, the Trustee shall have no duty or obligation to inspect such books of record and account.

SECTION 6.07 Collection of Pledged Tax Revenues.

(A) Alameda CTC covenants and agrees that it has duly levied the Measure BB Sales Tax in accordance with the Act, pursuant to and in accordance with the Ordinance, duly passed and adopted by Alameda CTC. The Ordinance will not be amended, modified or altered so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Pledged Tax Revenues, and Alameda CTC will continue to levy and collect the Measure BB Sales Tax to the full amount permitted by law. Alameda CTC further covenants that it has entered into an agreement with the CDTFA under and pursuant to which the CDTFA will process and supervise collection of the Measure BB Sales Tax and will transmit Pledged Tax Revenues directly to the Trustee. Such agreement will be continued in effect so long as any Bonds are Outstanding and shall not be amended, modified or altered without the written consent of the Trustee so long as any of the Bonds are Outstanding. Alameda CTC will receive and hold in trust for (and remit immediately to) the Trustee any Pledged Tax Revenues paid to Alameda CTC by the CDTFA.

(B) Pledged Tax Revenues received by the Trustee shall be transmitted to Alameda CTC pursuant to Section 5.02; provided that, during the continuance of an Event of Default, any Pledged Tax Revenues received by the Trustee shall be applied as set forth in Section 7.02.

(C) Alameda CTC covenants and agrees to separately account for all Pledged Revenues and to provide to the Trustee access to such accounting records at reasonable hours and under reasonable circumstances.

(D) Alameda CTC covenants that so long as the Bonds or Parity Obligations are Outstanding, it will not, to the best of its ability, suffer or permit any change, modification or alteration to be made to the Act which would materially and adversely affect the rights of Bondholders.

SECTION 6.08 Tax Covenants. Alameda CTC covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Bonds under section 103 of the Code; provided, that prior to the issuance of any Series of Bonds, Alameda CTC may exclude the application of the covenants contained in this Section 6.08 and Section 5.09 to such Series of Bonds. Alameda CTC will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of Alameda CTC, or take or omit to take any action that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code. To that end, Alameda CTC will comply with all requirements of the Tax Certificate relating to each Series of the Bonds. If at any time Alameda CTC is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, Alameda CTC shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Without limiting the generality of the foregoing, Alameda CTC agrees that there shall be paid from time to time all amounts required to be rebated to the federal government of the United States of America pursuant to section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. Alameda CTC specifically covenants to pay or cause to be paid to the federal government of the United States of America the Rebate Requirement with respect to each Series of Bonds at the times and in the amounts determined under and as described in the Tax Certificate executed and delivered in connection with such Series of Bonds.

Notwithstanding any provision of this Section 6.08, Section 5.09 and any Tax Certificate, if Alameda CTC shall receive an Opinion of Bond Counsel to the effect that any action required under this Section 6.08, Section 5.09 or any Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of, or any federal subsidy with respect to, the interest on the Bonds pursuant to Section 103 of the Code, Alameda CTC and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

Notwithstanding any provisions of this Indenture, including particularly Article X, the covenants and obligations set forth in this Section 6.08 shall survive the defeasance of the Bonds or any Series thereof.

SECTION 6.09 Continuing Disclosure. Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, Alameda CTC hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed and delivered in

connection with such Series of Bonds. Notwithstanding any other provision of this Indenture, failure of Alameda CTC to comply with the provisions of any Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter or of the Holders of at least 25% aggregate principal amount of any Series of 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 may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Alameda CTC to comply with its obligations under this Section 6.09.

SECTION 6.10 Compliance with Allocation and Expenditure Requirements of the Ordinance. Alameda CTC hereby covenants and agrees that it shall comply with the Ordinance. In conformance with Section 7 of the Ordinance, Alameda CTC hereby covenants and agrees that it shall account for the expenditure of proceeds of the Bonds and Parity Obligations in the Project Fund in accordance with the expenditure allocation categories defined in the Ordinance.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01 Events of Default. The following events shall be Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the redemption from any Sinking Account of any Bonds in the amounts and at the times provided therefor;

(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) if Alameda CTC shall fail to observe or perform any covenant, condition, agreement or provision in this Indenture on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, has been given to Alameda CTC by the Trustee or by any Credit Provider, Liquidity Provider or Direct Lender; except that, if such failure can be remedied but not within such 60-day period and if Alameda CTC has taken all action reasonably possible to remedy such failure within such 60-day period, such failure shall not become an Event of Default for so long as Alameda CTC shall diligently proceed to remedy the same in accordance with and subject to any directions or limitations of time established by the Trustee;

(D) if any payment default shall exist under any agreement governing any Parity Obligations and such default shall continue beyond the grace period, if any, provided for with respect to such default;

(E) if Alameda CTC files a petition in voluntary bankruptcy for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(F) if a court of competent jurisdiction shall enter an order, judgment or decree declaring Alameda CTC insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of Alameda CTC, or approving a petition filed against Alameda CTC seeking reorganization of Alameda CTC under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(G) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of Alameda CTC or of the Pledged Revenues, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control.

SECTION 7.02 Application of Pledged Revenues and Other Funds After Default; No Acceleration. If an Event of Default shall occur and be continuing, the Trustee shall apply all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (excluding the Rebate Fund and any Purchase Fund and except as otherwise provided in this Indenture) as follows and in the following order:

(1) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and Parity Obligations, including the costs and expenses of the Trustee and the Bondholders in declaring such Event of Default, and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its powers and duties under this Indenture;

(2) to the payment of the whole amount of Bond Obligation then due on the Bonds and Parity Obligations (upon presentation of the Bonds and Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 9.02), with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Bonds and on Parity Obligations, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of any Bonds and Parity Obligations which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation and Parity Obligations at the rate borne by the respective Bonds and Parity Obligations, and, if the amount available shall not be sufficient to pay in full all

the Bonds and Parity Obligations due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Accreted Value (plus accrued interest) due on such date to the persons entitled thereto, without any discrimination or preference;

(3) to the extent Pledged Revenues are available therefor, to be transferred to the trustee for the Second Lien Obligations in the amount necessary for payment of Second Lien Obligations;

(4) to the extent Pledged Revenues are available therefor, to be transferred to the trustee for the Third Lien Obligations in the amount necessary for payment of Third Lien Obligations; and

(5) to the payment of all other obligations payable hereunder.

Notwithstanding anything in this Indenture to the contrary, in no event are the Bonds or any Parity Obligations subject to acceleration if an Event of Default occurs and is continuing; provided, however, that the term-out payment of Liquidity Facility Bonds or Direct Lender Bonds or reimbursement obligations relating to Liquidity Facility Bonds or term-out provisions in any Liquidity Facility or Continuing Covenants Agreement shall not be considered an acceleration for purposes of this paragraph.

SECTION 7.03 Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and, with respect to any Series of Bonds for which a Credit Enhancement has been provided, upon the written request of the Credit Provider providing such Credit Enhancement, or if such Credit Provider is then failing to make a payment required pursuant to such Credit Enhancement, upon the written request of the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under this Indenture, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Pledged Tax Revenues and other assets pledged under this Indenture, pending such proceedings; provided, however, that, with respect to any Series of Bonds for which a Credit Enhancement has been provided, the Trustee may only act with the consent of the Credit Provider providing such Credit Enhancement; provided further, that, with

respect to any Series of Bonds for which a Liquidity Facility has been provided, the Trustee may only act with the consent of the Liquidity Provider providing such Liquidity Facility; provided further, that with respect to any Series of Bonds for which a Direct Lender is a Holder, the Trustee may only act with the consent of such Direct Lender. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Indenture (including Section 7.05).

SECTION 7.04 Bondholders' Direction of Proceedings. Anything in this Indenture to the contrary (except provisions relating to the rights of a Credit Provider to direct proceedings as set forth in Section 7.10) notwithstanding, the Holders of a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders or holders of Parity Obligations not parties to such direction.

SECTION 7.05 Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bond, unless: (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; provided, however, that the written consent of a Credit Provider providing a Credit Enhancement with respect to a Series of Bonds shall be required if such Credit Enhancement is in full force and effect and if such Credit Provider is not then failing to make a payment as required in connection therewith; provided, further, that the written consent of a Liquidity Provider providing a Liquidity Facility with respect to a Series of Bonds shall be required if such Liquidity Facility is in full force and effect and if such Liquidity Provider has not failed to honor any properly conforming drawings.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Holders of Bonds, or to enforce any right under this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.06 Absolute Obligation of Alameda CTC. Nothing in Section 7.05 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of Alameda CTC, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Pledged Revenues and other assets herein pledged therefor, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.07 Termination of Proceedings. In case any proceedings taken by the Trustee, any Credit Provider or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, any Credit Provider or the Bondholders, then in every such case Alameda CTC, the Trustee, each Credit Provider and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of Alameda CTC, the Trustee, each Credit Provider and the Bondholders shall continue as though no such proceedings had been taken.

SECTION 7.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee, to any Credit Provider or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09 No Waiver of Default. No delay or omission of the Trustee, any Credit Provider or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee, to any Credit Provider or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder, whether by Trustee or by any Credit Provider or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 7.10 Credit Provider Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, if any Credit Enhancement is in full force and effect with respect to a Series of Bonds and the Credit Provider providing such Credit Enhancement is not then failing to make a payment as required in connection therewith, the Credit Provider shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture with respect to such Series of Bonds, including, without limitation, the right to approve all waivers of any Event of Default with respect to such Series of Bonds; provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Appointment, Duties, Immunities and Liabilities of Trustee.

(A) U.S. Bank Trust Company, National Association is hereby appointed as Trustee under this Indenture and hereby accepts the trust imposed upon it as Trustee hereunder and to perform all the functions and duties of the Trustee hereunder, subject to the terms and conditions set forth in this Indenture. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(B) Alameda CTC may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (E) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and each Credit Provider then providing Credit Enhancement for any Series of Bonds, each Liquidity Provider providing a Liquidity Facility for any Series of Bonds and each Direct Lender with respect to any Series of Bonds, and thereupon shall appoint a successor Trustee by an instrument in writing.

(C) The Trustee may at any time resign by giving written notice of such resignation to Alameda CTC and each Credit Provider then insuring any Series of Bonds, each Liquidity Provider providing a Liquidity Facility for any Series of Bonds and each Direct Lender with respect to any Series of Bonds, and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of resignation, Alameda CTC shall promptly appoint a successor Trustee by an instrument in writing.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to Alameda CTC, each Credit Provider then providing Credit Enhancement for any Series of Bonds, each Liquidity Provider providing a Liquidity Facility for any Series of Bonds and each Direct Lender with respect to any Series of Bonds, and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of Alameda CTC or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, Alameda CTC shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, Alameda CTC shall give notice of the succession of such Trustee to the trusts hereunder by mail to the Bondholders at the addresses shown on the registration books maintained by the Trustee. If Alameda CTC fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of Alameda CTC.

(E) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company or bank having the powers of a trust company having (or, if such trust company or bank is a member of a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state

authority. If such bank or trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.02 Accounting Records and Monthly Statements. The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Bonds, including proceeds of each Series of Bonds and moneys derived from, pledged to, or to be used to make payments on each Series of Bonds. Such records shall specify the account or fund to which each deposit and each investment (or portion thereof) held by the Trustee is allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity. The Trustee shall furnish Alameda CTC with a monthly statement which shall include a summary of all deposits and all investment transactions related to each Series of Bonds then Outstanding, such statement to be provided to Alameda CTC no later than the fifth Business Day of the month following the month to which such statement relates, the first such monthly statement to be provided by the fifth Business Day of the month immediately following the month in which the Series 2022 Bonds are delivered by the Trustee pursuant to the provisions of this Indenture.

SECTION 8.03 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (E) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04 Liability of Trustee.

(A) The recitals of facts herein and in the Bonds contained shall be taken as statements of Alameda CTC, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of this Indenture, or of the Bonds, as to the sufficiency of the Pledged Revenues or the priority of the lien of this Indenture thereon, or as to the financial or technical feasibility of any portion of the Project and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the

Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Holder of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under this Indenture. The Trustee may in good faith hold any other form of indebtedness of Alameda CTC, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of Alameda CTC and make disbursements for Alameda CTC and enter into any commercial or business arrangement therewith, without limitation.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any Credit Provider or any of the Bondholders pursuant to the provisions of this Indenture, including, without limitation, the provisions of Article VII hereof, unless such Credit Provider or such Bondholders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby; provided, however, that no security or indemnity shall be requested or required for the Trustee to deliver a notice to obtain funds under the Credit Enhancement delivered in connection with any Series of Bonds to pay principal of and interest on such Series of Bonds.

(E) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers.

(F) The Trustee shall not be deemed to have knowledge of, and shall not be required to take any action with respect to, any Event of Default (other than an Event of Default described in subsections (A) or (B) of Section 7.01) or event that would, with the giving of notice, the passage of time or both, constitute an Event of Default, unless the Trustee shall have actual knowledge of such event or shall have been notified of such event by Alameda CTC, any Credit Provider then providing a Credit Enhancement for a

Series of Bonds or the Holders of twenty-five percent (25%) of the Bond Obligation Outstanding. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain, monitor or inquire as to the performance or observance by Alameda CTC of the terms, conditions, covenants or agreements set forth in Article VI hereof (including, without limitation, the covenants of Alameda CTC set forth in Section 5.09 and 6.08 hereof, other than the covenants of Alameda CTC to make payments with respect to the Bonds when due as set forth in Section 6.01 and to file with the Trustee when due, such reports and certifications as Alameda CTC is required to file with the Trustee hereunder.

(G) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(H) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, requisition, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of Alameda CTC, personally or by agent or attorney.

(I) The Trustee shall not be responsible for:

(1) the application or handling by Alameda CTC of any Pledged Revenues or other moneys transferred to or pursuant to any Requisition or Request of Alameda CTC in accordance with the terms and conditions hereof;

(2) the application and handling by Alameda CTC of any other fund or account designated to be held by Alameda CTC hereunder;

(3) any error or omission by Alameda CTC in making any computation or giving any instruction pursuant to Section 5.09 and Section 6.08 and may rely conclusively on the Rebate Instructions and any computations or instructions furnished to it by Alameda CTC in connection with the requirements of Section 5.09, Section 6.08 and each Tax Certificate;

(4) the construction, operation or maintenance of any portion of the Project by Alameda CTC.

(J) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(K) The Trustee agrees to accept and act upon written instructions and/or directions provided by Electronic Means pursuant hereto, provided, however, that: (i) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, and (ii) such originally executed instructions and/or directions shall be signed on behalf

of Alameda CTC by an Authorized Representative and shall be signed on behalf of any other party by a person authorized to sign for the party delivering such instructions and/or directions, which person shall provide such documentation as the Trustee shall request to evidence such authorization.

SECTION 8.05 Right of Trustee to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, counsel of or to Alameda CTC, and may request an opinion of counsel, with regard to legal questions, including, without limitation, legal questions relating to proposed modifications or amendments of this Indenture, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including, without limitation, matters relating to proposed modifications or amendments of this Indenture, the Trustee may request a Certificate of Alameda CTC and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by such Certificate of Alameda CTC, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. The Trustee may also rely conclusively on any report, statement, requisition, facsimile transmission, electronic mail or certification of any certified public accountant, investment banker, financial consultant, or other expert selected by Alameda CTC or selected by the Trustee with due care in connection with matters required to be proven or ascertained in connection with its administration of the trusts created hereby.

SECTION 8.06 Compensation and Indemnification of Trustee. Alameda CTC covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and Alameda CTC will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct. Alameda CTC, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trusts created hereby,

including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of Alameda CTC under this Section 8.06 shall survive the discharge of the Bonds and this Indenture and the resignation or removal of the Trustee.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

SECTION 9.01 Amendments Permitted.

(A) (1) This Indenture and the rights and obligations of Alameda CTC, the Holders of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which Alameda CTC and the Trustee may enter into when the consent of the Holders of a majority in aggregate amount of Bond Obligation of the Bonds (or, if such Supplemental Indenture is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. If the amendment is proposed prior to the issuance of Bonds, the initial and subsequent Holders of such Bonds shall be deemed to have consented to such amendment by the purchase of the Bonds and no formal consent shall be required of such Holders.

During any time that all Outstanding Bonds shall be payable under any Credit Enhancement, this Indenture and the rights and obligations of Alameda CTC, the Owners of the Bonds and the Trustee may be modified or amended without the consent of any Owners of the Bonds from time to time and at any time by a Supplemental Indenture, which Alameda CTC and the Trustee may enter into which shall become binding when the written consent of each Credit Provider shall have been filed with the Trustee.

(2) No such modification or amendment shall (a) extend the maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (b) reduce the aforesaid percentage of Bond Obligation the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Pledged Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Holders of the Bonds of the lien created by this

Indenture on such Pledged Revenues and other assets (in each case, except as expressly provided in this Indenture), without the consent of the Holders of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution and delivery by Alameda CTC and the Trustee of any Supplemental Indenture pursuant to this Section 9.01(A), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Holders of the Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(B) This Indenture and the rights and obligations of Alameda CTC, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which Alameda CTC and the Trustee may enter into without the consent of any Bondholders, but only to the extent that such modification or amendment is permitted by the Act and does not materially and adversely affect the interests of the Holders of the Bonds and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of Alameda CTC in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon Alameda CTC;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as Alameda CTC may deem necessary or desirable, and which shall not materially and adversely affect the interests of the Holders of the Bonds;

(3) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially and adversely affect the interests of the Holders of the Bonds;

(4) to provide for the issuance of an additional Series of Bonds pursuant to the provisions of Article III hereof;

(5) to make modifications or adjustments necessary, appropriate or desirable to provide for the issuance or incurrence, as applicable, of Capital Appreciation Bonds, Parity Obligations, Second Lien Obligations or Variable Rate Indebtedness, with such interest rate, payment, maturity and other terms as

Alameda CTC may deem desirable; subject to the provisions of Section 3.02, Section 3.03 and Section 3.05;

(6) to make modifications or adjustments necessary, appropriate or desirable to provide for change from one interest rate mode to another in connection with any Series of Bonds;

(7) to make modifications or adjustments necessary, appropriate or desirable to accommodate Credit Enhancements, Liquidity Facilities and Reserve Facilities;

(8) to make modifications or adjustments necessary, appropriate or desirable to provide for the appointment of an auction agent, a broker-dealer, a remarketing agent, a tender agent and/or a paying agent in connection with any Series of Bonds;

(9) to modify the auction provisions applicable to any Series of Bonds in accordance with the terms and provisions set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds;

(10) to provide for any additional covenants or agreements necessary to maintain the tax-exempt status of, or any federal subsidy with respect to, interest on any Series of Bonds;

(11) to provide for the issuance of Bonds in book-entry form or bearer form and/or to modify or eliminate the book-entry registration system for any Series of Bonds;

(12) to modify, alter, amend or supplement this Indenture in any other respect, including amendments that would otherwise be described in Section 9.01(A), if the effective date of such amendments is a date on which all Bonds affected thereby are subject to mandatory tender for purchase pursuant to the provisions of this Indenture or if notice of the proposed amendments is given to Holders of the affected Bonds at least 30 days before the proposed effective date of such amendments and, on or before such effective date, such Holders have the right to demand purchase of their Bonds pursuant to the provisions of this Indenture or if all Bonds affected thereby are in an auction mode and a successful auction is held following notice of such amendment; and

(13) for any other purpose that does not materially and adversely affect the interests of the Holders of the Bonds.

Any Supplemental Indenture entered into pursuant to this Section shall be deemed not to materially adversely affect the interest of Holders to the extent that (i) such Holders' Bonds are secured by Credit Enhancement and (ii) the relevant Credit Provider shall have given its written consent to such Supplemental Indenture as provided in Section 9.01(A); provided that such Credit Provider is not in default of its obligations under such Credit Enhancement.

SECTION 9.02 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of Alameda CTC, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by Alameda CTC and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Corporate Trust Office or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of Alameda CTC and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by Alameda CTC and authenticated by the Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same Series, tenor and maturity.

SECTION 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Indenture. Bonds of any Series or a portion thereof may be paid by Alameda CTC in any of the following ways:

(A) by paying or causing to be paid the Bond Obligation of and interest on such Outstanding Bonds, as and when they become due and payable;

(B) by depositing with the Trustee, an escrow agent or other fiduciary, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Outstanding Bonds; or

(C) by delivering to the Trustee, for cancellation by it, such Outstanding Bonds.

If Alameda CTC shall pay all Series of Bonds that are Outstanding and also pay or cause to be paid all other sums payable hereunder by Alameda CTC, then and in that case, at the election of Alameda CTC (evidenced by a Certificate of Alameda CTC, filed with the Trustee, signifying the intention of Alameda CTC to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Pledged Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of Alameda CTC under this Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon Request of Alameda CTC, the Trustee shall cause an accounting for such period or periods as may be requested by Alameda CTC to be prepared and filed with Alameda CTC and shall execute and deliver to Alameda CTC all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to Alameda CTC all moneys or securities or other property held by it pursuant to this Indenture which, as evidenced by a verification report, upon which the Trustee may conclusively rely, from an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

SECTION 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of Alameda CTC in respect of such Bond shall cease, terminate and be completely discharged, provided that the Holder thereof shall thereafter be entitled to the payment of the principal of and premium, if any, and interest on the Bonds, and Alameda CTC shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment.

If the Bonds being discharged are Variable Rate Indebtedness, (i) the Bonds shall be redeemed at the first possible redemption date or purchase date applicable to such Bonds and to the extent the rate of interest payable on such Bonds prior to such redemption or purchase date is not known, such rate of interest shall be assumed to be the maximum rate payable thereon or (ii) the Trustee shall receive a confirmation from the Rating Agency then rating the Bonds that the defeasance will not result in the reduction or withdrawal of the then-current ratings on the Bonds.

Alameda CTC may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which Alameda CTC may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Notwithstanding anything in this Section 10.02 to the contrary, if the principal of or interest on a Series of Bonds shall be paid by a Credit Provider pursuant to the Credit Enhancement issued in connection with such Series of Bonds, the obligations of Alameda CTC shall not be deemed to be satisfied or considered paid by Alameda CTC by virtue of such payments, and the right, title and interest of Alameda CTC herein and hereto and the obligations of Alameda CTC hereunder shall not be discharged and shall continue to exist and to run to the benefit of such Credit Provider, and such Credit Provider shall be subrogated to the rights of the Holders of the Bonds of such Series.

SECTION 10.03 Deposit of Money or Securities. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant, a firm of independent certified public accountants or other independent consulting firm delivered to the Trustee (as confirmed by a verification report upon which verification report the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of Alameda CTC) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Indenture. Any moneys held by the Trustee in trust for the payment of the principal, Redemption Price, or interest on any Bond and remaining unclaimed for one year after such principal, Redemption Price, or interest has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or one year after the date of deposit of such principal, Redemption Price or interest on any Bond if such moneys were deposited after the date when such Bond became due and payable, shall be repaid to Alameda CTC free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon

cease; provided, however, that before the repayment of such moneys to Alameda CTC as aforesaid, the Trustee may (at the cost of Alameda CTC) first mail to the Holders of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to Alameda CTC of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Holders thereof and the Trustee shall not be required to pay Holders any interest on, or be liable to the Holders or any other person (other than Alameda CTC) for interest earned on, moneys so held. Any interest earned thereon shall belong to Alameda CTC and shall be deposited upon receipt by the Trustee into the Revenue Fund.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Liability of Alameda CTC Limited to Pledged Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, Alameda CTC shall not be required to advance any moneys derived from any source other than the Pledged Revenues and other assets pledged hereunder for any of the purposes in this Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Indenture.

SECTION 11.02 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either Alameda CTC or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of Alameda CTC or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03 Limitation of Rights. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than Alameda CTC, the Trustee, each Credit Provider, each Liquidity Provider, each Direct Lender, each Reserve Facility Provider, the Holders of the Bonds and the holders of any Parity Obligations, including each Counterparty, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of Alameda CTC, the Trustee, each Credit Provider, each Liquidity Provider, each Direct Lender, each Reserve Facility Provider, the Holders of the Bonds and the holders of any Parity Obligations, including each Counterparty. Each Credit Provider, each Liquidity Provider and each Direct Lender is an express third party beneficiary of this Indenture.

SECTION 11.04 Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in

writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05 Destruction or Delivery of Canceled Bonds.

Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to Alameda CTC of any Bonds, the Trustee may, in its sole discretion, in lieu of such cancellation and delivery, destroy such Bonds, and deliver a certificate of such destruction to Alameda CTC.

SECTION 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provisions or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. Alameda CTC hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07 Notice to Alameda CTC and Trustee. Any notice to or demand may be served or presented, and such demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the parties as listed below. Any such communication may also be sent by Electronic Means, receipt of which shall be confirmed.

Trustee: U.S. Bank Trust Company, National Association
1 California St, Ste 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Telephone: (415) 774-2273

Alameda CTC: Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607
Attention: Deputy Executive Director of Finance and
Administration
Telephone: (510) 208-7422

SECTION 11.08 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in

person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of Alameda CTC if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Trustee. The Trustee may establish a record date as of which to measure consent of the Holders to determine whether the requisite consents are received.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or Alameda CTC in accordance therewith or reliance thereon.

SECTION 11.09 Disqualified Bonds. In determining whether the Holders of the requisite aggregate Bond Obligation of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds that are owned or held by or for the account of Alameda CTC, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, Alameda CTC or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlled by, or under direct or indirect common control with, Alameda CTC. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal, Redemption Price or purchase price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.11 Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be

maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

SECTION 11.12 Limitations on Rights of Credit Providers, Liquidity Providers, Reserve Facility Providers. A Supplemental Indenture establishing the terms and provisions of a Series of Bonds may provide that any Credit Provider, Liquidity Provider or Reserve Facility Provider may exercise any right under this Indenture given to the Holders of the Bonds to which such Credit Enhancement, Liquidity Facility or Reserve Facility relates. All provisions under this Indenture authorizing the exercise of rights by a Credit Provider, a Liquidity Provider or a Reserve Facility Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider, Liquidity Provider or Reserve Facility Provider were not mentioned therein (i) during any period during which there is a default by such Credit Provider, Liquidity Provider or Reserve Facility Provider under the applicable Credit Enhancement, Liquidity Facility or Reserve Facility or (ii) after the applicable Credit Enhancement, Liquidity Facility or Reserve Facility shall at any time for any reason cease to be valid and binding on the provider thereof, or shall be declared to be null and void by final, non-appealable judgment of a court of competent jurisdiction, or after the Credit Enhancement, Liquidity Facility or Reserve Facility has been rescinded, repudiated by the provider thereof or terminated, or after a receiver, conservator or liquidator has been appointed for the provider thereof. All provisions relating to the rights of a Credit Provider, Liquidity Provider or Reserve Facility Provider shall be of no further force and effect if all amounts owing to such Credit Provider, Liquidity Provider or Reserve Facility Provider shall have been paid pursuant to the terms of the applicable Credit Enhancement, Liquidity Facility or Reserve Facility and such Credit Enhancement, Liquidity Facility or Reserve Facility shall no longer be in effect.

SECTION 11.13 Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to “Articles, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

SECTION 11.14 Waiver of Personal Liability. No Board member, officer, agent or employee of Alameda CTC or the Trustee shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or

employee of Alameda CTC or the Trustee from the performance of any of any official duty provided by law or by this Indenture.

SECTION 11.15 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

SECTION 11.16 Business Day. Except as specifically set forth in this Indenture or a Supplemental Indenture, transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day with the same effect as if made on such prior date.

SECTION 11.17 Effective Date of Indenture. This Indenture shall take effect upon its execution and delivery.

SECTION 11.18 Execution in Counterparts. This 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 Indenture by their duly authorized representatives as of the day and year first written above.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Executive Director

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

FIRST SUPPLEMENTAL INDENTURE

By and between

ALAMEDA COUNTY TRANSPORTATION COMMISSION

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of June 1, 2022

Relating to

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB SENIOR SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)
SERIES 2022

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EXHIBIT A - FORM OF SERIES 2022 BONDS

FIRST SUPPLEMENTAL INDENTURE

This FIRST SUPPLEMENTAL INDENTURE, dated as of June 1, 2022 (this “First Supplemental Indenture”), is made by and between the ALAMEDA COUNTY TRANSPORTATION COMMISSION (“Alameda CTC”), a joint exercise of powers authority and public instrumentality organized under the laws of the State of California, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, this First Supplemental Indenture is supplemental to the Indenture, dated as of June 1, 2022 (the “Master Indenture” and, together with this First Supplemental Indenture, the “Indenture”), by and between Alameda CTC and the Trustee;

WHEREAS, Alameda CTC is authorized to impose taxes under the Local Transportation Authority and Improvement Act, being Section 180000 *et seq.* of the Public Utilities Code of the State of California (the “Act”); and

WHEREAS, Chapter 6 of the Act provides that Alameda CTC may issue bonds payable from the proceeds of the Measure BB Sales Tax; and

WHEREAS, the Commission has determined it necessary and advisable to issue its Series 2022 Bonds for the purpose of financing the cost of the projects and programs described in the 2014 Transportation Expenditure Plan, such Series 2022 Bonds to be payable from and secured by a pledge of the Pledged Revenues, subject to the right of Alameda CTC to issue additional bonds and other evidences of indebtedness under the conditions and subject to the restrictions as set forth in this Agreement, that may be payable on a parity, subordinate or junior subordinate basis from the Pledged Revenues and be secured on such lien by such Pledged Revenues; and

WHEREAS, the execution and delivery of this First Supplemental Indenture has in all respects been duly and validly authorized by resolution duly passed and approved by the Commission;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions in Master Indenture. Unless the context otherwise requires, or as otherwise provided in Section 1.02 hereof, all terms that are defined in the Master Indenture shall have the same meanings in this First Supplemental Indenture.

SECTION 1.02 Additional Definitions.

“**Authorized Denomination**” means, with respect to the Series 2022 Bonds, \$5,000 and any integral multiple thereof.

“**Continuing Disclosure Certificate**” means the Continuing Disclosure Certificate executed by Alameda CTC relating to the Series 2022 Bonds.

“**Corporate Trust Office**” or corporate trust office means the corporate trust office of the Trustee at _____, or such other or additional offices as may be designated by the Trustee from time to time.

“**First Supplemental Indenture**” means this First Supplemental Indenture, dated as of June 1, 2022, by and between Alameda CTC and the Trustee, supplementing and amending the Master Indenture.

“**Interest Payment Date**,” means, for the Series 2022 Bonds, each _____ 1 and _____ 1, commencing _____ 1, 202__.

“**Mandatory Sinking Account Payment**” means, with respect to the Series 2022 Bonds, the amount required to be deposited by Alameda CTC in a Sinking Account for the payment of principal of Term Bonds as provided herein.

“**Record Date**,” means, with respect to the Series 2022 Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs.

“**Redemption Price**” means, with respect to any Series 2022 Bonds or a portion thereof, 100% of the principal amount thereof to be redeemed, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Series 2022 Bond or this First Supplemental Indenture.

“**Series 2022 Bonds**” means the Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022, issued under Article III of the Master Indenture and this First Supplemental Indenture.

“**Series 2022 Costs of Issuance Fund**” means the fund by that name established pursuant to Section 4.02(a) hereof to pay Costs of Issuance with respect to the Series 2022 Bonds.

“**Series 2022 Project Account**” means the fund by that name established pursuant to Section 4.02(b) hereof to pay Costs of the Project.

“**Tax Certificate**” means each Tax Certificate delivered by Alameda CTC at the time of issuance and delivery of a Series 2022 Bonds, as the same may be amended or supplemented in accordance with its terms.

ARTICLE II

THE BONDS

SECTION 2.01 Principal Amount, Designation and Series. Pursuant to the provisions of the Indenture and the provisions of the Act, a Series of Bonds entitled to the benefit, protection and security of such provisions of the Indenture is hereby authorized in the aggregate principal amount of \$_____. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022.”

SECTION 2.02 Date, Maturities and Interest Rates. The Series 2022 Bonds shall be dated their date of issuance and shall bear interest from that date payable on each Interest Payment Date. The Series 2022 Bonds shall be issued in the aggregate principal amount of \$_____ and shall mature on the following dates and in the following amounts, subject to prior redemption as provided in the Indenture and shall bear interest at the following rates per annum:

<u>Maturity Date</u> (_____ 1)	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
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Interest on the Series 2022 Bonds will be payable on each Interest Payment Date, commencing _____ 1, 20___. The Series 2022 Bonds will be issued as fully registered bonds without coupons in Authorized Denominations. The Series 2022 Bonds will be registered in the name of Cede & Co., as holder of the Series 2022 Bonds and nominee for The Depository Trust Company (“DTC”). Purchasers will not receive physical certificates representing their interest in the Series 2022 Bonds purchased.

Interest on the Series 2022 Bonds shall be computed on the basis of a 360-day year composed of twelve 30 day months.

Interest on each Series 2022 Bond will be payable by check mailed by first-class mail on each Interest Payment Date to the Holder thereof as of the close of business on the Record Date or, upon the written request of any Holder of \$1,000,000 or more in aggregate principal amount of Series 2022 Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Interest Payment Date, to the Holder thereof as of the close of business on the Series 2022 Record Date.

SECTION 2.03 Form of Bonds. Each of the Series 2022 Bonds shall be issued as fully registered bonds without coupons in book-entry form and in Authorized Denominations and shall be numbered from one upward in consecutive numerical order preceded by the letter “R” prefixed to the number. Each maturity of each Series 2022 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 Series 2022 Bonds.

SECTION 2.04 Application of Proceeds. Proceeds of the Series 2022 Bonds shall be applied to finance the Costs of the Project and pay the Costs of Issuance related to the Series 2022 Bonds.

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01 Optional Redemption. The Series 2022 Bonds maturing on and after _____, 20__ are subject to redemption prior to their respective stated maturities, at the option of Alameda CTC, from any source of available funds, on any date on or after _____, 20__, as a whole, or in part by such maturity or maturities as may be specified by Alameda CTC (and by lot within a maturity), at the Redemption Price.

SECTION 3.02 Mandatory Redemption. The Series 2022 Bonds maturing on _____, 20__ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such Series 2022 Bonds, on each _____ on and after _____, 20__, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at the Redemption Price.

Redemption Date ()	Mandatory Sinking Account Payments
------------------------------------	---

* Final Maturity.

SECTION 3.03 Selection of Series 2022 Bonds for Redemption.

Alameda CTC may designate the Mandatory Sinking Account Payments, or portions thereof, that are to be reduced as allocated to an optional redemption. If less than all Series 2022 Bonds are to be redeemed at any one time, the Trustee shall select the Series 2022 Bonds to be redeemed in any manner that it deems appropriate and fair and shall promptly notify Alameda CTC in writing of the numbers of the Series 2022 Bonds so selected for redemption.

SECTION 3.04 Purchase In Lieu of Redemption. Alameda CTC reserves the right at all times to purchase any of its Series 2022 Bonds on the open market. In lieu of mandatory redemption Alameda CTC may surrender to the Trustee for cancellation Series 2022 Bonds purchased on the open market, and such Series 2022 Bonds shall be cancelled by the Trustee. If any Series 2022 Bonds are so cancelled, Alameda CTC may designate the Mandatory Sinking Account Payments or portions thereof so purchased that are to be reduced as a result of such cancellation.

ARTICLE IV

APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

SECTION 4.01 Application of Proceeds.

(A) The Series 2022 Bonds are issued for the purpose of financing, refinancing and/or reimbursing Alameda CTC for its prior payment of Costs of the Project. In addition, a portion of the proceeds will be applied to pay Costs of Issuance of the Series 2022 Bonds. The net proceeds from the sale of the Series 2022 Bonds in the amount of \$ _____ shall be received by the Trustee, and the Trustee shall transfer or deposit such funds as follows:

- (1) \$ _____ of the proceeds of the Series 2022 Bonds shall be deposited in the Costs of Issuance Fund; and

(2) \$_____ of the proceeds of the Series 2022 Bonds shall be deposited in the Series 2022 Project Account.

(B) The Trustee may establish a temporary fund or account to record and facilitate such deposits and transfer.

SECTION 4.02 Funds and Accounts. The following funds and accounts are hereby established in connection with the Series 2022 Bonds:

(A) To ensure the proper application of such portion of proceeds from the sale of the Series 2022 Bonds to be applied to pay Costs of Issuance of the Series 2022 Bonds, there is hereby established the “Series 2022 Costs of Issuance Fund,” such fund to be held by the Trustee. All money on deposit in the Series 2022 Costs of Issuance Account and shall be applied solely for the payment of authorized Costs of Issuance relating to the Series 2022 Bonds. Before any payment from the Series 2022 Costs of Issuance Fund shall be made by the Trustee, Alameda CTC shall file or cause to be filed with the Trustee a Requisition of Alameda CTC, such Requisition to be signed by an Authorized Representative and to include: (i) the name and address of the person to whom each such payment is due, which may be Alameda CTC in the case of reimbursement for costs theretofore paid by Alameda CTC; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation to be paid was incurred; (iv) that obligations in the stated amounts have been incurred by Alameda CTC and are presently due and payable and that each item thereof is a proper charge against the Series 2022 Costs of Issuance Fund and has not been previously paid from such fund. Any amounts remaining in the Series 2022 Costs of Issuance Fund one hundred eighty (180) days after the date of issuance of the Series 2022 Bonds shall be transferred to the Series 2022 Project Account and the Series 2022 Costs of Issuance Fund shall be closed.

(B) To ensure the proper application of such portion of proceeds from the sale of the Series 2022 Bonds to be applied to pay Costs of the Project, there is hereby established the “Series 2022 Project Account” within the Project Fund established pursuant to Section 5.09 of the Master Indenture, [**such fund to be held by the Trustee.**] Before any payment from the Series 2022 Project Account shall be made by the Trustee, Alameda CTC shall file or cause to be filed with the Trustee a Requisition of Alameda CTC, such Requisition to be signed by an Authorized Representative and to include: (i) the name and address of the person to whom each such payment is due, which may be Alameda CTC in the case of reimbursement for costs theretofore paid by Alameda CTC; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation to be paid was incurred; (iv) that obligations in the stated amounts have been incurred by Alameda CTC and are presently due and payable and that each item thereof is a proper charge against the Series 2022 Project Account and has not been previously paid from said fund; and (v) that there has not been filed with or served upon Alameda CTC notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such Requisition, which has not been released or

will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

When Alameda CTC determines that the portion of the Project funded with the Series 2022 Bonds has been completed, a Certificate of Alameda CTC shall be delivered to the Trustee by Alameda CTC stating: (i) the fact and date of such completion; (ii) that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims that are subject to dispute and for which a retention in the Series 2022 Project Account is to be maintained in the full amount of such claims until such dispute is resolved); and that the Trustee is to transfer the remaining balance in the Series 2022 Project Account, less the amount of any such retention, to the Revenue Fund or, if so directed by Alameda CTC, to the Rebate Fund.

ARTICLE V

MISCELLANEOUS

SECTION 5.01 Continuing Disclosure. Alameda CTC covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of issuance of the Series 2022 Bonds, executed by Alameda CTC. Notwithstanding any other provision of the Indenture, failure of Alameda CTC to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or of the Holders of at least twenty-five (25%) aggregate principal amount of the Series 2022 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 may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Alameda CTC to comply with its obligations under this Section.

SECTION 5.02 Severability of Invalid Provisions. If any one or more of the provisions contained in this First Supplemental Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provisions or provisions shall be deemed severable from the remaining provisions contained in this First Supplemental Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this First Supplemental Indenture, and this First Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Alameda CTC hereby declares that it would have adopted this First Supplemental Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this First Supplemental Indenture may be held illegal, invalid or unenforceable.

SECTION 5.03 Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this First Supplemental Indenture. All references herein to “Articles, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this First Supplemental Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this First Supplemental Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

SECTION 5.04 Execution in Counterparts. This First 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.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this First Supplemental Indenture by their Authorized Representatives thereunto duly authorized as of the day and year first written above.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Executive Director

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2022 BONDS

UNLESS THIS SERIES 2022 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.

No. R-_____ \$_____

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB SENIOR SALES TAX REVENUE BOND
(LIMITED TAX BOND)
SERIES 2022

INTEREST RATE	MATURITY	ISSUE DATE	CUSIP
---------------	----------	------------	-------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

ALAMEDA COUNTY TRANSPORTATION COMMISSION, a joint exercise of powers authority and public entity organized under the laws of the State of California (“Alameda CTC”), for value received, hereby promises to pay to the registered holder named above or registered assigns, on the maturity date specified above, the principal amount specified above, together with interest thereon from the dated date specified above until the principal hereof shall have been paid, at the interest rate per annum specified above, payable on _____ 1, 20__, and semiannually thereafter on _____ 1 and _____ 1 and in each year (each, an “Interest Payment Date”), but only out of Pledged Revenues and other assets pledged therefor as specified in the Indenture, dated as of June 1, 2022, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the First Supplemental Indenture thereto, dated as of June 1, 2022 (together, the “Indenture”), by and between ALAMEDA CTC and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the “Trustee”). This Bond is deliverable in the form of a fully registered Bond in Authorized Denominations. All capitalized other terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

This Bond is one of a duly authorized issue of bonds of Alameda CTC, designated as “Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds)” (the “Bonds”), of the series designated above, all of which are being issued pursuant to the provisions of the Local Transportation Authority and Improvement Act, being Section 180000 *et seq.* of the Public Utilities Code of the State of California (the “Act”), and the Indenture. This Bond is subject to redemption as provided in the Indenture.

THIS BOND IS A LIMITED TAX BOND OBLIGATION OF ALAMEDA CTC PAYABLE SOLELY FROM PLEDGED REVENUES AS DEFINED AND PROVIDED IN THE INDENTURE AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE AND ALAMEDA CTC IS NOT OBLIGATED TO PAY THIS BOND EXCEPT FROM PLEDGED REVENUES AND THOSE CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED HEREIN AND IN THE INDENTURE) OF ALAMEDA CTC IS NOT PLEDGED, FOR THE PAYMENT OF THE BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE BONDS. THE BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Reference is hereby made to the Indenture and the Act for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the pledge of Pledged Revenues and certain other funds and the rights of the registered Holders of the Bonds and all the terms of the Indenture are hereby incorporated herein and constitute a contract between Alameda CTC and the registered Holder from time to time of this Bond, and to all the provisions thereof the registered Holder 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. Alameda CTC may also issue bonds on a basis subordinate to the Bonds under the Indenture.

This Bond is payable as to both principal and interest, and any premium upon redemption hereof, exclusively from the Pledged Revenues and other funds pledged under the Indenture. Alameda CTC is not obligated to pay the principal of and interest on this Bond except from Pledged Revenues and certain other funds pledged under the Indenture and in accordance therewith.

IN WITNESS WHEREOF the Alameda County Transportation Commission has caused this Series 2022 Bond to be executed in its name and on its behalf by the manual or facsimile signature of its duly Authorized Representative and the Auditor-Controller all as of the Issue Date set forth above.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Chair

By: _____
Auditor-Controller

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Series 2022 Bonds described in the within mentioned Indenture and was authenticated on the date set forth below.

Date of Authentication: _____, 20__

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

[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 appoint

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 Holder 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.

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

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2022

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS
S&P: “_____”
Fitch: “_____”

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



\$ _____*
ALAMEDA COUNTY TRANSPORTATION COMMISSION
Measure BB Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2022

Dated: Date of Delivery

Due: March 1 as shown on inside cover

The Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 in the aggregate principal amount of \$ _____* (the “Series 2022 Bonds”) are being issued by the Alameda County Transportation Commission (“Alameda CTC”) pursuant to an Indenture, dated as of June 1, 2022, as supplemented by a First Supplemental Indenture, dated as of June 1, 2022 (together, the “Indenture”), each between Alameda CTC and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Proceeds of the Series 2022 Bonds will be applied (i) to finance and/or reimburse Alameda CTC for certain costs of implementing a portion of the transportation improvements outlined in the 2014 Transportation Expenditure Plan, as described herein, and (ii) to pay costs of issuance of the Series 2022 Bonds. See “PLAN OF FINANCE” herein.

The Series 2022 Bonds will be registered in the name of Cede & Co, as holder of the Series 2022 Bonds and nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers will not receive certificates representing their interest in the Series 2022 Bonds purchased. The principal of and interest on the Series 2022 Bonds are payable by wire transfer to DTC which, in turn, will remit such principal or interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Series 2022 Bonds, as more fully discussed herein.

The Series 2022 Bonds will mature in the amounts and will bear interest at the rates set forth in the inside cover page hereof. Interest is payable on March 1 and September 1 of each year, commencing September 1, 2022. The Series 2022 Bonds are being issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof.

The Series 2022 Bonds are subject to optional and mandatory redemption prior to their maturity, as more fully described herein.

The Series 2022 Bonds are limited obligations of Alameda CTC secured by a pledge of the Pledged Revenues, consisting primarily of the Pledged Tax Revenues, and certain funds held by the Trustee. The Measure BB Sales Tax is an aggregate one percent (1.00%) retail transactions and use tax imposed in the County of Alameda (the “County”). In November 2014 more than two-thirds of the electorate of the County approved Measure BB to extend an existing one-half of one percent retail transactions and use tax then set to expire on March 31, 2022 and to impose and collect an additional one-half of one percent (1/2%) retail transactions and use tax. The Measure BB Sales Tax took effect on April 1, 2015 and was imposed at a rate of a one-half of one percent (1/2%) from April 1, 2015 through March 31, 2022. On April 1, 2022, the Measure BB Sales Tax increased to one percent. The Measure BB Sales Tax is scheduled to expire on March 31, 2045. The Series 2022 Bonds are secured by a pledge of Pledged Tax Revenues, which consist of amounts collected on account of the Measure BB Sales Tax, minus any refunds and any fees imposed by the California Department of Tax and Fee Administration for the performance of functions incident to the administration and operation of Ordinance No. 2014-1 and four percent administrative costs of Alameda CTC. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS” herein.

THE SERIES 2022 BONDS ARE LIMITED TAX BOND OBLIGATIONS OF ALAMEDA CTC PAYABLE SOLELY FROM PLEDGED REVENUES, PRIMARILY CONSISTING OF PLEDGED TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE, AND ALAMEDA CTC IS NOT OBLIGATED TO PAY THE SERIES 2022 BONDS EXCEPT FROM PLEDGED REVENUES AND THOSE CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE SERIES 2022 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED HEREIN AND IN THE INDENTURE) OF ALAMEDA CTC IS NOT PLEDGED, FOR THE PAYMENT OF THE SERIES 2022 BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE PLEDGED REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the Series 2022 Bonds. Capitalized terms used and not defined on the cover of this Official Statement have the meanings ascribed thereto herein.

The Series 2022 Bonds will be offered when, as and if received by the Underwriters, subject to the approval of validity by Norton Rose Fulbright US LLP, Bond Counsel to Alameda CTC, and certain other conditions. Certain legal matters will be passed upon for

* Preliminary; subject to change.
4884-3564-8529v10/200965-0001

Alameda CTC by its Disclosure Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, and by Wendel Rosen LLP, General Counsel to Alameda CTC, and for the Underwriters by their counsel, Nixon Peabody LLP. It is anticipated that the Series 2022 Bonds in definitive form will be available for delivery through the facilities of DTC on or about June __, 2022.

Goldman Sachs & Co. LLC

Citigroup

Jefferies

Dated: _____, 2022

\$ _____ *

ALAMEDA COUNTY TRANSPORTATION COMMISSION
Measure BB Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2022

Maturity Schedule

<i>Maturity Date</i> <i>(March 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest</i> <i>Rate</i>	<i>Yield</i>	<i>CUSIP**</i> <i>(Base</i> <i>No. 011118)</i>
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* Preliminary; subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Alameda CTC, the Municipal Advisor and the Underwriters are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

No dealer, salesman or any other person has been authorized by the Alameda County Transportation Commission (“Alameda CTC”) or the underwriters of the Series 2022 Bonds listed on the cover page hereof (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 Alameda CTC 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 Series 2022 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2022 Bonds. Neither the delivery of this Official Statement nor the sale of any of the Series 2022 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

The information set forth herein has been obtained from Alameda CTC 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 Alameda CTC 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 Alameda CTC 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL ON THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2022 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (“EMMA”) website. Alameda CTC maintains a website; however, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2022 Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

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,” “project,” “expect,” “anticipate,” “intend,” “believe,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of Alameda CTC in any way, regardless of the level of optimism communicated in the information. Alameda CTC is not obligated to issue any updates or revisions to forward-looking statements in any event.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

COMMISSIONERS

Mayor John J. Bauters (City of Emeryville), Chair
Board President Elsa Ortiz (Alameda-Contra Costa Transit District), Vice Chair

Supervisor David Haubert (Alameda County, District 1)	Mayor Lily Mei (City of Fremont)
Supervisor Richard Valle (Alameda County, District 2)	Mayor Barbara Halliday (City of Hayward)
Supervisor David Brown (Alameda County, District 3)	Vice Mayor Regina Bonanno (City of Livermore)
Supervisor Nate Miley (Alameda County, District 4)	Councilmember Luis Freitas (City of Newark)
Supervisor Keith Carson (Alameda County, District 5)	Councilmember Sheng Thao (City of Oakland)
President Rebecca Saltzman (San Francisco Bay Area Rapid Transit District)	Vice Mayor Rebecca Kaplan (City of Oakland)
Mayor Marilyn Ezzy Ashcraft (City of Alameda)	Mayor Teddy Gray King (City of Piedmont)
Councilmember Rochelle Nason (City of Albany)	Mayor Karla Brown (City of Pleasanton)
Councilmember Rigel Robinson (City of Berkeley)	Mayor Pauline Russo Cutter (City of San Leandro)
Mayor Melissa Hernandez (City of Dublin)	Mayor Carol Dutra-Vernaci (City of Union City)

MANAGEMENT

Tess Lengyel, Executive Director
Carolyn Clevenger, Deputy Executive Director of Planning and Policy
Gary Huisinh, Deputy Executive Director of Projects
Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SPECIAL SERVICES

Municipal Advisor

PFM Financial Advisors LLC
San Francisco, California

General Counsel

Wendel Rosen LLP
Oakland, California

Bond Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Disclosure Counsel

Stradling Yocca Carlson & Rauth,
A Professional Corporation
Newport Beach, California

Trustee

U.S. Bank Trust Company, National Association
San Francisco, California

Map Alameda County, California



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OFFICIAL STATEMENT

\$ _____ *

ALAMEDA COUNTY TRANSPORTATION COMMISSION
Measure BB Senior Sales Tax Revenue Bonds
(Limited Tax Bonds)
Series 2022

INTRODUCTION

General

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering by the Alameda County Transportation Commission (“Alameda CTC”) of \$ _____ * aggregate principal amount of Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 (the “Series 2022 Bonds”). The Series 2022 Bonds will be the first series of bonds issued by Alameda CTC secured under Measure BB (as defined herein). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” or, if not defined therein, in the Indenture.

Authority for Issuance

The Series 2022 Bonds are being issued by Alameda CTC under and pursuant to the authority granted under Division 19 of the Public Utilities Code of the State of California (Section 180000 *et seq.*) (the “Act”), Ordinance No. 2014-1 adopted on June 26, 2014 pursuant to the provisions of Section 180000 through Section 180264 inclusive of the Act (“Ordinance No. 2014-1”), and the Indenture, dated as of June 1, 2022, as supplemented and amended from time to time pursuant to its terms, including as supplemented by a First Supplemental Indenture, dated as of June 1, 2022 (together, the “Indenture”), each between Alameda CTC and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

Purpose and Application of Proceeds

Proceeds of the Series 2022 Bonds will be applied: (i) to finance and/or reimburse Alameda CTC for certain costs of implementing a portion of the transportation improvements consisting of the capital projects outlined in the 2014 Transportation Expenditure Plan (as described herein), and (ii) to pay costs of issuance of the Series 2022 Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2022 Bonds

Interest on the Series 2022 Bonds will be payable on each March 1 and September 1, commencing September 1, 2022. The Series 2022 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof. The Series 2022 Bonds will be registered in the name of Cede & Co., as holder of the Series 2022 Bonds and nominee for The Depository Trust Company (“DTC”). Purchasers will not receive physical certificates representing their interest in the Series 2022 Bonds purchased.

* Preliminary; subject to change.

The Series 2022 Bonds are subject to redemption prior to their maturity, as described herein. See “THE SERIES 2022 BONDS – Redemption” herein.

Security for the Bonds

The Series 2022 Bonds are limited obligations of Alameda CTC payable from and secured by certain revenues (the “Pledged Revenues”) pledged under the Indenture, including revenues derived from an aggregate one percent (1.00%) retail transactions and use tax known as Measure BB (“Measure BB”) imposed in the County (the “Measure BB Sales Tax”) in accordance with the Act and Part 1.6 of Division 2 of the Revenue and Taxation Code, net of any refunds and any fees imposed by the California Department of Tax and Fee Administration (the “CDTFA”) for the performance of functions incident to the administration and operation of Ordinance 2014-1 and four percent administrative costs of Alameda CTC (the “Pledged Tax Revenues”). The Measure BB Sales Tax took effect on April 1, 2015 and was imposed at a rate of a one-half of one percent (1/2%) from April 1, 2015 through March 31, 2022. On April 1, 2022, the Measure BB Sales Tax increased to one percent. The Measure BB Sales Tax was approved on November 4, 2014 by more than two-thirds of the electorate of the County voting on Measure BB (specifically 70.76% of such voters) and is scheduled to expire on March 31, 2045. Revenues derived from Alameda CTC’s prior sales tax measure, Measure B, which expired on March 31, 2022, are not pledged to the Series 2022 Bonds and do not secure the Series 2022 Bonds. See the caption “THE SALES TAX” herein.

The Taxpayer Transparency and Fairness Act of 2017 restructured the State Board of Equalization into three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the State Board of Equalization, including the Sales Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS” herein.

Limited Obligations

THE SERIES 2022 BONDS ARE LIMITED TAX BOND OBLIGATIONS OF ALAMEDA CTC PAYABLE SOLELY FROM PLEDGED REVENUES, PRIMARILY CONSISTING OF PLEDGED TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE, AND ALAMEDA CTC IS NOT OBLIGATED TO PAY THE SERIES 2022 BONDS EXCEPT FROM PLEDGED REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE SERIES 2022 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF ALAMEDA CTC IS NOT PLEDGED, FOR THE PAYMENT OF THE SERIES 2022 BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE PLEDGED REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Additional Parity Bonds

Pursuant to the Indenture, Alameda CTC may issue additional limited tax bonds secured by a lien and charge upon the Pledged Revenues on a parity with the Series 2022 Bonds subject to compliance with the terms and provisions set forth in the Indenture; all of such bonds to be hereinafter referred to as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Additional Bonds and Other Obligations” herein. Upon the delivery of the Series 2022 Bonds there will be no existing obligations of Alameda CTC secured by a lien and charge upon the Pledged Revenues on a parity with the Series 2022 Bonds. See “SECURITY AND SOURCES OF

PAYMENT FOR THE SERIES 2022 BONDS—Additional Bonds and Other Obligations” herein. Under both Ordinance No. 2014-1 and the Indenture, the maximum principal amount of Bonds which may be issued and Outstanding at any one time cannot exceed \$1,000,000,000.

No Acceleration Provision or Increase in Interest Rate Upon Default

The Indenture does not contain a provision allowing for the acceleration of the Series 2022 Bonds or an increase in the interest rate on the Series 2022 Bonds in the event of a default in the payment of principal and interest on the Series 2022 Bonds when due. In the event of a default by Alameda CTC, the Holders of at least a majority of the aggregate amount of the Series 2022 Bonds will have the right to request the Trustee to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

No Reserve Fund

No reserve fund will be established for the Series 2022 Bonds.

Continuing Disclosure

Alameda CTC will covenant for the benefit of the beneficial owners of the Series 2022 Bonds to provide certain financial information and operating data relating to Alameda CTC and notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access (“EMMA”) system pursuant to a Continuing Disclosure Certificate. These covenants are being made in order to assist the Underwriters of the Series 2022 Bonds in complying with Rule 15c2-12 (the “Rule”) of the U.S. Securities and Exchange Commission (“SEC”) promulgated under the Securities Exchange Act of 1934, as amended. See “CONTINUING DISCLOSURE” and APPENDIX D—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Impact of COVID-19 Pandemic

In response to the spread of the novel strains of coronavirus collectively called SARS-CoV-2, which cause the disease known as COVID-19 (“COVID-19”), the Governor of the State (the “Governor”) declared a state of emergency in the State on March 4, 2020. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and the President of the United States declared a national state of emergency. The State and the County imposed significant restrictions on economic and other activity within the County beginning in March 2020. The economic shut-down caused by the COVID-19 pandemic and the related government restrictions on activity materially reduced consumer spending and sales tax collections in the County. Beginning in early 2021, the State and the County implemented a phased approach for terminating the restrictions originally placed on businesses and activities, and by summer 2021, nearly all restrictions imposed by the State and the County (including physical distancing and capacity limits on businesses) had been terminated. From time to time, restrictions have been re-imposed in various jurisdictions as local conditions warranted, and such restrictions may be renewed if conditions relating to COVID-19 worsen.

The Governor issued several executive orders in response to the COVID-19 pandemic. On March 12, 2020, the Governor issued Executive Order N-25-20, requiring CDTFA, which administers sales and use taxes in the State (including the Measure BB Sales Tax), to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19. On March 30, 2020, the Governor issued Executive

Order N-40-20, which provided a three-month extension for tax returns and tax payments for all businesses filing a return for less than \$1,000,000 in taxes. This order also extended the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA, and extended the timeframe to file for appeal with the CDTFA. On April 2, 2020, the Governor announced a one-year reprieve on the payment of sales and use taxes for small businesses allowing them to request to defer payment on up to \$50,000 of sales and use tax liability. The executive orders described above have expired, but during their effectiveness, the Measure BB Sales Tax revenues were negatively impacted in Fiscal Year ended June 30, 2020. As described below, in Fiscal Year ending June 30, 2021, Measure BB Sales Tax revenues rebounded, with Measure BB Sales Tax revenues exceeding the amount received during Fiscal Year ending June 30, 2019.

Measure BB Sales Tax revenues for the Fiscal Year ended June 30, 2020 were approximately \$155 million compared to approximately \$167 million for the Fiscal Year ended June 30, 2019, representing an approximately 7.12% decrease. Measure BB Sales Tax revenues for the Fiscal Year ended June 30, 2021 were approximately \$171 million, representing an approximately 10.20% increase compared to the Fiscal Year ended June 30, 2020, and an approximately 2.35% increase compared to the Fiscal Year ended June 30, 2019. Total Measure BB Sales Tax revenues for the first seven months of the Fiscal Year ending June 30, 2022 were \$108,598,736, representing an increase of 13.35% from Measure BB Sales Tax revenues for the first seven months of the previous Fiscal Year. See the captions “THE SALES TAX—Historical Sales Tax Revenues” and “RISK FACTORS – Economy of the County and the State.”

The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including (i) the severity of the disease, including new variants; (ii) actions that may be taken in the future, by governmental authorities to contain or mitigate a worsening of conditions relating to COVID-19; (iii) the acceptance of and effectiveness (especially against any new variants of the virus) of vaccines; (iv) the impact of the outbreak on the local, national or global economy; (v) the impact of the outbreak and actions taken in response to the outbreak on Measure BB Sales Tax revenues; and (vi) temporary and permanent changes to consumers’ spending habits. As discussed above, the economic effects of the COVID-19 outbreak resulted in a significant reduction in Sales Tax Revenues in Fiscal Year ending June 30, 2020, but Measure BB Sales Tax revenues recovered in Fiscal Year ending June 30, 2021. To date, Alameda CTC does not believe that the impacts of the COVID-19 outbreak will have a material adverse impact on Alameda CTC’s ability to pay debt service on the Series 2022 Bonds; however, Alameda CTC is unable to predict the ongoing impact of the COVID-19 outbreak on economic activity within the County or the receipt of Measure BB Sales Tax revenues.

References

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

THE SERIES 2022 BONDS

General

The Series 2022 Bonds will be the first series of Bonds issued by Alameda CTC secured by the Pledged Revenues. The Series 2022 Bonds will mature on March 1 in the years and in the principal amounts shown on the inside cover of this Official Statement. Interest on the Series 2022 Bonds will be payable on each March 1 and September 1 of each year, commencing September 1, 2022 (each an “Interest Payment Date”), and will be computed on the basis of a 360-day year consisting of twelve 30-day months.

[Interest on each Series 2022 Bond will be payable by check mailed by first-class mail on each Interest Payment Date to the Holder thereof as of the close of business on the Record Date or, upon the written request of any Holder of \$1,000,000 or more in aggregate principal amount of Series 2022 Bonds who has provided the Trustee with wire transfer instructions, by wire transfer to an account within the United States on each Interest Payment Date, to the Holder thereof as of the close of business on the Series 2022 Record Date. “Record Date” means the fifteenth day of the calendar month prior to the calendar month in which an Interest Payment Date occurs, whether or not such day is a Business Day.]

The Series 2022 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 and any integral multiple thereof. The Depository Trust Company (“DTC”) will act as the initial securities depository for the Series 2022 Bonds, which will be issued initially pursuant to a book-entry only system. See APPENDIX E—“BOOK-ENTRY SYSTEM.” Under the Indenture, Alameda CTC may appoint a successor securities depository to DTC for the Series 2022 Bonds. The information under this caption, “THE SERIES 2022 BONDS,” is subject in its entirety to the provisions described in APPENDIX E—“BOOK-ENTRY SYSTEM” while the Series 2022 Bonds are in DTC’s book-entry system.

Redemption

Optional Redemption*. The Series 2022 Bonds maturing on and after March 1, 2033 are subject to redemption prior to their respective stated maturities, at the option of Alameda CTC, from any source of available funds, on any date on or after March 1, 2032, as a whole, or in part by such maturity or maturities as may be specified by Alameda CTC (and by lot within a maturity), at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Redemption.* The Series 2022 Bonds maturing on March 1, 20__ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such Series 2022 Bonds, on each March 1 on and after March 1, 20__, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at the Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Redemption Date (March 1)	Mandatory Sinking Account Payments
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* Final Maturity.

Notice of Redemption. Notice of redemption will be mailed by the Trustee, not less than twenty (20) days nor more than ninety (90) days prior to the redemption date, to each Holder and the Information Services. A copy of such notice will also be provided to each of the Notice Parties with

* Preliminary; subject to change.

respect to the Series 2022 Bonds. Notice of redemption to the Holders, the Information Services and the applicable Notice Parties will be given by first class mail. Each notice of redemption will state the date of such notice, the date of issue of the Series 2022 Bonds, 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, if less than all of any such maturity, the distinctive certificate numbers of the Series 2022 Bonds of such maturity, if any, to be redeemed and, in the case of Series 2022 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2022 Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Series 2022 Bond to be redeemed in part only, 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 Series 2022 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither Alameda CTC nor the Trustee will have any responsibility for any defect in the CUSIP number that appears on any Series 2022 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 Alameda CTC nor the Trustee will be liable for any inaccuracy in such CUSIP numbers.

Failure by the Trustee to give notice to any Notice Party or the Information Services or failure of any Holder, any Notice Party or the Information Services to receive notice or any defect in any such notice will not affect the sufficiency or validity of the proceedings for redemption.

With respect to any notice of optional redemption of Series 2022 Bonds delivered pursuant to the Indenture, unless, upon the giving of such notice, such Series 2022 Bonds will be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Series 2022 Bonds to be redeemed, and that if such amounts will not have been so received said notice will be of no force and effect and Alameda CTC will not be required to redeem such Series 2022 Bonds. If such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

Any notice given pursuant to the Indenture may be rescinded by written notice given to the Trustee by Alameda CTC and the Trustee will give notice of such rescission as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to Indenture.

Failure of DTC to receive any notice of redemption or any defect therein will not affect the sufficiency of any proceedings for redemption.

Selection of Series 2022 Bonds for Redemption. Alameda CTC may designate the Mandatory Sinking Account Payments, or portions thereof, that are to be reduced as allocated to an optional redemption. If less than all Series 2022 Bonds are to be redeemed at any one time, the Trustee will select the Series 2022 Bonds to be redeemed in any manner that it deems appropriate and fair and will promptly notify Alameda CTC in writing of the numbers of the Series 2022 Bonds so selected for redemption.

Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series 2022 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Series 2022 Bonds (or portions thereof) so called

for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Series 2022 Bonds so called for redemption shall cease to accrue, said Series 2022 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture and the Holders of said Series 2022 Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Trustee for such payment and such funds are hereby pledged to such payment. All Series 2022 Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements on the Series 2022 Bonds.

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Debt Service</i>
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PLAN OF FINANCE

Proceeds of the Series 2022 Bonds will be applied: (i) to finance and/or reimburse Alameda CTC for certain costs of implementing a portion of the implementation of transportation improvement projects included in the 2014 Transportation Expenditure Plan (as hereinafter defined), which are expected to include, among other projects, the State Route 84 (“SR-84”) Interstate 680 (“I-680”) Interchange Improvements and SR-84 Widening Project, 7th Street Grade Separation East Project, Interstate 80 (“I-80”)/Gilman Street Interchange Improvements Project (Phase 1 and 2), and I-680 Express Lane - Southbound Gap Closure (SR-84 to Alcosta Blvd) Project, in addition to other projects permitted to be funded with the Measure BB Sales Tax as permitted by the Act, Ordinance No. 2014-1 and the 2014 Transportation Expenditure Plan, and (ii) to pay costs of issuance of the Series 2022 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “ALAMEDA COUNTY TRANSPORTATION COMMISSION- 2014 Transportation Expenditure Plan” herein.

The SR 84 I-680 Interchange Improvements and SR-84 Widening Project is designed to conform SR-84 to expressway standards between south of Ruby Hill Drive and the I-680 interchange by modifying SR-84 to accommodate one additional lane in each direction and implementing additional improvements to reduce weaving and merging conflicts and address additional traffic demand between I-680 and SR-84. The project would also improve the SR-84/I-680 interchange operations by modifying ramps and extending the existing southbound I-680 high-occupancy vehicle/express lane northward by approximately two miles. The project represents the final segment in a series of improvements to widen SR-84 to expressway standards from I-680 in Sunol to Interstate 580 in Livermore. The total cost of SR 84 I-680 Interchange Improvements and SR-84 Widening Project is expected to be approximately \$245.1 million and, in addition to proceeds of the Series 2022 Bonds, is expected to be funded with Measure B Sales Tax Revenues, the Measure BB Sales Tax revenues on pay go as you basis and other State, regional and local funding sources. Construction commenced in 2021 and is expected to be completed in the spring of 2024.

The 7th Street Grade Separation East Project is a project located in Oakland that will realign and reconstruct the existing railroad underpass and multi-use path along 7th Street between west of Interstate 880 and Maritime Street to increase vertical and horizontal clearances for trucks to current standards and improve the shared pedestrian/bicycle pathway. The cost of the project is expected to be approximately \$382.0 million and is expected to be funded with proceeds of the Series 2022 Bonds, Measure BB Sales Tax revenues on a pay as you go basis, and other State, regional and local funding sources. Construction is expected to begin in early 2023 and is expected to be completed in 2025.

The I-80 Gilman Interchange Improvements Project (Phase 1 and 2) is planned to reconfigure the I-80/Gilman Interchange, located in northwest Berkeley. The primary component of the project is a pair of roundabouts on both sides of I-80, as well as new pedestrian and bicycle facilities at and near the interchange. Construction on Phase 1 (pedestrian/bicycle overcrossing over I-80) of the project began in spring 2021 and is expected to be completed in 2023. The cost of the project is expected to be approximately \$86.0 million and is expected to be funded with proceeds of the Series 2022 Bonds, Measure BB Sales Tax revenues on a pay as you go basis, and other federal, State and local funding sources. Construction of Phase 2 will start in the spring of 2022 and is expected to be completed in 2024.

The I-680 Express Lane - Southbound Gap Closure (SR-84 to Alcosta Blvd) Project is designed to close the gap between existing and in-progress high occupancy vehicle/express lanes directly to the north and south. The project extends for approximately nine miles on the southbound I-680 through Dublin, Pleasanton and Sunol. The cost of the project is expected to be approximately \$198.0 million and is expected to be funded with proceeds of the Series 2022 Bonds, Measure BB Sales Tax Revenues on a pay as you go basis, and certain other State and regional funding sources. Construction is expected to begin on in the summer of 2022 and is expected to be completed in the fall of 2025.

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds:

Par Amount of Series 2022 Bonds	\$
Premium	
Total Sources	\$

Uses of Funds:

Deposit to Project Fund	\$
Costs of Issuance ⁽¹⁾	
Total Uses	\$

⁽¹⁾ Includes underwriters' discount, rating agency fees, Trustee fees, printing costs, Bond Counsel, Disclosure Counsel, General Counsel and Municipal Advisor fees and expenses and other miscellaneous expenses.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS

Limited Obligations

THE SERIES 2022 BONDS ARE LIMITED TAX BOND OBLIGATIONS OF ALAMEDA CTC PAYABLE SOLELY FROM PLEDGED REVENUES, PRIMARILY CONSISTING OF PLEDGED TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE, AND ALAMEDA CTC IS NOT OBLIGATED TO PAY THE SERIES 2022 BONDS EXCEPT FROM PLEDGED REVENUES AND THOSE CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE SERIES 2022 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE OTHER THAN ALAMEDA CTC, OR A PLEDGE OF THE

FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF ALAMEDA CTC IS NOT PLEDGED, FOR THE PAYMENT OF THE SERIES 2022 BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF ALAMEDA CTC OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE PLEDGED REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

Pledge of Pledged Revenues; Revenue Fund

Pursuant to the Indenture, Alameda CTC will pledge to the Trustee: (i) all Pledged Revenues (including all Pledged Tax Revenues), and (ii) all amounts, including proceeds of the Series 2022 Bonds, held on deposit in the funds and accounts established in the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

Pledged Revenues consists of (i) all Pledged Tax Revenues and (ii) all Swap Revenues (as of the date of this Official Statement, Alameda CTC has not entered into an Interest Rate Swap Agreement and does not receive any Swap Revenues). The collateral identified above will immediately be subject to the pledge under the Indenture, and the pledge shall constitute a first lien on and security interest in such collateral which will immediately attach to the collateral and be effective, binding and enforceable against Alameda CTC and all others asserting the rights therein, to the extent set forth, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of Pledged Revenues and all amounts held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund) will be irrevocable until all of the Bonds, including Series 2022 Bonds, all Parity Obligations and amounts owed in connection with the Bonds and Parity Obligations are no longer Outstanding. All Bonds and Parity Obligations shall be of equal rank without preference, priority or distinction of any Bonds and Parity Obligations over any other Bonds and Parity Obligations. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Alameda CTC will cause Measure BB Sales Tax revenues (net of any refunds and fees imposed by CDTFA for administration of Ordinance 2014-1) to be transmitted by the CDTFA directly to the Trustee. From such Sales Tax Revenues the Trustee will promptly transfer to Alameda CTC the amount required for Alameda CTC’s administrative costs. The Trustee will then deposit the remainder in a trust fund, designated as the “Revenue Fund,” which fund the Trustee will establish and maintain under the Indenture. The Pledged Tax Revenues and all other amounts deposited into the Revenue Fund pursuant to the Indenture, will be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and the Parity Obligations and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Investment income on amounts held by the Trustee under the Indenture (other than amounts held in the Rebate Fund or for which particular instructions, such as with respect to a Project Fund, a Letter of Credit Account or a Purchase Fund, are provided in a Supplemental Indenture), will also be deposited in the Revenue Fund. All moneys at any time held in the Revenue Fund will be held in trust for the benefit of the Holders of the Bonds and the holders of Parity Obligations and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. The obligation of Alameda CTC to make payments of principal of, interest on and redemption premium of the Bonds and Parity Obligations will be an absolute obligation and will be payable prior to any allocation of such payments under Ordinance No. 2014-1.

The Series 2022 Bonds are limited obligations of Alameda CTC and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the Pledged Revenues and other funds pledged under the Indenture.

For a more detailed description of the Measure BB Sales Tax revenues and projected receipts of Pledged Tax Revenues, see “THE SALES TAX” herein.

Allocation of Pledged Tax Revenues

So long as any Bonds remain Outstanding and Parity Obligations, Second Lien Obligations (as hereinafter defined) and all other amounts payable under the Indenture remain unpaid, the Trustee will set aside in each month following receipt of the Pledged Tax Revenues the moneys in the Revenue Fund in the following respective funds (each of which the Trustee will establish, maintain and hold in trust for the benefit of the Holders of the Bonds and, as and to the extent applicable, the holders of Parity Obligations) in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that on a parity with such deposits the Trustee may set aside or transfer amounts with respect to any outstanding Parity Obligations as provided in the proceedings for such Parity Obligations delivered to the Trustee pursuant to the Indenture (which will be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations); provided further that payments on Interest Rate Swap Agreements that are payable on a parity with the Bonds will be payable from the Interest Fund and the required deposits below will be adjusted to include payments on such Interest Rate Swap Agreements in accordance with the Indenture:

1. Senior Interest Fund. The Indenture requires the Trustee, following receipt of the Pledged Tax Revenues in each month, to make monthly deposits in the Interest Fund in an amount equal to (a) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds (other than Bonds constituting Variable Rate Indebtedness) during the next ensuing six (6) months (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of the Bonds or other source and reserved as capitalized interest to pay such interest during said next ensuing six (6) months) until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds (except for Bonds constituting Variable Rate Indebtedness which will be governed by clause (b) below) is on deposit in such fund; provided that from the date of delivery of a Series of Current Interest Bonds until the first Interest Payment Date with respect to such Bonds the amounts set aside in such fund with respect to such Bonds will be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date with respect to such Bonds; plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness, calculated, if the actual rate of interest is not known, at the interest rate specified in writing by Alameda CTC, or if Alameda CTC will not have specified an interest rate in writing, calculated at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus 100 basis points (provided, however, that the amount of such deposit into the Interest Fund for any month may be reduced by the amount by which the deposit in the prior month exceeded the actual amount of interest accrued and paid during that month on said Outstanding Variable Rate Indebtedness and provided further that the amount of such deposit into the Interest Fund for any month will be increased by the amount by which the deposit in the prior month was less than the actual amount of interest accruing during that month on said Outstanding Variable Rate Indebtedness). No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next six months upon all of the Bonds issued under the Indenture and then Outstanding, and on [June] 1 and [December] 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Bonds having Interest Payment Dates other than [June] 1 and

[December] 1) will be transferred to Alameda CTC (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates).

All Swap Revenues received by Alameda CTC with respect to Interest Rate Swap Agreements that are Parity Obligations will be transferred by Alameda CTC to the Trustee and deposited in the Interest Fund and credited to the above required deposits. All Subsidy Payments received by Alameda CTC will be transferred by Alameda CTC to the Trustee and deposited in the Interest Fund and credited to the above required deposits. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

2. Senior Principal Fund; Sinking Accounts. The Indenture also requires the Trustee, following the receipt of the Pledged Tax Revenues, to make monthly deposits in the Principal Fund, as soon as practicable in such month, in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts will have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided that from the date of delivery of a Series of Bonds until the first date principal is due with respect to such Series of Bonds, the amounts set aside in such fund with respect to such Series of Bonds will be sufficient on a monthly pro rata basis to pay the aggregate amount of principal becoming due on said date with respect to such Series of Bonds; provided further that if Alameda CTC certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates, no amounts need be set aside towards such principal to be so refunded, except for amounts in any month to pay principal becoming due and payable in such month. All of the aforesaid deposits made in connection with future Mandatory Sinking Account Payments shall be made without priority of any payment into any one such Sinking Account over any other such payment.

If Sales Tax Revenues will not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys will be applied on a Proportionate Basis and in such proportion as said Serial Bonds and said Term Bonds will bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as will have been redeemed or purchased during the preceding twelve-month period and any of said Term Bonds required to be redeemed semiannually as will have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six-month period. If Pledged Tax Revenues will not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts will be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current twelve-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such twelve-month period.

No deposit need be made into the Principal Fund so long as there will be in such fund (i) moneys sufficient to pay the Bond Obligation of all Serial Bonds then Outstanding and maturing by their terms within the next 12 months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if Alameda CTC certifies to the Trustee that any principal payments in the following 12-month period are expected to be paid from amounts on deposit in a Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no deposit need be made into the Principal Fund with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than June 1 of each year, the Trustee will request from Alameda CTC a Certificate of Alameda CTC setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On June 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than June 1) will be transferred to Alameda CTC. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

3. Reserve Fund. Upon the occurrence of any deficiency in any Reserve Fund, the Trustee will make such deposit to such Reserve Fund as is required pursuant to the Indenture, each such deposit to be made as soon as possible in each month, until the balance therein is at least equal to the applicable Reserve Requirement. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.” No Reserve Fund will be established in connection with the issuance of the Series 2022 Bonds.

4. Second Lien Obligations Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Second Lien Obligations Fund.” As long as any Second Lien Obligations remain unpaid, any Revenues remaining in the Revenue Fund after the deposits described in (1), (2) and (3) above have been made will be transferred on the same Business Day to the Second Lien Obligations Fund. After the Trustee has made any deposit or payment of Revenues as in the current month required by the instrument or instruments creating the Second Lien Obligations, the Trustee shall transfer any remaining Revenues back to the Revenue Fund.

5. Third Lien Obligations Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Third Lien Obligations Fund.” As long as any Third Lien Obligations remain unpaid, any Revenues remaining in the Revenue Fund after the deposits described in (1), (2), (3) and (4) above have been made will be transferred on the same Business Day to the Third Lien Obligations Fund. After the Trustee has made any deposit or payment of Revenues as in the current month required by the instrument or instruments creating the Third Lien Obligations, the Trustee will transfer any remaining Revenues back to the Revenue Fund.

6. Fees and Expenses Fund. If Alameda CTC incurs Fee and Expense Obligations, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Fees and Expenses Fund.” At the direction of Alameda CTC, after the transfers described in (1), (2), (3), (4) and (5) above have been made, the Trustee will deposit as soon as practicable in each month in the Fees and Expenses Fund (i) amounts necessary for payment of fees, expenses and similar charges (including fees, expenses and similar charges relating to any Liquidity Facility or Credit Enhancement for the Bonds or any Parity Obligations) owing in such month or the following month by Alameda CTC in connection with the Bonds or any Parity Obligations, and (ii) amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by Alameda CTC in connection with Second Lien Obligations.

7. Swap Termination Payments Fund. At the direction of Alameda CTC in a Certificate to the Trustee, the Trustee will establish, maintain and hold in trust a separate fund designated as the “Swap Termination Payments Fund.” At the direction of Alameda CTC, after the deposits described in (1), (2), (3) and (4) above have been made, the Trustee will deposit as soon as practicable in each month in the Swap Termination Payments Fund any amounts necessary to pay termination payments owing in such month or the following month by Alameda CTC in connection with any Interest Rate Swap Agreements. Alameda CTC will inform the Trustee of such amounts, in writing, on or prior to the first Business Day of each month

See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Allocation of Sales Tax Revenues” for a more complete discussion.

Any Revenues remaining in the Revenue Fund after the foregoing deposits described in (1), (2), (3), (4), (5), (6) and (7) above, except as Alameda CTC otherwise directs in writing or as is otherwise provided in a Supplemental Indenture, will be transferred to Alameda CTC on the same Business Day or as soon as practicable thereafter, to be used by Alameda CTC for any lawful purpose and after such transfer to Alameda CTC will be released from the lien of the Indenture and will no longer constitute “Pledged Revenues” under the Indenture.

No Reserve Fund for the Series 2022 Bonds

No Reserve Fund will be established for the Series 2022 Bonds.

Additional Bonds and Other Obligations

General. Subsequent to the issuance of the Series 2022 Bonds, Alameda CTC may by Supplemental Indenture establish one or more additional Series of Bonds, payable from Pledged Revenues and secured by the pledge made under the Indenture equally and ratably with the Series 2022 Bonds, upon compliance by Alameda CTC with the provisions of the Indenture and any additional requirements set forth in said Supplemental Indenture and subject to the specific conditions set forth below, each of which is a condition precedent to the issuance of any such additional Series of Bonds:

(A) No Event of Default shall have occurred and then be continuing, or such Event of Default shall be cured by the issuance of such additional Series of Bonds.

(B) Subject to the provisions of the Indenture, in the event a Supplemental Indenture providing for the issuance of such Series shall require either (i) the establishment of a Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the Supplemental Indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Said deposit shall be made as provided in the Supplemental Indenture providing for the issuance of such additional Series of Bonds and may be made from the proceeds of the sale of such Series of Bonds or from other funds of Alameda CTC or from both such sources or may be made in the form of a Reserve Facility.

(C) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by Ordinance No. 2014-1 or any other law or by any Supplemental Indenture. Alameda CTC shall file with the Trustee a Certificate of Alameda CTC certifying that the issuance of such additional Series of Bonds and the expected use of proceeds thereof is in compliance with the provisions of the Indenture.

(D) Alameda CTC shall file with the Trustee a certificate showing that the amount of Pledged Revenues (excluding Swap Revenues) collected during any 12 consecutive calendar months specified by Alameda CTC within the most recent 18 calendar months immediately preceding the date on which such additional Series of Bonds will become Outstanding shall have been at least equal to two times Maximum Annual Debt Service on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued, which certificate in each case shall also set forth the computations upon which such certificate is based.

Proceedings for Issuance of Additional Bonds. Subsequent to the issuance of the Series 2022 Bonds, before any additional Series of Bonds shall be issued and delivered, Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by Alameda CTC.

(B) A Certificate of Alameda CTC certifying that the requirements specified in paragraphs (A), (B) and (C) under the caption “– Additional Bonds—General” above have been satisfied by Alameda CTC.

(C) A Certificate of Alameda CTC certifying (on the basis of computations made as of the date of sale of such Series of Bonds) that the requirements of paragraph (D) under the caption “– Additional Bonds—General” above has been satisfied by Alameda CTC.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with the Indenture and that such Series of Bonds, when duly executed by Alameda CTC and authenticated and delivered by the Trustee, will be valid and binding obligations of Alameda CTC.

Refunding Bonds. Refunding Bonds may be authorized and issued by Alameda CTC without compliance with paragraph (D) under the caption “– Additional Bonds—General” above or paragraph (C); under the caption “– Additional Bonds—Proceedings for Issuance of Additional Bonds” above provided that the Trustee shall have been provided with either (i) a certificate to the effect that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds or (ii) a certificate to the effect that issuance of such Refunding Bonds and the resulting refundings, prepayments and/or defeasances will generate present value savings. Such Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following:

(A) the principal or Redemption Price of the Outstanding Bonds or outstanding Parity Obligations to be refunded;

(B) all expenses incident to the calling, retiring or paying of such Outstanding Bonds or outstanding Parity Obligations and the Costs of Issuance of such Refunding Bonds;

(C) any termination payment owed by Alameda CTC to a Counterparty after offset for any payments made to Alameda CTC from such Counterparty under any Interest Rate Swap Agreement that was entered into in connection with the Bonds or Parity Obligations to be refunded;

(D) interest on all Outstanding Bonds or outstanding Parity Obligations to be refunded to the date such Bonds or Parity Obligations will be called for redemption or paid at maturity;

(E) interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the Bonds or Parity Obligations to be refunded; and

(F) funding a Reserve Fund for the Refunding Bonds, if required.

Proceedings for Issuance of Refunding Bonds. Subsequent to the issuance of the Series 2022 Bonds, before any additional Series of Bonds shall be issued and delivered, Alameda CTC shall file each of the documents identified below with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied).

(A) A Supplemental Indenture authorizing such Series executed by Alameda CTC.

(B) A Certificate of Alameda CTC certifying that the requirements specified in paragraphs (A), (B) and (C) under the caption “– Additional Bonds—General” and paragraph (A) under the caption “–Refunding Bonds” above has been satisfied by Alameda CTC.

(C) If any of the Bonds to be refunded are to be redeemed prior to their stated maturity dates, irrevocable instructions to the Trustee to give the applicable notice of redemption or a waiver of the notice of redemption signed by the Holders of all or the portion of the Bonds or Parity Obligations to be redeemed, or proof that such notice has been given by Alameda CTC; provided, however, that in lieu of such instructions or waiver or proof of notice of redemption, Alameda CTC may cause to be deposited with the Trustee all of the Bonds and Parity Obligations proposed to be redeemed (whether canceled or un-canceled) with irrevocable instructions to the Trustee to cancel said Bonds or Parity Obligations so to be redeemed upon the exchange and delivery of said Refunding Bonds; and provided further that no provision of this Indenture shall be construed to require the redemption of Bonds prior to their respective maturity dates in connection with the refunding thereof.

(D) An Opinion of Bond Counsel to the effect that the Supplemental Indenture is being entered into in accordance with the Indenture and that such Series of Refunding Bonds, when duly executed by Alameda CTC and authenticated and delivered by the Trustee, will be valid and binding obligations of Alameda CTC.

(E) The proceeds of the sale of the Refunding Bonds shall be applied by the Trustee according to the Order of Alameda CTC to the retirement of the Outstanding Bonds or Parity Obligations for the refunding of which said Refunding Bonds are to be issued, and the other expenses described in the Indenture. All Bonds or Parity Obligations purchased, redeemed or retired by use of funds received from the sale of Refunding Bonds, and all Bonds surrendered to the Trustee against the issuance of Refunding Bonds, shall be forthwith canceled and shall not be reissued.

Under both Ordinance No. 2014-1 and the Indenture, the maximum principal amount of Bonds which may be issued and Outstanding at any one time cannot exceed \$1,000,000,000. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Parity Obligations. Under the Indenture, Alameda CTC may issue or incur Parity Obligations on a parity with the Bonds, provided the following conditions to the issuance or incurrence of such Parity Obligations are satisfied:

(A) Such Parity Obligations have been duly and legally authorized by Alameda CTC for any lawful purpose;

(B) No Event of Default shall have occurred and then be continuing, or such Event of Default will be cured by the issuance or incurrence of such Parity Obligations, as evidenced by the

delivery of a Certificate of Alameda CTC to that effect, which Certificate of Alameda CTC shall be filed with the Trustee;

(C) Such Parity Obligations are being issued or incurred (i) for purposes of refunding in compliance with the requirements for the issuance of Refunding Bonds set forth in the Indenture or (ii) Alameda CTC shall have placed on file with the Trustee a Certificate of Alameda CTC certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements set forth in the Indenture relating to the issuance of an additional Series of Bonds have been satisfied with respect to such Parity Obligations, which certificate shall also set forth the computations upon which such certificate is based; and

(D) As and to the extent applicable, the Trustee shall be designated as paying agent or trustee for such Parity Obligations and Alameda CTC shall deliver to the Trustee a transcript of the proceedings providing for the issuance of such Parity Obligations (but the Trustee shall not be responsible for the validity or sufficiency of such proceedings or such Parity Obligations).

Subordinate Obligations

General. Except to the extent restricted by the Indenture, Alameda CTC may issue or incur obligations (“Subordinate Obligations”) payable out of Pledged Revenues on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Bonds and Parity Obligations, as the same become due and payable and at the times and in the manner as required by the Indenture or as required by the instrument pursuant to which such Parity Obligations were issued or incurred, as applicable. Alameda CTC currently has no outstanding Subordinate Obligations and currently has no plans to issue any Subordinate Obligations. Subordinate Obligations may include obligations of Alameda CTC issued or incurred in accordance with the Indenture, and secured by a lien and charge on Pledged Revenues subordinate to the lien and charge on Pledged Revenues that secures the Bonds and Parity Obligations and senior to the lien and charge on Pledged Revenues that secures the Third Lien Obligations (as hereinafter defined) (“Second Lien Obligations”), and obligations of Alameda CTC issued or incurred in accordance with the Indenture, and secured by a lien and charge on Pledged Revenues subordinate to the liens and charges on Pledged Revenues that secure the Bonds, the Parity Obligations and the Second Lien Obligations.

THE MEASURE BB SALES TAX

General

In accordance with the Act, on November 4, 2014, more than two-thirds of the voters of the County voting on the measure (specifically 70.76% of such voters) approved Measure BB, which authorized the extension of an existing one-half of one percent (1/2%) retail transactions and use tax then set to expire on March 31, 2022 and to impose and collect an additional one half of one percent (1/2%) retail transactions and use tax. The Measure BB Sales Tax was imposed at the rate of one-half of one percent (1/2%) from April 1, 2015 through March 31, 2022. Beginning on April 1, 2022, the aggregate Sales Tax authorized to be imposed under Measure BB increased to one percent (1.00%).

From April 1, 2015 through March 31, 2022, the Measure BB Sales Tax was imposed in addition to a one-half of one percent (1/2%) retail transactions and use tax (the “Measure B Sales Tax”), imposed pursuant to a prior sales tax measure, Measure B (“Measure B”), which was imposed within the County from April 1, 2002 through March 31, 2022. The Measure B Sales Tax revenues are not pledged to the Series 2022 Bonds and do not secure the Series 2022 Bonds. The Measure BB Sales Tax increased to one percent on April 1, 2022, following the expiration of the Measure B Sales Tax, and is scheduled to expire on March 31, 2045.

The Measure BB Sales Tax consists of a one percent (1%) sales tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions described below. The one percent sales tax imposed in the County for transportation purposes and administered by Alameda CTC is in addition to the sales tax levied statewide by the State and certain other sales taxes imposed by cities and local agencies within the County. See “THE MEASURE BB SALES TAX—Other Sales Taxes Imposed in the County.” In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property. The statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally applies to purchases made outside of the State for use within the State, subject to certain exceptions.

The Measure BB Sales Tax generally is imposed upon the same transactions and items subject to the sales and use tax levied statewide by the State (hereinafter collectively referred to as the “State Sales Tax”), with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Sales Tax. The most important of these exemptions are: sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity and water when delivered to consumers through mains, lines and pipes. In addition, “Occasional Sales” (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller’s permit) are generally exempt from the State Sales Tax and from the Sales Tax; however, the “Occasional Sales” exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County which are shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt from the State Sales Tax and from the Measure BB Sales Tax.

Action by the State Legislature or by voter initiative or judicial decisions interpreting State law could change the transactions and items upon which the State Sales Tax and the Measure BB Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Sales Tax Revenues. Alameda CTC is not currently aware of any proposed legislative change which would have a material adverse effect on Sales Tax Revenues. See also “RISK FACTORS — Proposition 218” herein.

Collection of Measure BB Sales Tax Revenues

Collection of the Measure BB Sales Tax is administered by the CDTFA. Alameda CTC and the CDTFA have entered into two separate Amended and Restated Agreements for State Administration of District Transactions and Use Taxes in connection with administration of the Measure BB Sales Tax, each of which were amended and restated on _____, 2022 to authorize payment of Measure BB Sales Tax revenues directly to the Trustee. Pursuant to the amended and restated agreements, CDTFA, after deducting amounts payable to itself for administrative costs, will be required to remit the balance of amounts received from the Measure BB Sales Tax directly to the Trustee. Pursuant to the Indenture, if Alameda CTC receives any Pledged Tax Revenues from the CDTFA, Alameda CTC covenants and agrees that any such Pledged Tax Revenues will be received and held in trust for (and remitted immediately to) the Trustee. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—The Indenture—Certain Covenants of Alameda CTC—Collection of Sales Tax Revenues.” The Trustee will be required to apply the Pledged Tax Revenues to make deposits to the funds and accounts established under the Indenture. Pledged Tax Revenues not required for such deposits will be remitted to Alameda CTC. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS” herein. The fee that the CDTFA is authorized to charge for collection of the

Measure BB Sales Tax is determined by State legislation. The CDTFA fee for collection of the Measure BB Sales Tax for Fiscal Year 2021-22 is estimated at approximately \$2 million.

Historical Sales Tax Revenues

Measure B Sales Tax Revenues. From April 1, 2002 through March 31, 2022, Alameda CTC imposed the Measure B Sales Tax, a one-half of one percent retail transactions and use tax pursuant to Measure B. Collection of the Measure B Sales Tax terminated on March 31, 2022. See “THE SALES TAX—General.” The following table sets forth the Measure B Sales Tax, net of the administrative fee retained by CDTFA, or its predecessor, the State Board of Equalization, for the Fiscal Years indicated. The Measure B Sales Tax revenues are not pledged to the Series 2022 Bonds and do not secure the Series 2022 Bonds.

ALAMEDA COUNTY TRANSPORTATION COMMISSION MEASURE B SALES TAX REVENUES

<i>Fiscal Year Ended June 30</i>	<i>Measure B Sales Tax Revenues^{(1) (2)}</i>	<i>% Change From Prior Fiscal Year</i>
2002	\$ 22,583,145 ⁽³⁾	--
2003	92,695,376	--
2004	99,054,892	6.86%
2005	101,134,874	2.10
2006	110,339,552	9.10
2007	113,726,121	3.07
2008	116,267,321	2.23
2009	101,317,661	(12.86)
2010	94,453,574	(6.77)
2011	105,393,813	11.58
2012	112,568,093	6.81
2013	121,084,780	7.57
2014	127,095,900	4.96
2015	132,537,037	4.28
2016	137,289,997	3.59
2017	142,937,413	4.11
2018	154,489,199	8.08
2019	167,221,953 ⁽⁴⁾	8.24
2020	155,366,985 ⁽⁵⁾	(7.09)
2021	170,522,877	9.75
2022	⁽⁶⁾	

⁽¹⁾ Net of State Board of Equalization or CDTFA, as applicable, administrative fee.

⁽²⁾ In certain Fiscal Years, Alameda CTC receives a true-up adjustment of prior year sales tax revenues as a result of corrections made by the CDTFA as a result of internal CDTFA and other external audits. Such prior year sales tax revenues are accounted for in the year in which they are received by Alameda CTC, and, as a result, contribute to certain year-to-year fluctuations in Measure B Sales Tax revenues. In addition, as a result of the receipt of such true-up adjustments, for years in which both the Measure B Sales Tax and the Measure BB Sales Tax were collected,

there are differences between the total amounts received of each such sales tax, despite each sales tax being equal to one-half of one percent during such period and being levied on the same tax base.

- (3) Measure B Sales Tax revenues collected from April 1, 2002, commencement of the Measure B Sales Tax revenues, through June 30, 2002.
- (4) In May 2018, CDTFA implemented a new automated system for processing, reporting and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner.
- (5) Decrease in the Fiscal Year ended June 30, 2020 largely attributable to the effects of the COVID-19 pandemic. See the captions “—Collection of Sales Tax Revenues” and “RISK FACTORS—Economy of the County and the State.”
- (6) Collection of Measure B Sales Tax revenues expired on March 31, 2022 and effective April 1, 2022 the Measure BB Sales Tax increased from one-half of one percent to one percent.

Source: Alameda CTC.

Measure BB Sales Tax Revenues. The one-half of one percent retail transactions and use tax authorized under Measure BB took effect on April 1, 2015 and was imposed at such rate until March 31, 2022. Beginning on April 1, 2022, the Measure BB Sales Tax under Measure BB increased to one percent and is scheduled to expire on March 31, 2045. The following table sets forth Measure BB Sales Tax net of the administrative fee retained by CDTFA, or its predecessor, the State Board of Equalization, for the Fiscal Years indicated. The four percent deduction for Alameda CTC administrative costs is not reflected in the below table.

HISTORICAL MEASURE BB SALES TAX REVENUES

Fiscal Year Ended June 30	Measure BB Sales Tax Revenues⁽¹⁾⁽²⁾	% Change From Prior Fiscal Year
2015	\$ 27,708,769 ⁽³⁾	--
2016	137,296,312	--
2017	141,853,829	3.32%
2018	153,493,524	8.21
2019	166,790,508 ⁽⁴⁾	8.66
2020	154,910,321 ⁽⁵⁾	(7.12)
2021	170,709,226	10.20

(1) Net of State Board of Equalization or CDTFA, as applicable, administrative fee. Reflects the imposition of a retail transactions and use tax of one-half of one percent. As of April 1, 2022, the Measure BB Sales Tax increased to one percent. Does not reflect deduction of 4% for Alameda CTC administration costs.

(2) In certain Fiscal Years, Alameda CTC receives a true-up adjustment of prior year sales tax revenues as a result as a result of corrections made by the CDTFA as a result of internal CDTFA and other external audits. Such prior year sales tax revenues are accounted for in the year in which they are received by Alameda CTC, and, as a result, contribute to certain year-to-year fluctuations in Measure BB Sales Tax revenues. In addition, as a result of the receipt of such true-up adjustments, for years in which both the Measure B Sales Tax and the Measure BB Sales Tax were collected, there are differences between the total amounts received of each such sales tax, despite each sales tax being equal to one-half of one percent during such period and being levied on the same tax base.

(3) Sales Tax Revenues collected from April 1, 2015, commencement of the Sales Tax, through June 30, 2015.

(4) In May 2018, CDTFA implemented a new automated system for processing, reporting and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner.

(5) Decrease in the Fiscal Year ended June 30, 2020 largely attributable to the effects of the COVID-19 pandemic. See the captions “—Collection of Sales Tax Revenues” and “RISK FACTORS—Economy of the County and the State.”

Source: Alameda CTC.

Set forth in the table below are the monthly Sales Tax Revenues for Fiscal Years ended June 30, 2019, 2020 and 2021 and for the first eight months of Fiscal Year ending June 30, 2022.

ALAMEDA COUNTY TRANSPORTATION COMMISSION
MONTHLY HISTORICAL MEASURE BB SALES TAX REVENUES
Fiscal Years Ended June 30, 2019, 2020 and 2021, and Eight Months
of Fiscal Year Ending June 30, 2022⁽¹⁾⁽²⁾

Month	Fiscal Year Ended 2019	Fiscal Year Ended 2020	% Change From Prior Fiscal Year	Fiscal Year Ended 2021	% Change From Prior Fiscal Year	Fiscal Year Ending 2022⁽¹⁾	% Change From Prior Fiscal Year
July	\$12,709,810	\$13,735,516	8.07%	\$14,058,489	2.35%	\$14,018,612	(0.28)%
August	16,465,454	15,491,086	(5.92)	16,055,736	3.65	15,689,534	(2.28)
September	15,843,560	12,948,333	(18.27)	11,912,037	(8.00)	15,967,158	34.04
October	13,862,631	12,884,340	(7.06)	13,443,392	4.34	14,513,727	7.96
November	13,705,957	13,379,140	(2.38)	13,823,035	3.32	14,372,361	3.97
December	15,793,009	19,091,379	20.89	14,487,740	(24.11)	21,239,940	46.61
January	12,983,900	11,428,515	(11.98)	12,028,259	5.25	12,797,405	6.39
February	13,024,881	10,754,034	(17.44)	13,819,538	28.51	12,842,176	(7.07)
March	12,008,796	8,754,568	(27.10)	13,069,760	49.29		
April	12,975,054	10,777,188	(16.94)	13,307,344	23.48		
May	14,327,224	14,851,611	3.66	17,060,169	14.87		
June	<u>13,090,232</u>	<u>10,814,613</u>	<u>(17.38)</u>	<u>17,643,728</u>	<u>63.15</u>		
	\$166,790,50			\$170,709,22			
Total	8	\$154,910,321	(7.12)%	6	10.20%	\$121,440,913	10.78%

(1) Unaudited.

(2) Net of State Board of Equalization or CDTEFA, as applicable, administrative fee. Reflects the imposition of a retail transactions and use tax of one-half of one percent. Does not reflect deduction of 4% for Alameda CTC administration costs.

Source: Alameda CTC.

Annual Measure BB Sales Tax revenues for the Fiscal Year ended June 30, 2021 were \$170,709,226 representing an increase of \$15,798,905 or 10.20% from the previous Fiscal Year. Total Measure BB Sales Tax revenues for the first eight months of the Fiscal Year ending June 30, 2022 were approximately \$121,440,913, representing an increase of approximately 10.78% from Measure BB Sales Tax revenues for the first eight months of the previous Fiscal Year. The annual Sales Tax Revenues for the Fiscal Year ended June 30, 2020 were materially impacted by the effects of the COVID-19 pandemic. See the captions “—Collection of Sales Tax Revenues” and “INTRODUCTION—Impact of COVID-19 Pandemic.”

Alameda CTC is unable to predict the amount of future Sales Tax Revenues. For a summary of historical taxable retail sales within the County, see the table entitled “County of Alameda, Taxable Sales Transactions” in APPENDIX B—“COUNTY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC INFORMATION.”

As discussed above, the aggregate Measure BB Sales Tax authorized to be imposed under Measure BB increased to one percent on April 1, 2022. Prior to April 1, 2022, the Measure BB Sales Tax was collected at a rate of one half of one percent. Because Alameda CTC does not have data for a twelve month period of the collection of the Measure BB Sales Tax at the rate of one percent, for purposes of the coverage ratio set forth below, an estimated amount of Pledged Revenues imposed at one percent for a twelve month period has been applied to provide an estimated coverage ratio. The estimated Pledged Revenues in the table below was derived by doubling the amount of Measure BB Sales Tax revenues received by Alameda CTC for Fiscal Year ended June 30, 2021 and reducing such amount by four percent. The estimated Pledged Tax Revenues are provided for illustrative purposes only and there can be no assurance that Pledged Tax Revenues collected at the rate of one percent for a full Fiscal Year will be in the amount set forth below. The following table sets forth the Maximum Annual Debt Service coverage ratio for the Series 2022 Bonds based on estimated Sales Tax Revenues reflecting the collection of the Measure BB Sales Tax at one percent for a twelve month period and a par amount of \$_____.

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
COVERAGE RATIO**

<i>Estimated Pledged Tax Revenues (12 Month Period of Collections)⁽¹⁾</i>	<i>Maximum Annual Debt Service</i>	<i>Coverage Ratio</i>
\$327,761,714	\$_____	____x

⁽¹⁾ Represents Measure BB Sales Tax revenues received by Alameda CTC in Fiscal Year 2021 multiplied by two and reducing the product thereof by four percent. On April 1, 2022, the Measure BB Sales Tax increased to one percent from one half of one percent.
Source: Alameda CTC for Estimated Pledged Revenues; PFM Financial Advisors LLC for Maximum Annual Debt Service and Coverage Ratio.

Other Sales Taxes Imposed in the County

With limited exceptions, the Measure BB Sales Tax is imposed on the same transactions and items subject to the State Sales Tax. In addition to the State Sales Tax and the Measure BB Sales Tax, the following sales and use taxes are imposed by certain entities within the County. No portion of the State Sales Tax or the following taxes imposed within the County are pledged to the repayment of the Series 2022 Bonds.

Sales and Use Tax	Tax Rate	Effective Date	Termination Date
Alameda County ⁽¹⁾	0.50%	07/01/2021	06/30/2031
Alameda County Children's Health and Child Care ⁽¹⁾	0.50	07/01/2021	06/30/2041
Alameda County Essential Health Care Services ⁽¹⁾	0.50	07/01/2004	N/A
San Francisco Bay Area Rapid Transit District ⁽¹⁾	0.50	04/01/1970	N/A
City of Alameda ⁽²⁾	0.50	04/01/2019	N/A
City of Albany ⁽²⁾	0.50	04/01/2013	N/A
City of Emeryville ⁽²⁾	0.25	07/01/2020	N/A
City of Hayward ⁽²⁾	0.50	10/01/2014	N/A
City of Newark ⁽²⁾	0.50	04/01/2017	03/31/2042
City of San Leandro ⁽²⁾	0.50	04/01/2015	03/31/2045
City of Union City ⁽²⁾	0.50	04/01/2011	N/A

⁽¹⁾ Levied throughout the County.

⁽²⁾ Levied only in the respective cities.

Source: *California City and County Sales and Use Tax Rates* (October 1, 2021), CDTFA.

Accounting for all the various sales taxes described above, transactions in the County are currently being taxed at an effective rate of 10.25% outside of the cities of Alameda, Albany, Emeryville, Hayward, Newark, San Leandro and Union City, and at an effective rate of 10.50% in the City of Emeryville and an effective rate of 10.75% in the Cities of Alameda, Albany, Hayward, Newark, San Leandro and Union City.

Recent Developments Regarding Sales Tax Collection

In June 2018, the United States Supreme Court published its decision in *South Dakota v. Wayfair* (the "Wayfair Decision"), in which the Supreme Court held that sales to a customer in a particular state alone are sufficient to create a nexus for purposes of determining whether a seller is required to collect sales taxes of the applicable state. Prior to the Wayfair Decision, courts had interpreted the dormant Commerce Clause of the United States Constitution to require that a company have physical nexus in a state in order for the seller to be liable for the collection of that state's sales tax. Physical nexus is defined as having either property or payroll in the state, including a resident employee working from home or inventory stored in that state.

The State has issued guidance in response to the Wayfair Decision. Under such guidance, retailers located outside of the State are required to register with the CDTFA, collect the California use tax, and pay the tax to the CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state. The new collection requirements apply to retailers if during the preceding or current calendar year certain sales thresholds are met. The new collection requirements started to apply to taxable sales of tangible personal property to California consumers on and after April 1, 2019, and were not retroactive. Additionally, the State's passage of Assembly Bill 147, signed by the Governor on April 25, 2019, provides the implementation rules for the Wayfair Decision in California. Alameda CTC is unable to predict the ultimate effect that the Wayfair Decision may have on Pledged Tax Revenues.

ALAMEDA COUNTY TRANSPORTATION COMMISSION

General

Alameda CTC is a joint powers agency formed to plan, fund and deliver a broad spectrum of transportation projects and programs to enhance mobility throughout the County. Alameda CTC is

the successor to two previous agencies, the Alameda County Transportation Improvement Authority (“ACTIA”), which was the successor to the Alameda County Transportation Authority (“ACTA”) and the Alameda County Congestion Management Agency (“ACCMA”), as described below.

ACTA was created in connection with the approval of a prior ballot measure by County voters in November 1986, which authorized the imposition of a one-half of one percent (1/2%) transaction and use tax in the County for a period of 15 years (“1986 Sales Tax”).

In November 2000, prior to the expiration of the 1986 Sales Tax, the County Board of Supervisors placed Measure B on the ballot, and County voters voting on the measure approved Measure B. ACTIA was formed to manage Measure B funds. Administration activities by ACTIA included contract oversight, policy direction, financing, investment management, and coordinating projects with regional transit and transportation agencies and other project sponsors, as required.

The 1986 Sales Tax terminated on March 31, 2002. Subsequently, ACTA continued to complete certain unfinished projects. On June 24, 2010, the ACTA Board adopted a resolution to transfer all of ACTA’s assets, responsibilities, functions and liabilities to ACTIA, effective on July 1, 2010. This resolution also provided for the termination of ACTA following the completion of the transfer process.

ACCMA was created in 1991 pursuant to a joint powers agreement between the County and all incorporated cities within the County. ACCMA was responsible for planning, programming, and coordinating Federal, State, and regional funds for transportation projects within the County, including the Sunol Smart Carpool Lane Project, which planned, designed and constructed, and then administered the operation of a value pricing high-occupancy vehicle program on the Sunol Grade segment of southbound Interstate 680 in Alameda and Santa Clara counties.

In early 2010, ACTIA, ACCMA, the County, the fourteen incorporated cities within the County, the San Francisco Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District each acted to form Alameda CTC, as a joint powers authority, to combine the roles and responsibilities of ACCMA and ACTIA.

On June 24, 2010, the governing bodies of ACTIA and ACCMA gave the final approvals required to create Alameda CTC. After a transition period necessary to accomplish certain administrative matters, on February 29, 2012, ACTIA and ACCMA were both terminated, and Alameda CTC was designated as the successor to both agencies. Alameda CTC has all the functions and responsibilities previously held by ACTA, ACTIA and ACCMA, along with certain additional powers as described in the joint powers agreement establishing Alameda CTC. Alameda CTC owns a toll lane revenue system on the I-580 Express Lanes. The maintenance and operation costs of the system are paid with tolls collected on the I-580 Express Lanes. Other than the toll lane revenue system on the I-580 Express Lanes, Alameda CTC does not own transportation facilities.

Governance

Alameda CTC is governed by a Commission consisting of 22 Commissioners, with the following representation: all five County Supervisors, two City of Oakland representatives and one representative from each of the other 13 incorporated cities in the County, one representative from the San Francisco Bay Area Rapid Transit District (“BART”) and one representative from the Alameda-Contra Costa Transit District. The role of the Commission is to act as a policy-making board for Alameda CTC activities.

Executive Staff

Alameda CTC's key staff members, the position held by each and a brief statement of the background of each staff member are set forth below.

Tess Lengyel, Executive Director. Tess Lengyel is Alameda CTC's Executive Director. Ms. Lengyel is the second person to lead Alameda CTC and has been in the position of Executive Director since December 2019. She manages an overall budget of almost \$600 million and an authorized staff of 45 full-time employees. Prior to being appointed as Executive Director, Ms. Lengyel was the Deputy Executive Director of Planning and Policy for Alameda CTC. As the Deputy Executive Director of Planning and Policy, Ms. Lengyel directed all short and long-range transportation planning for the County which provided the foundation for transportation funding decisions made by Alameda CTC. Ms. Lengyel led the development of the 2014 Transportation Expenditure Plan and was also a key participant in the passage of both Measure B and Measure BB. Prior to joining Alameda CTC, Ms. Lengyel served as a programs and public affairs manager for ACTIA and was responsible for the development and implementation of \$60 million per year of ACTIA's programmatic expenditures. Ms. Lengyel holds a bachelor's degree in planning and policy/environmental studies.

Carolyn Clevenger, Deputy Executive Director of Planning and Policy. Carolyn Clevenger is the Deputy Executive Director of Planning and Policy for Alameda CTC. Ms. Clevenger was named Deputy Executive Director of Planning and Policy in February 2020. As Deputy Executive Director of Planning and Policy, she oversees all planning efforts and programs implementation at Alameda CTC. Ms. Clevenger directs all short- and long-range transportation planning for Alameda CTC, which provides the foundation for future transportation investments. Ms. Clevenger's key planning initiatives include multimodal planning projects, passenger rail studies, goods movement and countywide plans. She also oversees implementation of programs such as the Affordable Student Transit Pass and Safe Routes to Schools programs, and Alameda CTC's communications and legislative program. Ms. Clevenger has nearly 20 years of experience in transportation, having previously worked at the Metropolitan Transportation Commission where she led regional planning work and other major projects. Ms. Clevenger also served as Chief of Staff to the New York City Economic Development Corporation. Ms. Clevenger holds a master's degree from New York University and an undergraduate degree from the Georgia Institute of Technology.

Gary Huisingh, Deputy Executive Director of Projects. Gary Huisingh has been the Deputy Executive Director of Projects since January 2019. As Deputy Executive Director of Projects for Alameda CTC, Mr. Huisingh facilitates project delivery and oversight of Alameda CTC's \$10.25 billion capital program and programming of multiple fund sources administered by Alameda CTC. Over the course of his more than 30-year career in both local government and private sector, Mr. Huisingh's experience has ranged from major transportation and residential development projects to maintenance and redevelopment projects. Mr. Huisingh is a graduate of the University of California at Davis and is a registered professional engineer.

Patricia Reavey, Deputy Executive Director of Finance and Administration. Patricia Reavey has been the Deputy Executive Director of Finance and Administration for Alameda CTC since July 2016. Prior to becoming the Deputy Executive Director of Finance and Administration, Ms. Reavey served as the Director of Finance for Alameda CTC for five and half years. Ms. Reavey brings over 33 years of finance related experience to Alameda CTC. She came to Alameda CTC from the San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (Caltrain) and the San Mateo County Transportation Authority (SMCTA) where she served as the Director of Finance since December 2005. Her public sector career began in April, 2002 working for SamTrans where she was soon promoted to Director of Finance. Prior to her career in the public sector, she worked in finance for a private firm in downtown San Francisco for 14 years from which she resigned as Controller and Vice President. Ms. Reavey has a bachelor's degree in finance/accounting and is a licensed CPA in the State of California.

Lily Balinton, Director of Finance. Lily Balinton has been with the Alameda CTC for over 10 years in varying capacities and has served as the Director of Finance for four of those 10 years. As the Director of Finance, Ms. Balinton has full oversight and management responsibility for finance, accounting and human resource functions, which includes budgets, financial analysis and reporting, treasury and cash management, debt management, accounts payable and receivable, payroll, fixed assets, financial database management, benefits administration, and human resources. She brings over 20 years of finance related experience to Alameda CTC. Prior to coming to Alameda CTC, she served in various capacities in the finance department for the San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (Caltrain), and San Mateo County Transportation Authority (SMCTA) for 10 years. Ms. Balinton has a bachelor's degree in accounting from the University of Oregon.

2014 Transportation Expenditure Plan

In June 2014, Alameda CTC adopted the 2014 Alameda County 2014 Transportation Expenditure Plan (the "2014 Transportation Expenditure Plan") for the Measure BB Sales Tax. Pursuant to Ordinance No. 2014-1, Measure BB Sales Tax revenues from the Measure BB Sales Tax may be used to finance the transportation projects and programs listed in the 2014 Transportation Expenditure Plan. Two types of investments are funded under the 2014 Transportation Expenditure Plan: (i) capital investments which are allocated specific dollar amounts in the 2014 Transportation Expenditure Plan, and (ii) operations and maintenance investments which are allocated a percentage of net revenues to be distributed on a monthly or periodic basis. Capital investments are made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, as applicable. Examples of operations and maintenance investments include providing funds to local jurisdictions to complete ongoing operations and maintenance tasks such as transit operations and local street maintenance.

Under the 2014 Transportation Expenditure Plan, amounts collected pursuant to Measure BB are allocated as follows:

- **BART, Bus, Senior and Youth Transit (48%).** A total of 48% of net revenue is dedicated to BART, bus, commuter rail, and senior and youth transit investments. Funds for operations and maintenance are provided to transit operators in the County as well as to ferries and the Altamont Commuter Express rail service. Major capital investments include upgrades to the existing rail system and BART extensions, adding bus rapid transit routes to improve utility and efficiency of transit and providing funding for transit improvement serving the Dumbarton Corridor Area.
- **Local Streets and Maintenance and Safety (30%).** A total of 30% of the net revenue is dedicated to the improvement of local streets. The investments include two major components: a program that provides funding for local jurisdictions to maintain streets and a capital program that is focused on improving the performance of major commute routes and bridges throughout the County, including enhancing seismic safety.
- **Traffic Relief on Highways (9%).** A total of 9% of net revenue is allocated to the highway system, including 1% allocated specifically to goods movement and related projects. Funding is allocated to each highway corridor in the County for needed improvements. Specific projects have been identified based on project readiness, local priority and the ability to leverage current investments and funds. Priority of implementation of specific investments and amounts are determined as part of the Capital Improvement Program developed by Alameda CTC every two years.
- **Bicycle and Pedestrian Paths and Safety (8%).** A total of 8% of funds available under the 2014 Transportation Expenditure Plan are devoted to improving bicycle and pedestrian infrastructure as well as providing programs to encourage people to

bike and walk when possible and to support accessibility for seniors and people with disabilities.

- **Community Development Investments (4%) and Technology and Innovation (1%).** A total of 4% of net revenue is dedicated to improvements that link transportation infrastructure with areas identified for new development. One percent of net revenue is dedicated to investments in new technology, innovation and development.

Within the general categories of the 2014 Transportation Expenditure Plan set forth above, the 2014 Transportation Expenditure Plan allocates specific dollar amounts of Sales Tax Revenues to certain projects identified in the 2014 Transportation Expenditure Plan. Under the 2014 Transportation Expenditure Plan, approximately 46.26% of the Measure BB Sales Tax received by Alameda CTC is eligible to be expended on capital projects. Of the approximately 46.26%, approximately 35.02% is to be applied to specific projects identified in the 2014 Transportation Expenditure Plan and approximately 11.24% is to be applied at the discretion of Alameda CTC to various projects and/or programs.

The priorities set forth in the 2014 Transportation Expenditure Plan include:

1. Expand BART, bus and commuter rail for reliable, safe and fast service, including BART expansion and improvements within the County, bus service expansion and commuter rail service improvements.
2. Keep fares affordable for seniors, youth and people with disabilities, including affordable senior shuttles, vans and services that help keep seniors independent, critical funding for student transit passes to ensure youth can affordably get to school, and reliable and inexpensive transportation for people with disabilities.
3. Provide traffic relief, including funds to every city in the County to repave streets, fill potholes upgrade local transportation infrastructure, and invest in aging highway corridors to upgrade on and off ramps, using modern technology to manage traffic and improve safety.
4. Improve air quality and provide clean transportation by reducing pollution using innovative technology and expanding bike and pedestrian paths, and BART, bus and commuter rail expansion and operations.
5. Create good jobs within the County by requiring local contracting that supports residents and businesses in the County.

The 2014 Transportation Expenditure Plan (including the amendment adopted in 2020 to modify certain projects included in the 2014 Transportation Expenditure Plan, to add the Tri-Valley-San Joaquin Valley Rail Authority as an agency in the County that can be eligible to receive Sales Tax funds and other technical amendments) can be found at: <http://www.alamedactc.org/funding/fund-sources/measure-bb/>. Information set forth on such website is not incorporated herein by reference.

In addition to the Measure BB Sales Tax revenues, a portion of the costs of certain projects included in the 2014 Transportation Expenditure Plan are expected to be funded with federal, State, regional and local funding sources.

Future Financing Plans

Alameda CTC anticipates issuing Bonds (not taking into account the issuance of the Series 2022 Bonds) to fund up to approximately \$160 million of projects during the next seven Fiscal Years secured by Pledged Tax Revenues to fund transportation projects authorized under the 2014

Transportation Expenditure Plan. The principal amount of additional Bonds or other financing instruments to be subsequently issued by Alameda CTC and the timing of any such issuance or issuances will be determined by Alameda CTC based on a variety of factors including the costs and timing of design and construction of the transportation projects to be financed and the resources then available. The issuance of additional Bonds is subject to the requirements of the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS – Additional Bonds and Other Obligations.”

Cash and Investments

Cash and the composition and book value of investments held by Alameda CTC as of March 31, 2022 (based on unaudited financial information) are set forth below. Amounts are rounded to the nearest dollar.

	Book Value (as of March 31, 2022)	Percentage of Total Book Value⁽¹⁾
Corporate Bonds	\$ 8,352,942	1.0%
Government Bonds	262,748,443	40.0
Government Bonds - Zero Coupon	7,834,073	1.0
Government Agencies	47,824,025	7.0
Cash and Cash Equivalents	<u>335,055,013</u>	<u>51.0</u>
Total:	\$661,814,496	100.0%

⁽¹⁾ Rounded.
Source: Alameda CTC.

Debt Policy

The Commissioners adopted Alameda CTC’s Debt Policy in September 2021. The Debt Policy is subject to revision by majority action of the Commissioners. Overall policy direction of the Debt Policy is provided by the Commission. Responsibility for implementation of the Debt Policy and day-to-day responsibility and authority for structuring, implementing, and managing Alameda CTC debt and finance program, resides with the Executive Director and Deputy Executive Director of Finance and Administration of Alameda CTC. Priorities of the Debt Policy are as follows:

- Effectively manage and mitigate financial risk
- Maintain strong credit ratings and good investor relations
- Achieve the lowest cost of capital
- Preserve future program flexibility
- Maintain ready and cost-effective access to the capital markets

The Debt Policy can be found at: <http://www.alamedactc.org/about-us/financials/>. Information set forth on such website is not incorporated herein by reference.

RISK FACTORS

Economy of the County and the State

The amount of Pledged Tax Revenues collected at any time is directly dependent upon the level of retail sales within the County, which, in turn, depends on the level of general economic activity in the County. During the latter part of 2007 through 2010 the economy of the County was in a recession, as evidenced by a high unemployment rate, a decrease in total personal income and taxable sales, a drop in residential and commercial building permits, a decline in the rate of home sales and the median price of single-family homes and condominiums, an increase in notices of default on mortgage loans secured by homes and condominiums and an increase in foreclosures resulting from such defaults. During the Fiscal Years ended June 30, 2008 through 2010, the Measure B Sales Tax revenues (which do not secure the Series 2022 Bonds and are described herein for illustrative purposes only) decreased each year to a low of approximately \$94 million in the Fiscal Year ended June 30, 2010. As a result of the COVID-19 pandemic, economic activity and taxable sales within the County decreased, and correspondingly the Pledged Tax Revenues in the Fiscal Year ended June 30, 2020 decreased compared to prior years. While the Pledged Tax Revenues for the Fiscal Year ended June 30, 2021 were approximately \$171 million compared to approximately \$155 million in the Fiscal Year ended June 30, 2020, representing an approximately 10.2% increase, the Pledged Tax Revenues could decline in the future for various reasons, including but not limited to the future impacts of COVID-19. See the captions “INTRODUCTION—Impact of COVID-19 Pandemic” and “THE MEASURE BB SALES TAX—Historical Measure BB Sales Tax Revenues.”

In addition, economic activity within the County may be affected by the occurrence of a natural disaster. The County is located within a seismically active region. A major earthquake, pandemic, epidemic or other natural disaster could adversely affect the economy of the County and the amount of Pledged Sales Tax Revenues. Future significant declines in the amount of Pledged Tax Revenues could ultimately impair the ability of Alameda CTC to pay the principal of and interest on the Series 2022 Bonds.

For information relating to certain economic conditions within the County and the State, see APPENDIX B — “COUNTY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC INFORMATION.”

Investments

Alameda CTC has significant holdings in a broad range of investments. Market fluctuations have affected and will continue to affect materially the value of those investments and those fluctuations may be and historically have been material. At times, market disruptions have exacerbated market fluctuations, but as a result of stable investments in government securities and other investment securities allowed in the California Government Code, Alameda CTC’s portfolio has not suffered any major losses with respect to the principal amount of funds invested. Alameda CTC has experienced a reduction in interest income on such investments as a result of current market conditions. See “ALAMEDA COUNTY TRANSPORTATION COMMISSION—Cash and Investments” herein.

Collection of the Sales Tax

With limited exceptions, the Measure BB Sales Tax is imposed upon the same transactions and items subject to the sales tax levied statewide by the State. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Measure BB Sales Tax are imposed. Any such change or limitation could have a material adverse impact on the Measure BB Sales Tax Revenues collected. For a description of the Measure BB Sales Tax, see “THE SALES TAX.”

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as Alameda CTC. The Measure BB Sales Tax was approved by more than two thirds of the voters in the County and is therefore in compliance with the requirements of Proposition 218. Article XIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized local taxes, even previously voter-approved taxes like the Measure BB Sales Tax. In the view of Alameda CTC, however, any attempt by the voters to use the initiative provisions of Proposition 218 to rescind or reduce the levy and collection of the Measure BB Sales Tax in a manner which would prevent the payment of debt service on the Series 2022 Bond, would violate the Contracts Clause of the United States Constitution and, accordingly, would be precluded. The interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, which may affect Alameda CTC’s ability to levy and collect the Measure BB Sales Tax.

No Acceleration or Increase in Interest Rate Upon Default

The Indenture does not contain a provision allowing for the acceleration of the Series 2022 Bonds or an increase in the interest rate on the Series 2022 Bonds, in the event of a default in the payment of principal and interest on the Series 2022 Bonds when due. In the event of a default by Alameda CTC, the Holders of at least a majority of the aggregate amount of the Series 2022 Bonds will have the right to request the Trustee to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the Series 2022 Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2022 Bonds, as a result of acts or omissions of Alameda CTC subsequent to the issuance of the Series 2022 Bonds. Should interest become includable in federal gross income, the Series 2022 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity.

Bankruptcy Considerations

Alameda CTC may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should Alameda CTC file for bankruptcy, there could be adverse effects on the holders of the Series 2022 Bonds.

If the Pledged Tax Revenues are “special revenues” under the Bankruptcy Code, then Pledged Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Measure BB Sales Tax was levied to finance the 2014 Transportation Expenditure Plan, which includes a number of projects (collectively referred to herein as the “2014 Transportation Expenditure Plan Projects”), and some of these 2014

Transportation Expenditure Plan Projects are described in broad terms. No assurance can be given that a court would not hold that the Pledged Tax Revenues are not special revenues. Were the Pledged Tax Revenues determined not to be “special revenues,” then Pledged Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the Series 2022 Bonds may not be able to assert a claim against any property of Alameda CTC other than the Pledged Tax Revenues, and were these amounts no longer subject to the lien of the Indenture following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Series 2022 Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. It is not clear as to whether, or to what extent, Pledged Tax Revenues would be considered to be “derived” from the 2014 Transportation Expenditure Plan Projects. To the extent that Pledged Tax Revenues are determined to be derived from the 2014 Transportation Expenditure Plan Projects, Alameda CTC may be able to use Pledged Tax Revenues to pay necessary operating expenses connected with the 2014 Transportation Expenditure Plan Projects, before the remaining Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2022 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If Alameda CTC is in bankruptcy, the parties (including the holders of the Series 2022 Bonds) may be prohibited from taking any action to collect any amount from Alameda CTC or to enforce any obligation of Alameda CTC, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2022 Bonds from funds in the Trustee’s possession. The procedure pursuant to which Pledged Tax Revenues are paid directly by the CDTFA to the Trustee may no longer be enforceable, and Alameda CTC may be able to require the CDTFA to pay Pledged Tax Revenues directly to Alameda CTC.

Alameda CTC as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Pledged Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Pledged Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2022 Bonds will be adequately protected. Alameda CTC may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2022 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2022 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2022 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of Alameda CTC that could result in delays or reductions in payments on the Series 2022 Bonds, or result in losses to the holders of the Series 2022 Bonds. Regardless of any specific adverse determinations in an Authority bankruptcy proceeding, the fact of such Authority bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022 Bonds.

Cybersecurity

Alameda CTC, like many other public and private entities, relies on computers, digital networks and other systems to conduct financial and operational activities. As the recipient and provider of personal, private, or other electronic sensitive information, Alameda CTC is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computers and sensitive digital networks and systems. Entities or individuals

may attempt to gain unauthorized access to Alameda CTC's systems for the purposes of misappropriating assets, or information, or causing operational disruption and damage.

While Alameda CTC has taken certain cybersecurity precautions, no assurances can be given that the security and operational control measures of Alameda CTC, will be successful in guarding against any and every cyber threat or breach. The cost of remedying damage or disruption caused by cyber-attacks could be substantial and may well be in excess of any applicable insurance coverages.

Similarly, the CDTFA and the Trustee rely on computers, digital networks and other systems to conduct financial and operational activities. Such entities could be subject to a cyber security breach, which depending on the type and magnitude of such breach, could impact the transmittal of Measure BB Sales Tax revenues to the Trustee.

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. Alameda CTC cannot predict what impact climate change will have on Pledged Tax Revenues in the future.

Alameda CTC has identified goals relating to climate change in its 2020 Countywide Transportation Plan (the "CTP"). Specifically, the CTP provides the goal of creating safe multimodal facilities to walk, bike and access public transportation to promote healthy outcomes and support strategies that reduce reliance on single-occupant vehicles and minimize impacts of pollutants and greenhouse gas emissions. This goal established a policy priority for Alameda CTC around minimizing pollutants and greenhouse gas emissions. In evaluating projects, Alameda CTC considers how projects advance CTP goals, as well as other goals and metrics, which often include emission reduction.

FINANCIAL STATEMENTS

The financial statements of Alameda CTC for the Fiscal Year ended June 30 2021, included in Appendix A of this Official Statement have been audited by Maze & Associates (the "Auditor"), independent auditors, as stated in their report therein. The Auditor was not requested to consent to the inclusion of its report in Appendix A, nor has it undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report. The Auditor has not been engaged to perform and has not performed, since the date of its report, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement. For more recent financial information with respect to the collection of Sales Tax Revenues, see "THE SALES TAXES—Historical Sales Tax Revenues."

LITIGATION

There is no pending or, to the knowledge of Alameda CTC, threatened litigation seeking to restrain or enjoin the issuance or delivery of the Series 2022 Bonds or questioning or affecting the validity of the Series 2022 Bonds or the proceedings or authority under which they are to be issued or the levy, collection and pledge of Pledged Tax Revenues. Neither the creation, organization or

existence of Alameda CTC, nor the title of the present Commissioners or officers of Alameda CTC to their respective offices, is being contested.

TAX MATTERS

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

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

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

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

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

Tax Accounting Treatment of Bond Premium and Original Issue Discount

Bond Premium. To the extent a purchaser acquires a Series 2022 Bond at a price in excess of the amount payable at its maturity, such excess will constitute “bond premium” under the Code. The Code and applicable Treasury Regulations provide generally that bond premium on a tax-exempt obligation is amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations) based on the obligation's yield to maturity (or shorter period in the case of certain callable obligations). The amount of premium so amortized reduces the owner's basis in such obligation for federal income tax purposes, though such amortized premium is not deductible for federal income tax purposes. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation. Bond Counsel is not opining on the accounting for bond premium or the consequence to a Series 2022 Bond purchaser of purchasing a Series 2022 Bond with bond premium. Accordingly, persons considering the purchase of Series 2022 Bonds with bond premium should consult their own tax advisors with respect to the determination of bond premium on such Series 2022 Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such Series 2022 Bonds.

Original Issue Discount. The excess, if any, of the stated redemption price at maturity of Series 2022 Bonds of a particular maturity over the initial offering price to the public of the Series 2022 Bonds of that maturity at which a substantial amount of the Series 2022 Bonds of that maturity is sold to the public is “original issue discount.” Original issue discount accruing on a Series 2022 Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes under the same conditions and limitations as are applicable to interest payable on such Series 2022 Bond. Original issue discount on a Series 2022 Bond of a particular maturity purchased pursuant to the initial public offering at the initial public offering price at which a substantial amount of the Series 2022 Bonds of that maturity is sold to the public accrues on a semiannual basis over the term of the Series 2022 Bond on the basis of a constant yield; and within each semiannual period accrues on a ratable daily basis. The amount of original issue discount on a Series 2022 Bond accruing during each period is added to the adjusted basis of such Series 2022 Bond, which will affect the amount of taxable gain upon disposition (including sale, redemption or payment on maturity) of such Series 2022 Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers that purchase Bonds other than at the initial offering price. Bond Counsel is not opining on the accounting for or consequence to a Series 2022 Bond purchaser of purchasing a Series 2022 Bond with original issue discount. Accordingly, persons considering the purchase of Series 2022 Bonds with original issue discount should consult their own tax advisors with respect to the determination of original issue discount on such Series 2022 Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such Series 2022 Bonds.

Information Reporting and Backup Withholding

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

State Tax Exemption

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

Future Developments

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

A copy of the form of opinion of Bond Counsel relating to the Series 2022 Bonds is included in APPENDIX F hereto.

LEGAL MATTERS

The validity of the Series 2022 Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to Alameda CTC. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for Alameda CTC by Stradling Yocca Carlson & Rauth, A Professional Corporation, as Disclosure Counsel, and by Wendel Rosen LLP, General Counsel to Alameda CTC, and for the Underwriters by Nixon Peabody LLP, as Underwriters' Counsel.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "____" to the Series 2022 Bonds and Fitch Ratings, Inc. ("Fitch") has assigned a rating of "____" to the Series 2022 Bonds. These ratings reflect only the views of S&P and Fitch, respectively, and do not constitute a recommendation to buy, sell or hold the Series 2022 Bonds. An explanation of these ratings and any outlook associated with these ratings should be obtained from the respective rating agency.

Alameda CTC has furnished to S&P and Fitch certain information respecting the Series 2022 Bonds and Alameda CTC including information not included herein. Generally, rating agencies base their ratings on such information and materials and their own investigations, studies and assumptions. The ratings are subject to revision or withdrawal at any time by S&P and Fitch, and there is no assurance that the ratings will continue for any period of time or that it will not be lowered, suspended or withdrawn. Alameda CTC undertakes no responsibility to oppose any such revision, suspension or withdrawal. Any reduction, suspension or withdrawal of the ratings, or other actions by a rating agency relating to its rating, may have an adverse effect on the market price for, or marketability of, the Series 2022 Bonds.

UNDERWRITING

The Series 2022 Bonds will be purchased by an underwriting syndicate consisting of Citigroup Global Markets Inc., acting on behalf of itself and as representative of Goldman Sachs & Co. LLC and Jefferies LLC (collectively, the "Underwriters"), under a Bond Purchase Agreement pursuant to which the Underwriters agree to purchase all, but not less than all, of the Series 2022 Bonds for an aggregate purchase price of \$_____ (which represents the principal amount of the Series 2022 Bonds plus

an original issue premium of \$_____ minus an underwriting discount of \$_____ from the public offering prices set forth on the cover of this Official Statement).

[Citigroup Global Markets Inc. has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for Alameda CTC 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 may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of Alameda CTC.

MUNICIPAL ADVISOR

Alameda CTC has retained PFM Financial Advisors, LLC, San Francisco, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Series 2022 Bonds. Unless specifically noted, 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. Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Series 2022 Bonds.

CONTINUING DISCLOSURE

Alameda CTC has covenanted for the benefit of the owners and beneficial owners of the Series 2022 Bonds to provide certain financial information and operating data relating to Alameda CTC by not later than 270 days following the end of Alameda CTC’s Fiscal Year (presently June 30) (the “Annual Report”), commencing with the report for the Fiscal Year ended June 30, 2022, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the Dissemination Agent on behalf of Alameda CTC with the MSRB. The filing of the Annual Report and notices of enumerated events will be made in accordance with the EMMA system of the MSRB or in another manner approved under the Rule. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in the form of Continuing Disclosure Agreement attached hereto as APPENDIX D—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

Alameda CTC failed to file a notice of change of Trustee within the period required pursuant to the terms of a prior continuing disclosure undertaking. Except as described in the preceding sentence, Alameda CTC has not failed in the last five years to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of enumerated events.

MISCELLANEOUS

The references herein to the Act and the Indenture are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to said documents or the Act, as the case may be. Copies of the documents mentioned under this heading are available for inspection at Alameda CTC and following delivery of the Series 2022 Bonds will be on file at the offices of the Trustee in San Francisco, California. References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive. Reference is made to such documents and reports for full and complete statements of the content thereof.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between Alameda CTC and the purchasers or Holders of any of the Series 2022 Bonds.

The execution and delivery of this Official Statement has been duly authorized by Alameda CTC.

ALAMEDA COUNTY TRANSPORTATION
COMMISSION

By: _____
Executive Director

APPENDIX A
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

APPENDIX B

COUNTY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain demographic and economic information with respect to the County of Alameda, California (the “County”). Such information is provided as general information and has been obtained from sources that Alameda CTC believes to be reliable, but Alameda CTC makes no representation as to the accuracy or completeness of the information included.

The County was established on March 25, 1853. Located on the east side of the San Francisco Bay, the County extends from the cities of Albany and Berkeley in the north to the city of Fremont in the south. The County covers 813 square miles and contains 14 incorporated cities. The County is the seventh most populous county in the State, with a population of 1,656,591 as of January 1, 2021. The county seat is located in the City of Oakland.

Population

The following table sets forth the population of the County and the State for the years 2017 through 2021, based on the most recently published data available. Based on 2020 Census data, the County is the seventh largest County by population in California.

**TABLE 1
COUNTY OF ALAMEDA AND STATE OF CALIFORNIA
ANNUAL POPULATION AND PERCENTAGE CHANGE
2017 THROUGH 2021**

<i>Year</i>	<i>County</i>	<i>County Annual Percentage Change</i>	<i>State of California</i>	<i>State Annual Percentage Change</i>
2021	1,656,591	(0.4)%	39,466,855	(0.5)%
2020	1,663,114	0.21	39,648,938	0.11
2019	1,659,608	0.47	39,605,361	0.22
2018	1,666,756	0.45	39,519,535	0.42
2017	1,660,196	N/A	39,352,398	N/A

Source: State Department of Finance, Demographic Research Unit.

The following table lists the respective populations of the five largest cities and the unincorporated area in the County based on the most recently published data that have been made available.

**TABLE 2
COUNTY OF ALAMEDA
POPULATION OF FIVE LARGEST CITIES AND UNINCORPORATED AREA
AS OF JANUARY 1, 2021**

<i>City</i>	<i>Population</i>
Oakland	435,514
Fremont	234,239
Hayward	158,089
Berkeley	116,761
Livermore	91,216
Unincorporated Area	146,958

Source: State Department of Finance, Demographic Research Unit.

Personal Income

The following table sets forth total personal income and per capita income figures for the years 2016 through 2020.

**TABLE 3
COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND UNITED STATES
TOTAL PERSONAL INCOME AND PER CAPITA INCOME
2016 THROUGH 2020**

<i>Year</i>	<i>Area</i>	<i>Total Personal Income (in Thousands)</i>	<i>Per Capita Personal Income⁽¹⁾</i>
2020	County	\$ 144,751,041	\$87,078
	State	2,763,311,977	70,192
	United States	19,607,447,000	59,510
2019	County	131,535,494	78,839
	State	2,544,234,978	64,513
	United States	18,402,004,000	56,047
2018	County	125,583,845	75,354
	State	2,431,821,953	61,663
	United States	17,681,159,000	54,098
2017	County	116,802,392	70,370
	State	2,318,644,417	58,942
	United States	16,845,028,000	51,811
2016	County	109,572,257	66,377
	State	2,218,457,774	56,667
	United States	16,092,713,000	49,812

⁽¹⁾ Per capita personal income is total personal income divided by Census Bureau midyear population estimates, which differ from the population estimates shown above in the preceding table.

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

Employment

The following table sets forth a comparison of labor force, employment and unemployment for the County, the State of California and the United States for the years 2016 through 2020. As of January 1, 2022, the unemployment rate in the County, the State of California, and the United States were 3.9%, 5.0%, and 4.0%, respectively.

TABLE 4
COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND UNITED STATES
ANNUAL AVERAGE LABOR FORCE AND INDUSTRY EMPLOYMENT
2016 THROUGH 2020

<i>Year</i>	<i>Area</i>	<i>Civilian Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate (Annual Averages)</i>
2020	County	813,800	742,400	71,400	8.8%
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,798,000	12,947,000	8.1
2019	County	841,100	815,900	25,200	3.0%
	California	19,353,700	18,550,500	803,200	4.2
	United States	163,539,000	157,538,000	6,001,000	3.7
2018	County	841,500	815,700	25,800	3.1%
	California	19,263,900	18,442,400	821,500	4.3
	United States	162,075,000	155,761,000	6,314,000	3.9
2017	County	838,700	807,700	31,000	3.7%
	California	19,173,800	18,246,800	927,000	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2016	County	831,800	796,000	35,800	4.3%
	California	19,012,000	17,965,400	1,046,600	5.5
	United States	159,187,000	151,436,000	7,751,000	4.9

Source: For State and County information, State of California Employment Development Department, California Labor Market Information Division. For the U.S. information, U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth the employment statistics for the County for Fiscal Year 2020 by industry type.

TABLE 5
COUNTY OF ALAMEDA
Employment Statistics by Industry – Fiscal Year 2020⁽¹⁾

<i>Industry Type</i>	<i>2020</i>	<i>Percentage of Total Employment</i>
Agricultural services, forestry and fishing	700	0.10%
Mining, Logging and Construction	46,600	6.21%
Manufacturing	83,000	11.07%
Transportation, warehousing and public utilities	33,400	4.45%
Wholesale trade	33,500	4.47%
Retail trade	62,000	8.27%
Professional and business services	128,800	17.18%
Education and health services	120,900	16.12%
Leisure and hospitality	52,900	7.05%
Information	19,900	2.65%
Finance, insurance and real estate	27,400	3.65%
Federal government-civilian	9,000	1.20%
State government	36,300	4.84%
Local government	73,100	9.75%
Other services	<u>22,400</u>	<u>2.99%</u>
Total	<u>749,900</u>	<u>100.00%</u>

⁽¹⁾ Most current information available.

Source: California Employment Development Department.

The County possesses a diverse economic base featuring a wide range of manufacturing industries (consisting of transportation, equipment, computer, food processing, fabricated metal products, non-electrical machinery, and stone-clay-glass products). The County has one of the most diversified manufacturing sectors in Northern California. The Port of Oakland ranks among the top five in the nation and top 20 in the world in terms of annual container traffic and is a major economic engine in the Bay Area.

The County has become one of the leading research centers in the country with research activities at the University of California Berkeley, Lawrence Berkeley National Laboratory, and Lawrence Livermore National Laboratory. Many private biotechnology firms have located near these research centers. Major private sector employers in the County include Kaiser Permanente Medical Group Inc., Safeway and Tesla Motors.

Major Employers

The table below sets forth the ten largest industries by employment in the County in Fiscal Year 2021.

**TABLE 6
COUNTY OF ALAMEDA
Major Employers – Fiscal Year 2020-2021**

<i>Employer</i>	<i>Number of Employees</i>	<i>% of Total</i>
University of California, Berkeley	10,000+	4.62%
Western Digital Corporation	10,000+	1.73
County of Alameda	5,000-9,000	1.30
Lawrence Livermore National Laboratory	5,000-9,000	1.26
Grifolis Diagnostic Solution	5,000-9,000	1.25
Lawrence Berkeley National Laboratory	5,000-9,000	0.84
Bay Area Rapid Transit	5,000-9,000	0.68
California Department of Transportation	1,000-4,999	0.68
East Bay Municipal Utility District	1,000-4,999	0.63
Kaiser Permanente	1,000-4,999	0.58

Source: Alameda CTA Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2021.

Construction Activity

The following tables reflect building permit valuations for the County for the five most recent calendar years for which information is available.

**TABLE 7
COUNTY OF ALAMEDA
Building Permits and Valuation
(Dollars in Thousands)**

	2016	2017	2018	2019	2020
<u>Permit Valuation:</u>					
New Single-family	\$ 791,891	\$ 763,678	\$ 689,530	\$ 675,130	\$ 394,500
New Multi-family	497,341	1,307,094	1,431,985	782,536	722,038
Res. Alterations/Additions	<u>466,239</u>	<u>501,276</u>	<u>469,158</u>	<u>512,410</u>	<u>293,867</u>
Total Residential	1,755,472	2,572,048	2,590,674	1,970,076	1,410,405
Total Nonresidential	<u>1,332,035</u>	<u>1,587,834</u>	<u>1,762,395</u>	<u>1,794,925</u>	<u>991,251</u>
Total All Building	<u>\$ 3,087,507</u>	<u>\$ 4,159,882</u>	<u>\$ 4,353,069</u>	<u>\$ 3,765,001</u>	<u>\$ 2,401,656</u>
<u>New Dwelling Units:</u>					
Single Family	2,348	2,175	1,867	1,871	1,152
Multiple Family	<u>3,171</u>	<u>6,889</u>	<u>6,540</u>	<u>4,145</u>	<u>2,610</u>
Total	<u>5,519</u>	<u>9,064</u>	<u>8,407</u>	<u>6,016</u>	<u>3,762</u>

Note: Columns may not sum to totals due to independent rounding.

Source: Construction Industry Research Board: "Building Permit Summary."

Commercial Activity

The following table below sets forth the taxable sales in the County for calendar years 2016 through 2020.

**TABLE 8
COUNTY OF ALAMEDA
TAXABLE SALES TRANSACTIONS
2016 THROUGH 2020
(in thousands)**

<i>Type of Business</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
Retail and Food Services					
Motor Vehicle and Parts Dealers	\$ 4,301,875	\$ 4,628,050	\$ 5,831,346	\$ 4,565,390	\$ 4,212,924
Home Furnishings and Appliance Stores	1,221,330	1,374,406	1,366,807	1,318,289	1,341,821
Building Materials and Garden Food and Beverage Stores	2,013,946	1,897,573	1,861,085	1,810,222	1,662,615
Gasoline Stations	1,323,098	1,277,945	1,257,774	1,243,767	1,198,454
Clothing and Clothing Accessories Stores	1,327,851	2,068,341	2,111,653	1,853,251	1,626,667
General Merchandise Stores	1,262,678	1,874,869	1,824,581	1,723,977	1,702,836
Food Services and Drinking Places	1,981,213	2,130,021	2,110,422	2,046,788	1,952,448
Other Retail Group	2,418,690	3,699,924	3,512,894	3,382,643	3,212,759
Total Retail and Food Services	<u>4,080,577</u>	<u>2,970,613</u>	<u>3,010,788</u>	<u>2,842,175</u>	<u>2,681,005</u>
All Other Outlets	<u>\$ 19,931,259</u>	<u>\$ 21,921,743</u>	<u>\$ 22,857,349</u>	<u>\$ 20,786,502</u>	<u>\$ 19,591,529</u>
Total All Outlets	<u>\$ 12,244,743</u>	<u>\$ 13,194,421</u>	<u>\$ 12,215,953</u>	<u>\$ 11,915,581</u>	<u>\$ 11,571,792</u>
	<u>\$ 32,176,002</u>	<u>\$ 35,116,164</u>	<u>\$ 35,073,302</u>	<u>\$ 32,702,083</u>	<u>\$ 31,163,320</u>

Totals may not add due to rounding.

Source: California State Board of Equalization, Taxable Sales in California.

Transportation

Surface and air transportation facilities serve County residents and businesses. Transbay bridges include the San Francisco-Oakland Bay Bridge, which extends Interstate 80 into San Francisco; the Richmond-San Rafael Bridge, leading into Marin County and northern areas; and the Hayward-San Mateo and Dumbarton Bridges connecting East Bay points with San Mateo and Palo Alto on the San Francisco Peninsula.

The Union Pacific Railroad operates rail terminal facilities in Oakland. Atchison, Topeka, and Santa Fe Railway serves the East Bay from its Richmond switching yards. Amtrak provides passenger service through its Oakland and Emeryville stations to Southern California, Sacramento, and other destinations.

Local motor coach transportation is provided by AC Transit, which serves East Bay cities and continues into San Francisco via the Bay Bridge. Other bus service is available through the Central Contra Costa Transit District, the Livermore Amador Valley Transit Authority and Greyhound bus lines. San Mateo County Transit District provides bus service between Hayward and the San Francisco Peninsula across the Hayward-San Mateo Bridge. Bay Area Rapid Transit (“BART”), a high-speed rail transit system, services the County, in addition to the counties of Contra Costa and San Francisco. Currently, BART stretches from San Francisco International Airport and Millbrae on the San Francisco Peninsula, through Oakland, to Richmond in the north, Pittsburg in the northeast, Fremont in the south, and Dublin/Pleasanton in the southeast.

The Oakland International Airport (the “Airport”) is located in the City of Oakland, about 6.5 miles southeast of downtown Oakland. The Airport is 2,600 acres, including 327 acres of wetlands under jurisdiction of the U.S. Army Corps of Engineers. Currently, the Airport has 32 boarding gates at two terminals, eight domestic and three international scheduled passenger airlines, with Southwest Airlines being the largest. The Airport is ranked among the top 20 airports in the U.S. by amount of air cargo handled, and is serviced by three major cargo carriers.

Education

Eighteen independent school districts provide educational programs for elementary and secondary public school children in the County. Thirteen of the County’s school districts also operate adult education programs.

There are three community college districts in the County with students at seven campuses. The County also operates four Regional Occupation Programs providing technical job training for high school students and adults.

Among the institutions of higher education offering bachelors and graduate programs in the County are the University of California at Berkeley, California State University East Bay, Graduate Theological Union, Holy Names University and Mills College.

APPENDIX C
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this Appendix E concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s Book-Entry System has been obtained from DTC. Alameda CTC, the Trustee and the Underwriters take no responsibility for the completeness or accuracy thereof.

Alameda CTC, the Trustee and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants (each as defined below) or others will distribute any (a) payments of principal or purchase price or interest with respect to the Series 2022 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2022 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2022 Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC. Alameda CTC, the Trustee and the Underwriters are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a beneficial owner with respect to the Series 2022 Bonds or an error or delay relating thereto.

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the Series 2022 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2022 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations

providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 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 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 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 Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within an issue are being 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 Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy 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 Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or Alameda CTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

APPENDIX F
PROPOSED FORM OF BOND COUNSEL OPINION

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**ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB SENIOR MEASURE BB SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)**

BOND PURCHASE AGREEMENT

_____, 2022

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607

Ladies and Gentlemen:

1. Agreement to Purchase Bonds.

The Alameda County Transportation Commission (the “Issuer”) and Citigroup Global Markets Inc. acting on behalf of itself and as Representative (the “Representative”) of Goldman Sachs & Co. LLC and Jeffries LLC (each an “Underwriter” and, together with the Representative, the “Underwriters”), are entering into this Bond Purchase Agreement (the “Agreement”), to provide for the purchase and sale of the Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 (the “Bonds”). The Bonds have been authorized pursuant to a Resolution adopted by the governing body of the Alameda County Transportation Commission (the “Board”) on [May 26], 2022 (the “Bond Resolution”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2022, (the “Master Indenture”) as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the First Supplemental Indenture of Trust, dated as of June 1, 2022, (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), each between the Issuer and [TRUSTEE] (“[TRUSTEE]”), as trustee. The Bonds are payable solely from Revenues (consisting of Measure BB Sales Tax) and other assets pledged therefor, as defined in the Indenture.

The Representative represents that it has been duly authorized by the other Underwriter to act hereunder on its behalf and has full authority to take such action as it may deem advisable in respect of all matters pertaining to this Agreement and that the Representative has been duly authorized to execute this Agreement. Any action taken under this Agreement by the Representative will be binding upon all the Underwriters.

The Representative, on behalf of the Underwriters, hereby offers to purchase all (but not less than all) of the Bonds from, and to enter into this Agreement with the Issuer. This offer is subject to acceptance by the Issuer at or before [5:00 P.M.,] California Time, on the date hereof (the “Effective Date”) and, if not so accepted, will be subject to withdrawal by the Representative by written notice delivered to the Issuer at any time prior to acceptance. The Issuer shall accept by its execution of this Agreement. Upon such execution, the Agreement

will be binding upon the Underwriters and the Issuer. This Agreement is effective as of the Effective Date.

Terms used but not defined in this Agreement shall have the meaning assigned in the Preliminary Official Statement, dated _____, 2022 (the “Preliminary Official Statement”).

2. Description and Purchase of Bonds.

The proceeds of the sale of the Bonds will be used to (i) to provide funds to finance the Project (as defined in the Indenture) and other planned expenditures, or the reimbursement of the Issuer for prior expenditures as permitted by the Act (as defined in the Indenture) and the Ordinance (as defined below), as more fully described in the Preliminary Official Statement, (ii) pay capitalized interest on the Bonds through the commencement of revenue service, and (iii) pay the costs of issuance of the Bonds.

Payment of the principal of and interest on the Bonds will be secured solely from Revenues as provided in the Indenture. Revenues consist of certain Sales Tax Revenues and certain amounts held by the Trustee in certain funds and accounts established under the Indenture. Sales Tax Revenues consist of a one-half of one percent retail transactions and use tax to finance transportation improvements that was approved by the voters on November 7, 2000 and became effective on April 1, 2002, and in accordance with the authority under Ordinance No. 2014-1, known as the “Alameda County Transportation Commission Transaction and Use Tax Ordinance” (the “Ordinance”), to extend the sales tax and impose and collect an additional one-half of one percent (1/2%), a tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions, i.e. a total of one percent (1.0%) tax (together, the “Measure BB Sales Tax”) after deducting amounts payable by the Issuer of a fee paid to the California Department of Tax and Fee Administration (the “CDTFA”) in connection with the collection and disbursement of the Measure BB Sales Tax pursuant to the Amended and Restated Agreement for State Administration of District Transactions and Use Taxes dated _____, 2022 and the Amended and Restated Agreement for State Administration of District Transactions and Use Taxes dated _____, 2022 (collectively, the “CDTFA Contracts”), between the Issuer and the CDTFA, and accepted by the Trustee. Measure BB, as so approved, commenced the new one-half of one percent tax on April 1, 2015 and extended the existing sales tax on April 1, 2022, and both taxes thereunder are scheduled to expire on March 31, 2045.

The Underwriters shall purchase from the Issuer, and the Issuer shall sell to the Underwriters, all (but not less than all) of the Bonds on the Closing Date (as hereinafter defined) at the purchase price for each series of Bonds set forth below. The Bonds shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to optional and mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in Schedule I. The Bonds otherwise shall be as described in the Official Statement and the Indenture. The Underwriters’ agreement to purchase the Bonds from the Issuer is made in reliance upon the Issuer’s representations, covenants and warranties and on the terms and conditions set forth in this Agreement.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the Issuer

and the Representative, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent or a fiduciary of the Issuer, the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of an Underwriter, have advised or are currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement and the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

3. Purchase Price.

The purchase price of the Bonds is \$_____ (representing the principal amount of the Bonds, [plus][less] original issue [premium][discount] of \$_____, less an Underwriters' discount of \$_____). The purchase price for each series of Bonds shall be payable on the Closing Date by the Underwriters by wire transfer in immediately available funds.

4. Reserved.

5. Public Offering.

The Underwriters agree to make a bona fide public offering of all the Bonds initially at prices set forth on Schedule I hereto. After such initial public offering, the Underwriters reserve the right to change such offering prices from time to time as the Underwriters deem necessary.

6. Establishment of the Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds, and shall execute and deliver to the Issuer at or before the Closing Date (hereinafter defined) an "issue price" or similar certificate, substantially in the form attached hereto as Schedule II, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Norton Rose Fulbright ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) With respect to Bonds of those maturities as to which at least 10% of the Bonds of the maturity has been sold to the public (defined in paragraph F below) at a single price (the "**10% test**"), based on reporting by the Representative to the Issuer on the date hereof and prior to the execution of this Agreement, which maturities are indicated in Schedule I attached hereto as having satisfied the 10% test (the "**10% Test Maturities**"), the Issuer will treat the first price at which 10% of each such maturity of the Bonds was sold to the public as the issue price of that maturity. With respect to Bonds of those maturities as to which the 10% test has not been satisfied, based on reporting by the Representative to the Issuer on the date hereof and prior to the execution of this Agreement, which maturities are indicated in Schedule I attached hereto as being subject to the "hold-the-offering-price rule," defined below (the "**Hold-the-Offering-Price Maturities**"), the Representative, on behalf of the Underwriters, and the Issuer agree that the rules in subsection (c) below shall apply. For purposes of this section, for Bonds maturing on the same date but having different interest

rates, each separate group of Bonds having a different interest rate is subject to the 10% test or subsection (c) below, as the case may be, as if such separate group of Bonds were a separate maturity.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that (i) the Representative will retain the unsold Bonds of each maturity for which the 10% test has not been satisfied and not allocate any such Bonds to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Representative will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters sold at least 10% of each Hold-the-Offering-Price Maturity to the public at a price that is no higher than the initial offering price to the public of that Hold-the-Offering-Price Maturity.

(d) The Representative confirms that:

(i) Any agreement among underwriters, any selling group agreement and each retail or other third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the 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 retail or other third-party distribution agreement, as applicable:

(A) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of 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 Bonds to the public (each such term being used as defined below), and

(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 or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a retail or other third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail or other third-party distribution agreement to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the 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 retail or other third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the 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,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees

pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) 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 (C) 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 Agreement by all parties.

7. Official Statement.

The Issuer hereby consents to and ratifies the use and distribution by the Underwriters of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, the final Official Statement, dated as of the date hereof (the “Official Statement”) with respect to the Bonds in connection with the public offering and sale of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriters was “deemed final” by the Issuer as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), except for permitted omissions. In accordance with Section 7(a) hereof, the Issuer agrees, at its cost, to provide to the Underwriters copies of the Official Statement. To the extent required by the applicable Municipal Securities Rulemaking Board (the “MSRB”) Rules, the Issuer hereby confirms that it does not object to distribution of the Preliminary Official Statement and the Official Statement in electronic form.

(a) The Issuer shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Agreement (but in any event not later than one business day prior to the Closing Date), copies of a final Official Statement in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the Securities and Exchange Commission (the “SEC”) and the MSRB.

(b) The Issuer authorizes the Representative to file, to the extent required by applicable SEC or MSRB rules, and the Representative agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access system (“EMMA”)) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If a supplemented or amended Official Statement is prepared in accordance with Section 7(c), the Representative also shall make any filings of the supplemented and amended Official Statement required by applicable SEC or MSRB rules.

(c) During the period ending on the 25th day after the hereinafter defined End of the Underwriting Period, the Issuer (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the Issuer, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to 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. If, in the opinion of the Underwriters, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the Issuer shall prepare and furnish to the Underwriters, at the Issuer's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Issuer and the Underwriters, as the Underwriters may reasonably request.

(d) For purposes of this Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (A) the Closing Date or (B) when the Underwriters no longer retain an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriters on or prior to the Closing Date, the Issuer may assume that the End of the Underwriting Period is the Closing Date.

8. Representations and Warranties of the Issuer.

The Issuer hereby represents and warrants to the Underwriters that:

(a) The Issuer is duly organized and existing under the constitution and laws of the State of California (the "State") and has full legal right, power and authority under the constitution and laws of the State to adopt the Ordinance and the Bond Resolution, to execute and deliver this Agreement, the CDTFA Contract, the Indenture, the Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"), between the Issuer and [TRUSTEE] as trustee and dissemination agent (collectively, the "Issuer Documents") and the Official Statement, to issue, sell and deliver the Bonds as described herein, and to carry out and to consummate the transactions contemplated by the Ordinance, the Bond Resolution, the Issuer Documents and the Official Statement.

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds, (ii) the issuance and sale of the Bonds upon the terms set forth herein and as contemplated by the Bond Resolution, the Indenture and the Official Statement and (iii) the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents.

(c) Except as described in the Preliminary Official Statement and the Official Statement, by all necessary official action, the Issuer duly adopted the Measure BB Ordinance 2014-1, which was approved by more than a two-thirds vote of the voters in the County voting on such measure on November 4, 2014.

(d) The Bonds will be issued in conformity with the provisions of the Bond Resolution and the Indenture and will be entitled to the benefit and security of the Indenture, including the pledge or application thereunder of the Measure BB Sales Tax.

(e) This Agreement constitutes a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms; the other Issuer Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms; and the Bonds, when issued, authenticated and delivered in accordance with the Indenture, will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms; in all cases, except as the enforceability of this Agreement, the other Issuer Documents and the Bonds may be limited by application of limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity, the exercise of judicial discretion, limitations on legal remedies against public entities in the State and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, "Creditors' Rights Laws").

(f) As of the time of acceptance hereof and as of the time of the hereinafter defined Closing, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Issuer is not in breach of or default in any material respect under its joint exercise of powers agreement or its bylaws or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing.

(g) The adoption of the Ordinance and the Bond Resolution, execution and delivery of the Bonds and the Issuer Documents, and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the Measure BB Sales Tax or the property or assets, if any, of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds, the Ordinance, the Bond Resolution and the Issuer Documents.

(h) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained or will be obtained prior to the Closing, except for: (i) such authorizations, approvals, consents and orders (if any) as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds and (ii)

authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

(i) The Preliminary Official Statement as of its date and as of the date hereof did not and does not, and the Official Statement as of its date does not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, the Issuer makes no statement (i) regarding information permitted to be excluded from the Preliminary Official Statement under Rule 15c2-12 and (ii) as to information in the Preliminary Official Statement and the Official Statement under the caption “UNDERWRITING,” information in APPENDIX E — “BOOK-ENTRY SYSTEM” and information relating to the Depository Trust Company (the “DTC”) or its book-entry only system (collectively, the “Excluded Information”).

(j) The audited financial statements of the Issuer contained in Appendix A to the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the Issuer as of the dates indicated and for the periods therein specified and are set forth in accordance with generally accepted accounting principles consistently applied, and, since the date thereof, and except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Representative, there has not been any materially adverse change in the financial condition of the Issuer since June 30, 2021 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(k) As of the time of acceptance hereof and the Closing, except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory authority, public board or body pending with respect to which the Issuer has been served with process or, to the knowledge of the Representative of the Issuer executing this Agreement, threatened against the Issuer: (i) questioning the existence of the Issuer or the titles of its authorized representatives to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the pledge or collection by the Issuer of the Measure BB Sales Tax or the making of any other required deposits with respect to the Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Issuer to, issue the Bonds, adopt the Ordinance or the Bond Resolution or enter into the Issuer Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Issuer or would result in any material adverse change in the ability of the Issuer to pledge or apply the Measure BB Sales Tax or to pay debt service on the Bonds, or (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax.

(l) The Issuer has received all licenses, permits or other regulatory approvals required (if any) for the pledge, collection and/or application by the Issuer of the Measure BB Sales Tax and the Issuer is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.

(m) The Issuer will undertake, pursuant to the Indenture and the Continuing Disclosure Certificate, to timely post on EMMA (or otherwise file as required by the MSRB) the information required by Rule 15c2-12 and, unless otherwise described in the Preliminary Official Statement and the Official Statement, the Issuer has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(n) The Issuer has the legal authority to apply proceeds of the Bonds for the purposes contemplated by the Bond Resolution and the Indenture.

(o) Any certificate signed by an authorized representative of the Issuer and delivered to the Representative shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

9. Representations and Warranties of the Underwriters.

The Underwriters hereby represent and warrant to the Issuer that:

(a) The Underwriters are entities duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization.

(b) This Agreement has been duly authorized, executed and delivered by the Representative on behalf of the Underwriters and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriters enforceable in accordance with its terms, except as the enforceability of this Agreement may be limited by application of Creditors' Rights Laws.

(c) Each is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(d) The Underwriters are as of the date hereof, and will be, as of the Closing Date, in full compliance with the requirements of MSRB Rule G-37 ("Rule G-37"), including all reporting requirements, in so far as Rule G-37 relates to the issuance and sale of the Bonds.

10. Covenants of the Issuer.

The Issuer hereby covenants with the Underwriters that:

(a) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the Issuer shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Measure BB Sales Tax or other assets, properties, funds or interests that will be pledged as security or be available as a source of payment for the Bonds pursuant to the Indenture.

(b) The Issuer shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request, (i) to qualify the 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 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such

qualifications in effect so long as required for distribution of the Bonds; provided that the Issuer shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other jurisdiction or to file any general or special consent to service of process under the laws of any jurisdiction in which the Issuer is not now so subject.

(c) The Issuer shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds.

11. Closing.

(a) At 9:00 A.M., Pacific Time, on _____, 2022, or at such other time or date as the Representative and the Issuer may mutually agree upon as the date and time of the Closing (the “Closing Date”), the Issuer shall deliver or cause to be delivered to the Representative (i) the Bonds in book-entry form through the Fast Automated Securities Transfer delivery system of DTC, duly executed and authenticated; and (ii) the documents, certificates and opinions hereinafter mentioned in Section 12 hereof at the offices of Bond Counsel in San Francisco, California or at such other place as shall be mutually agreed upon by the Issuer and the Representative. The Representative will accept such delivery and pay the purchase price of the Bonds as set forth in Section 3 hereof in immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing.” The Bonds shall be delivered in definitive form, duly executed by the Issuer and authenticated in the manner set forth in the Indenture. The Bonds shall be made available to the Representative for purposes of inspection at least one business day prior to the Closing Date.

(b) The Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Bonds (or, if so provided in Schedule I hereto, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds.

12. Closing Conditions.

The Underwriters have entered into this Agreement in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and upon the accuracy of the statements to be contained in the documents and instruments to be delivered at the Closing. Accordingly, the Underwriters’ obligations under this Agreement to purchase, accept delivery of and pay for the Bonds are subject, at the option of the Underwriters, to the performance by the Issuer of its obligations required to be performed under this Agreement at or prior to the Closing and shall also be subject to the following additional conditions:

(a) The Representative shall receive on the Closing Date, in form and substance satisfactory to Norton Rose Fulbright US LLP, as bond counsel (“Bond Counsel”) and to the Representative, each of the following items:

(i) The approving opinion of Bond Counsel, addressed to the Issuer dated the Closing Date, and in substantially the form included as Appendix F to the Official Statement.

(ii) The supplemental opinion of Bond Counsel, addressed to the Underwriters, dated the Closing Date, and in substantially the form attached hereto as Exhibit A.

(iii) The opinion of Wendel Rosen LLP as counsel to the Issuer (“Issuer’s Counsel”) addressed to the Underwriters and the Issuer, dated the Closing Date, and in substantially the form attached as Exhibit B hereto.

(iv) The opinion of counsel to [TRUSTEE], addressed to the Underwriters and the Issuer, dated the Closing Date, addressing the matters set forth below:

(A) [TRUSTEE] is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is authorized to exercise trust powers;

(B) [TRUSTEE] had all requisite power, authority and legal right to execute and deliver the Master Indenture and has all requisite power, authority and legal right to execute and deliver the First Supplemental Indenture and the Continuing Disclosure Certificate (hereinafter collectively referred to as the “Bank Documents”) and to perform its obligations under the Bank Documents;

(C) [TRUSTEE] has duly authorized, executed and delivered the Bank Documents. Assuming the due authorization, execution and delivery thereof by the Issuer, the Bank Documents are the legal, valid and binding agreements of [TRUSTEE], enforceable in accordance with their terms against [TRUSTEE];

(D) To our knowledge, no consent, approval, authorization or other action of any governmental agency or regulatory authority having jurisdiction over [TRUSTEE] that has not been obtained by [TRUSTEE] is required for the authorization, execution, delivery and performance by [TRUSTEE] of the Bank Documents;

(E) To our knowledge, there is no litigation pending against [TRUSTEE] to restrain [TRUSTEE]'s participation in, or in any way contesting the powers of [TRUSTEE] with respect to, the transactions contemplated by the Bank Documents; and

(F) To our knowledge, the execution and delivery of the Bank Documents by [TRUSTEE] and compliance with the provisions of the Bank Documents by [TRUSTEE] will not violate any provisions of any law or regulation governing [TRUSTEE] or any order of any governmental authority having jurisdiction over [TRUSTEE] or any agreement or other instrument to which [TRUSTEE] is party or by which [TRUSTEE] is bound.

(v) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the Issuer, addressed to the Issuer and the Representative, dated the date of Closing, to the effect that no information came to the attention of the attorneys in such firm rendering legal services in connection with such issuance which caused such attorneys to believe that the Preliminary Official Statement, as of

its date, or the Official Statement as of its date and as of the Closing Date (excluding therefrom financial, engineering and statistical data; forecasts, projections, estimates, assumptions and expression of opinions; statements relating to DTC and its book-entry system; and the statements contained in Audited Financial Statements of the Alameda County Transportation Commission for the Fiscal Year Ended June 30, 2021, and “Book-Entry Only System,” as to all of which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) An opinion of Nixon Peabody, LLP, counsel to the Underwriters, in form and substance satisfactory to the Underwriters;

(vii) A certificate dated the Closing Date of an authorized representative of the Issuer to the effect that:

(A) the representations and warranties of the Issuer contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(B) the Issuer has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing;

(C) no event affecting the Issuer has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, excluding the Excluded Information, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the Issuer to restrain or enjoin the issuance, execution or delivery of the Bonds or in any manner questioning the proceedings or authority for the issuance of the Bonds or affecting directly or indirectly the validity of the Bonds or of any provisions made or authorized for their payment or contesting the existence of the Issuer or the title of any of its authorized representatives to their respective offices.

(viii) Evidence that the Bonds have received ratings of ___ by Fitch Ratings, Inc. and ___ by S&P Global Ratings, a business unit of Standard and Poor’s Financial Services LLC (“S&P”) respectively, which are in effect as of the Closing Date.

(ix) A certificate of an officer of [TRUSTEE], acceptable to the Representative, dated the Closing Date, to the effect that the Bank Documents have been duly authorized, executed and delivered by [TRUSTEE] and the Bonds have been authenticated in accordance with the Indenture by a duly authorized officer or signatory of [TRUSTEE]; and an incumbency certificate of [TRUSTEE], in form and content acceptable to the Representative and Bond Counsel, dated the Closing Date, with respect to the officers or other

signatories of [TRUSTEE] who have authenticated the Bonds and executed and delivered the Bank Documents.

(x) A tax certificate executed by a duly authorized representative of the Issuer, in form and substance satisfactory to Bond Counsel.

(xi) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized representative of the Issuer.

(xii) A copy of the Blanket Letter of Representations to DTC relating to the Bonds signed by a representative of the Issuer.

(xiii) A certified copy of the joint exercise of powers agreement.

(xiv) Certified copies of the Ordinance, the Bond Resolution, and the Issuer Documents.

(xv) Executed copies of the Master Indenture, the First Supplemental Indenture, and the Continuing Disclosure Certificate.

(xvi) Prior to mailing of the Official Statement, copies from the Issuer of the letters of [Maze & Associates], addressed to the Issuer, agreeing to the inclusion of the report of [Maze & Associates] on the audit of the financial statements of the Issuer as of June 30, 2021, in the Preliminary Official Statement (such letter to be dated the date thereof) and the Official Statement (such letter to be dated the date thereof).

(xvii) Such additional legal opinions, certificates, instruments and other documents as the Underwriters or Bond Counsel reasonably may request, in form and substance satisfactory to the Representative or Bond Counsel, as the case may be, to evidence (A) compliance by the Issuer with legal requirements reasonably relating to the transactions contemplated by the Official Statement and this Agreement, (B) the truth and completeness, as of the date thereof and as of the time of the Closing, of the statements and information contained in the Official Statement, (C) the truth and completeness, as of the time of the Closing, of the representations and warranties of the Issuer contained in this Agreement and the certificates and other documents referred to in this Agreement, and (D) the due performance or satisfaction by the Issuer at or prior to the Closing of all agreements then to be satisfied.

(b) At the time of the Closing, the representations and warranties of the Issuer contained in this Agreement shall be true, complete and correct in all material respects as if made on and as of the Closing Date; the Issuer shall have complied with all agreements and satisfied all the conditions on its part to be performed at or prior to the Closing; the Bonds shall have been duly executed and delivered and authenticated; the Official Statement shall have been executed and delivered by the Issuer at or prior to the Closing in sufficient time to permit the Underwriters to comply with their obligations under Rule 15c2-12; the Issuer Documents and all other financing or operative documents required in connection with the issuance of the Bonds shall have been duly executed and delivered by the appropriate parties thereto; the Ordinance and the Bond Resolution, the Issuer Documents and such other financing or operative documents shall be in full force and effect and shall not have been

amended, modified or supplemented, except as may have been agreed to in writing by the Representative; the proceeds of the sale of the Bonds shall have been paid to the Issuer or its designee for deposit for use as described in the Official Statement, the Ordinance, the Bond Resolution and the Issuer Documents; and the Issuer shall have adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by this Agreement and as described in the Official Statement.

13. Termination Events.

The Underwriters shall have the right to cancel their obligation to purchase the Bonds, by written notice to the Issuer terminating the obligation of the Underwriters to accept delivery and make any payment for the Bonds, if, between the Effective Date and the Closing Date, in the reasonable judgement of the Underwriters, the market price or marketability of the Bonds at the initial offering price, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, by reason of any of the following (each a "Termination Event"):

(a) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release or other form of official notice) by the President of the United States, the Treasury Department of the United States, 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 legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, with respect to federal or state taxation upon interest received or obligations of the general character of the Bonds;

(b) legislation enacted, introduced in the Congress or recommended for passage in an official notice from the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Bonds are not exempt from registration under the Securities Act of 1933 or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939;

(c) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence or escalation of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States;

(d) the declaration of a general banking moratorium by federal, New York or California authorities or the general suspension of trading on any national securities exchange;

(e) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(f) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(g) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(h) the withdrawal, downgrading or negative change in credit watch status of any rating assigned to the Bonds by a nationally recognized securities rating agency;

(i) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the Ordinance, the Bond Resolution, the Issuer Documents or the existence or powers of the Issuer with respect to its obligations under the Issuer Documents; or

(j) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Underwriters, to materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields) of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Representative, all obligations of the Issuer and the Underwriters under this Agreement shall terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 14 hereof.

14. Payment of Expenses.

(a) The Issuer shall pay or cause to be paid, and the Underwriters shall be under no obligation to pay, the expenses and costs incident to the authorization, issuance, delivery and sale of the Bonds to the Underwriters, including but not limited to: (a) the costs of the

preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of this Agreement and the other Issuer Documents and the cost of preparing, issuing, and delivery of the Bonds; (b) fees charged by any rating agency for rating the Bonds; (c) fees and disbursements of [TRUSTEE] incurred in connection with acting as Trustee and as Dissemination Agent and fees of counsel to [TRUSTEE]; (d) fees and disbursements of Issuer Counsel; (e) fees and disbursements of Bond Counsel; (f) fees and disbursements of the Municipal Advisor, and any accountants or other experts or consultants retained by the Issuer; and (g) the cost of electronic distribution of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and electronic distribution of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriters. The Issuer shall pay for all incidental costs (including, but not limited to transportation, lodging and meals of Issuer personnel) paid by the Underwriters on behalf of the Issuer in connection with the marketing, issuance and delivery of the Bonds. Expenses and costs payable by the Issuer pursuant to this Agreement may be paid from Bond proceeds to the extent permitted by the Tax Certificate and the Indenture.

(b) The Underwriters shall pay (from the expense component of the underwriting discount) and the Issuer shall be under no obligation to pay expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds, including, but not limited to: (i) the costs of qualifying the Bonds for sale in the various states chosen by the Underwriters; (ii) all advertising expenses in connection with the offering of the Bonds; (iii) the fees and disbursements of Underwriters' Counsel and "blue sky" expenses, if any; and (iv) all fees of the California Debt and Investment Advisory Commission, CUSIP fees and out-of-pocket disbursements and expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review, except as provided in (a) above. Notwithstanding that the fees of the California Debt and Investment Advisory Commission are the legal obligation of the Underwriters, the Issuer agrees to reimburse the Underwriters for such fees.

15. Notices.

All notices ("Notices") provided for in this Agreement shall be in writing delivered to the applicable Notice Address set forth below (or at such other address as may have been designated by written Notice) and may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

Issuer:

Alameda County Transportation Commission
1111 Broadway, Suite 800
Oakland, California 94607
Attention: Executive Director

Underwriters:

Citigroup Global Markets Inc.
300 S. Grand Avenue, Ste. 3110
Los Angeles, CA 90071
Attention: Alexander Zaman

16. Authority of Representative.

The Representative represents and warrants to the Issuer that it is duly authorized to enter into this Agreement on behalf of itself and the other Underwriters and to take all actions required or contemplated to be performed by the Underwriters under this Agreement.

17. Governing Law; Venue.

The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of California.

18. Parties in Interest; Force and Effect.

This Agreement is made solely for the benefit of the Issuer and the Underwriters (including their successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriters; or (b) delivery of and payment for the Bonds pursuant to this Agreement. The agreements contained in this Section 18 shall survive any termination of this Agreement.

19. Entire Agreement.

This Agreement, when accepted by the Issuer, shall constitute the entire agreement among the Issuer and the Underwriters with respect to the subject matter hereof and is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

20. Section Headings.

Section headings have been included in this Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Agreement.

21. Severability.

In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

22. Counterparts.

This Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

23. Signatures.

Upon execution by the Issuer and the Representative, this Agreement shall be binding upon the Issuer and the Underwriters as of the Effective Date.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: _____
Authorized Representative

Accepted

ALAMEDA COUNTY TRANSPORTATION COMMISSION

By: _____
Executive Director

SCHEDULE I

TERMS OF THE BONDS

\$[_____]
ALAMEDA COUNTY TRANSPORTATION COMMISSION
MEASURE BB SENIOR MEASURE BB SALES TAX REVENUE BONDS
(LIMITED TAX BONDS)

<i>Maturity Date</i> (___ 1)	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold-the-Offering-Price Rule Used</i>
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REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or before ____ 1, 20[___] shall not be subject to redemption prior to their respective stated maturities. The Bonds maturing on or after ____ 1, 20[___] shall be subject to redemption prior to their respective stated maturities, at the option of the Issuer, from any source of available funds, as a whole or in part, in Authorized Denominations, on any date on or after ____ 1, 20[___] at a redemption price equal to the principal amount of Bonds called for redemption plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Bonds maturing on ____ 1, 20__, will also be subject to redemption in part, by lot, from Mandatory Sinking Account Payments required by the Indenture on each ____ 1 on or after ____ 1, 20__, at the principal amount of the Bonds to be redeemed plus accrued interest, if any, to the redemption date. Such Mandatory Sinking Account Payments will be sufficient to redeem (or pay at maturity) the following principal amounts of such Bonds on the dates set forth below:

<i>Sinking Account Payment Date</i>	<i>Sinking Account Payment</i>
	\$

*

* Maturity.

SCHEDULE II

FORM OF ISSUE PRICE CERTIFICATE

This certificate is furnished by Citigroup Global Markets Inc. acting on behalf of itself and as Representative (the “Representative”) of Goldman, Sachs & Co and Jeffries LLC (collectively the “Underwriting Group” and each a member thereof), in connection with the Bond Purchase Agreement dated _____, 2022 (the “Purchase Agreement”), between the Underwriting Group and the Alameda County Transportation Commission (the “Issuer”) for the sale of \$_____ aggregate principal amount of Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2022 (the “Bonds”).

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

A. Issue Price

1. **Sale of the [General Rule Maturities][Bonds].^x** As of the date of this certificate, for each Maturity of the [General Rule Maturities][Bonds],^x the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Appendix I hereto.

[2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (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 2.

(b) As set forth in the Bond Purchase Agreement, the members of the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, none of the Underwriting Group offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]^y

3. Defined Terms.

^x Note: Use “General Rule Maturities” if there are HTOP maturities. Use “Bonds” if there are no HTOP Maturities.

^y Delete if there are no HTOP Maturities.

(a) [General Rule Maturities means those Maturities of the Bonds listed in Schedule I hereto as the “General Rule Maturities.”

(b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule 1 hereto as the “Hold-the-Offering-Price Maturities” (if any).

(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, or (ii) the date on which the Underwriters 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) Issuer means the Alameda 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 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 _____, 2022.

(h) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with any member of the Underwriting Group 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 or other 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 Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright, as bond counsel, in connection with rendering its opinion that 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 Issuer from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

Dated: _____, 2022.

CITIGROUP GLOBAL MARKETS INC.
as Representative of the Underwriters

By: _____
Authorized Officer

APPENDIX I TO SCHEDULE II
MATURITIES

EXHIBIT A

FORM OF SUPPLEMENTAL BOND COUNSEL OPINION

[Closing Date]

[TO COME FROM BOND COUNSEL]

EXHIBIT B

FORM OF ISSUER COUNSEL OPINION

[Closing Date]

[TO COME]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated _____, 2022, is executed and delivered by the Alameda County Transportation Commission (“Alameda CTC”) in connection with the issuance of \$_____ aggregate principal amount of Alameda County Transportation Commission Measure BB Senior Sales Tax Revenue Bonds (Limited Tax Bonds), 2022 (the “Bonds”). The Bonds are being issued pursuant to an Indenture, dated as of June 1, 2022, as supplemented by a First Supplemental Indenture, dated as of June 1, 2022 (together, the “Indenture”), each between Alameda CTC and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Pursuant to the Indenture, Alameda CTC covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by Alameda CTC for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

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

“Annual Report” shall mean any Annual Report provided by Alameda CTC pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

“Disclosure Representative” shall mean the designee of Alameda CTC to act as the Disclosure Representative.

“Dissemination Agent” shall mean an entity selected and retained by Alameda CTC, or any successor thereto selected by Alameda CTC. The initial Dissemination Agent shall be U.S. Bank Trust Company, National Association, as Trustee under the Indenture.

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

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate and any other event legally required to be reported pursuant to the Rule.

“MSRB” shall mean 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” shall mean the Official Statement of Alameda CTC, dated _____, 2022, relating to the Bonds, as amended or supplemented.

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

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

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) Alameda CTC shall provide to the Repository not later than 270 days after the end of Alameda CTC’s fiscal year, commencing with the fiscal year ending June 30, 2022, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, Alameda CTC shall provide the Annual Report to the Dissemination Agent. Alameda CTC shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by Alameda CTC hereunder. The Dissemination Agent may conclusively rely upon such certification of Alameda CTC.

(b) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact Alameda CTC to determine if Alameda CTC is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in the manner prescribed by the MSRB.

(d) If the Dissemination Agent is other than Alameda CTC, the Dissemination Agent shall file a report with Alameda CTC certifying that the Disclosure Report has been provided to the MSRB through the EMMA System pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. Alameda CTC’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of Alameda CTC 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 Alameda CTC’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 relating to the Bonds (the “Official Statement”), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) An update (as of the most recently ended fiscal year of Alameda CTC) for the table entitled “Alameda County Transportation Commission Historical Measure BB Sales Tax Revenues” set forth in the Official Statement under the caption “THE SALES TAX – Historical Sales Tax Revenues.”

(c) An update (as of the most recently ended fiscal year of Alameda CTC) for the Coverage Ratio set forth on page ____ of the Official Statement.

(d) A summary of all Bonds and Parity Obligations Outstanding as of the most recently ended fiscal year of Alameda CTC.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which Alameda CTC is an “obligated person” (as defined by the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. Alameda CTC shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Alameda CTC shall provide (or cause to be provided) notice to the MSRB of the occurrence of any of the following events numbered 1-10 with respect to Bonds and in a timely manner but not later than ten business days after the occurrence of the event. The notice shall be in an electric format and contain such identifying information as is prescribed by the MSRB.

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (6) Tender offers;
- (7) Defeasances;

- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the obligated person; or

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

- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of Alameda CTC, any of which reflect financial difficulties.

(b) Alameda CTC shall provide (or cause to be provided) to the MSRB notice of the occurrence of any of following events numbered 11-17 with respect to Bonds, if material and in a timely manner but not later than ten business days after the occurrence of the event. Such notice shall be in an electric format and contain such identifying information as is prescribed by the MSRB.

- (11) Modifications to rights of Bondholders;
- (12) Bond calls;
- (13) Release, substitution, or sale of property securing repayment of Bonds;
- (14) Non-payment related defaults;
- (15) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (16) Appointment of a successor or additional trustee or the change of name of a trustee; or
- (17) Incurrence of a financial obligation of Alameda CTC, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of Alameda CTC, any of which affect Bondholders, if material.

(c) For purposes of the events identified in paragraphs (a)(10) and (b)(17) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) Alameda CTC acknowledges that it must make a determination whether a Specified Event listed in subsection (b) is material under applicable federal securities laws in order to determine whether a filing is required under subsection (b).

SECTION 6. Termination of Reporting Obligation. The obligations of Alameda CTC and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, Alameda CTC shall give notice of such termination in the same time and manner as for a Listed Event under Section 5(f) hereof.

SECTION 7. Dissemination Agent. Alameda CTC may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time by providing at least 30 days’ notice in writing to Alameda CTC.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, Alameda CTC may amend this Disclosure Certificate, 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 Certificate may be waived if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to Alameda CTC and the Dissemination Agent 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent Alameda CTC from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If Alameda CTC chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, Alameda CTC shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of Alameda CTC to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions, as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Alameda CTC to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of Alameda CTC to comply with this Disclosure Certificate shall be

an action to compel performance. This is the first continuing disclosure undertaking by Alameda CTC.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and Alameda CTC agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in connection with the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall also be entitled to any further protections and limitations from liability afforded to the Trustee under Article VIII of the Indenture, as if such provisions were fully set forth herein. The Dissemination Agent shall be paid compensation by Alameda CTC for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for Alameda CTC, the Bondholders, or any other party. The obligations of Alameda CTC under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of Alameda CTC, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

ALAMEDA COUNTY
TRANSPORTATION COMMISSION

By: _____
Executive Director

Receipt Acknowledged By:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

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Post-Issuance Tax Compliance Procedures For Tax-Exempt Bonds

_____ 1, 2022

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt bonds ("Bonds") issued by the Alameda County Transportation Commission (the "Issuer") so as to ensure that the Issuer complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds.

General

Ultimate responsibility for all matters relating to Issuer financings and refinancings rests with the Deputy Executive Director of Finance and Administration (the "Deputy Executive Director of Finance and Administration").

Post-Issuance Compliance Requirements

External Advisors / Documentation

The Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the process of issuing Bonds to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in an Issuer resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with contracts with respect to the use of Bond-financed assets entered into or amended subsequent to the issuance of the Bonds.

Whenever necessary or appropriate, the Issuer shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

Role of the Issuer as Bond Issuer

Unless otherwise provided by Issuer documentation, investment of Bond proceeds shall be managed by the Deputy Executive Director of Finance and

Administration. The Deputy Executive Director of Finance and Administration shall maintain records regarding the investment of, and transactions involving, Bond proceeds.

If Issuer documentation provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the Issuer shall engage the services of a Rebate Service Provider, and the Issuer or the trustee shall deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
- upon request, the Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

The Issuer shall retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements."

Use of Bond Proceeds

The Issuer grants Bond proceeds to agencies that are not directly or indirectly controlled by the Issuer and do not directly or indirectly control the Issuer (such agencies being hereinafter referred to as "Unrelated Agencies") in order to finance assets that are owned and operated by the Unrelated Agencies and with respect to which the Issuer receives no payments (such assets being hereinafter referred to as "Grant

Assets"). The Issuer may finance other assets as well (such other assets being hereinafter referred to as "Issuer Assets").

The Deputy Executive Director of Finance and Administration and other appropriate Issuer personnel shall:

- monitor the use of Bond proceeds and the use of Issuer Assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates;
- monitor any changes to the use of Grant Assets that will cause any of the Bond proceeds granted to Unrelated Agencies to be returned to the Issuer and consult with bond counsel regarding the use of any such returned proceeds;
- maintain records identifying all of the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with bond counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Issuer Assets to ensure compliance with all covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates;
- maintain records for any contracts or arrangements involving the use of Issuer Assets as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Issuer documentation and Tax Certificates; and
- meet at least annually with personnel responsible for Issuer Assets to identify and discuss any existing or planned use of Issuer Assets to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Issuer documentation, including Tax Certificates.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirements

Unless otherwise specified in applicable Issuer documentation or Tax Certificates, the Issuer shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as

documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;

- a copy of all contracts and arrangements involving private use of Bond-financed assets; and

- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.



Memorandum

5.4

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: Approve an Update to Alameda CTC Conflict of Interest Code

Recommendation

It is recommended that the Commission approve an update to Alameda CTC's Conflict of Interest Code.

Summary

State statute requires that every public agency adopt and promulgate a Conflict of Interest Code. The statute also requires that a review of the code be completed biennially to determine if any amendment is needed. Staff has reviewed the agency's Conflict of Interest Code and has determined a need to amend the code in three areas.

Approval of this item will satisfy Alameda CTC's statutory requirements and authorize the agency to forward the Commission-approved Code to the County Board of Supervisors for final approval.

The recommended changes to Alameda CTC's Conflict of Interest Code have been incorporated into the revised code in Attachment A and include the following:

- **Article I. Section 3. Filing Statements of Economic Interests.** Language in this section has been updated to require the FPPC Statement of Economic Interests (Form 700) to be filed electronically directly with the Clerk of the Alameda County Board of Supervisors utilizing an electronic system established by Alameda County for this purpose. This replaces earlier language requiring Form 700s to be filed as hard copies with the Alameda CTC Clerk. The revised section also notes that Commission Members (including Alternates) are also responsible for separately filing a Form 700 for their home jurisdictions pursuant to the instructions provided by such jurisdiction.

- **Appendix A** Language in this appendix has been updated to reflect required filers and currently approved staff titles.
- **Appendix B.** This appendix has been updated to include the most recent Fair Political Practices Commission (FPPC) Regulations.

Upon approval of this item, the amended code will be forwarded to the County for placement on the Board of Supervisors agenda and subsequent approval. Alameda CTC's updated Conflict of Interest Code will become effective as of the date of approval by the Board of Supervisors.

Background

The Political Reform Act (Government Code § 81000 et seq.) requires every local agency to review its Conflict of Interest Code (Code) for accuracy and to notify its code reviewing body on even numbered years whether it does or does not need to be amended. The County Board of Supervisors is the code reviewing body for any local agency whose jurisdiction is solely within the county and not under the jurisdiction of a city, including Alameda CTC.

Fiscal Impact: There is no fiscal impact.

**CONFLICT OF INTEREST CODE
OF THE ALAMEDA COUNTY TRANSPORTATION
COMMISSION (AS AMENDED ON _____
1, 2022)**

ARTICLE I: State Requirements Under The Political Reform Act

SECTION 1. Purpose. The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (“FPPC”) has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the FPPC may amend this standard code to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix designating positions and defining disclosure categories shall constitute the Conflict of Interest Code (“Code”) of the Alameda County Transportation Commission (“Alameda CTC”).

SECTION 2. Designated Positions. The positions listed on Appendix A are designated positions. Officers, employees, members and consultants holding those positions are designated employees and are deemed to make, or participate in the making of, decisions which may foreseeably have a material effect on a financial interest of the designated employee. “Commission Member” for the purposes of this Code means any member or alternate of the Alameda CTC’s governing body. “Consultant” for the purposes of this Code shall have the meaning set forth in 2 California Code of Regulations Section 18700.3 (see Appendix B for the current version of 2 CCR §18700.3, along with 2 CCR §18704, as referenced therein).

SECTION 3. Filing Statements of Economic Interests. Individuals holding designated positions shall file statements of economic interests annually disclosing that individual’s business positions, income, investments, and interest in real property that are reportable pursuant to this Code. All such statements shall be filed in electronic form directly with the Clerk of the Alameda County Board of Supervisors, which shall be the filing officer, utilizing the electronic filing system established by Alameda County for such purpose. Commission Members are also responsible for separately filing a Form 700 for their home jurisdictions pursuant to the instructions provided by such jurisdiction. Commission Members who serve as Alameda County supervisors may file a single Form 700 covering both Alameda CTC and their position as supervisor.

SECTION 4. Disqualification. No designated employee may make, participate in the making, or in any way use or attempt to use his or her position with Alameda CTC to influence the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee.

SECTION 5. Manner of Disqualification.

(a) Any Commission Member who is required to disqualify himself or herself from a decision-making process shall not participate in any way in the matter before the Commission or any committee of the Commission. Further, such Commission Member shall be subject to the requirements and procedures set forth in 2 California Code of Regulations Section 18707 if the Commission Member is seated as a member of the Commission or committee during a meeting thereof and a governmental decision on such a matter is listed on the meeting agenda (see Appendix B for the current version of 2 CCR §18707). As of the date hereof, such procedures include the obligation to publicly recuse himself or herself and leave the room after making the identification required by said regulation, subject to certain exceptions as set forth in such regulation.

(b) Any designated employee who is required to disqualify himself or herself from a decision-making process shall notify the Executive Director of Alameda CTC (if the Executive Director requires disqualification, such notification shall be made to the Commission Chair) in writing of the reason for the disqualification. A copy of this notice shall be filed with the Clerk of the Commission. Upon receipt of a designated employee's disqualification statement, the Executive Director shall immediately reassign the responsibility for the matter to another designated employee of the office.

SECTION 6. No Disqualification Required if Participation is Necessary. A designated employee may make or participate in the making of a decision when he or she has a financial interest which would otherwise require disqualification if his or her participation is legally required for the decision to be made as defined in California Code of Regulations Title 2, Division 6, Section 18701. The fact that the vote of a designated employee is needed to break a tie does not make his or her participation legally required for the purposes of this section.

SECTION 7. Assistance of the FPPC and Legal Counsel. Any Commission Member or designated employee who is unsure of his or her duties under this code may request assistance from the FPPC pursuant to Section 83314 and Regulations 18329 and 18329.5, or from Alameda CTC's Legal Counsel, provided that nothing in this section requires Legal Counsel to issue any formal or informal opinion.

SECTION 8. Violations. This Code has the force and effect of law. Designated employees violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act. In addition, if a court determines that a violation of the disqualification provisions of this Code has occurred and that the official action might not otherwise have been taken or approved, the decision in relation to which a violation has occurred may be set aside as void pursuant to Government Code Section 91003.

SECTION 9. Effective Date. This Conflict of Interest Code and the Appendix shall become effective upon approval by the Alameda County Board of Supervisors, as the code reviewing body. The initial disclosure statements required under this Code shall be filed on April 1, 2023.

ARTICLE II: Additional Alameda CTC Requirements

SECTION 1. Purpose. Alameda CTC recognizes that certain conflict of interest issues may arise that are not governed by the Political Reform Act or the FPPC regulations referenced above. The provisions in this **Article II** are intended to address such issues.

SECTION 2. Campaign Contribution Disclosure; Levine Act. The Levine Act, Government Code Section 84308, prohibits Commission Members from accepting, soliciting, or directing contributions (as defined in Government Code §82015) of more than Two Hundred Fifty Dollars (\$250) from any party who has a financial interest in any proceeding involving a license, permit, or other entitlement for use that is pending before the Commission and for three

(3) months following the date a final decision is rendered in the proceeding. A party has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable generally, on the party, a member of the party's immediate family, or on income, investments, business positions or interests in real property that are described in Appendix A, Category 2. For purposes of this Section, "contribution" shall mean a political contribution to a person who is running for, or serving in, any elective office.

(a) **Participants in Proceedings Pending Before the Commission.** In the event Alameda CTC staff and/or independent members of a screening committee (which does not include Commission Members) evaluates and screens proposals submitted in response to a Request For Proposal or Qualifications and compiles a short list of firms to be considered by the Commission, only the proposals that the staff submits to Commission Members for consideration shall be considered a part of a proceeding pending before the Commission. Only persons or entities on the short list will be considered involved in a proceeding before the Commission or any committee of the Commission.

(b) **Notice to Commission Members.** To facilitate compliance with the Levine Act, the Commission staff shall include as part of the Commission Members' agenda packets for Commission Meetings and committee meetings information described in (i) and (ii) of this subsection regarding each application for a license, permit, or other entitlement for use that will be considered by the Board or such committee. "License, permit, or other entitlement for use" shall include all business, professional, trade and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts for goods or services (other than competitively bid, or labor, or personal employment contracts), and all franchises.

(i) The name of the persons or entities that submitted the application for a license, permit or other entitlement for use ("applicant"). The term "applicant" shall include any owner, manager or employee, who acts as an agent of the applicant with respect to the application;

(ii) To the extent known by staff, the name of each person who

actively supports or opposes a decision in the proceeding before the Commission involving a license, permit, or other entitlement for use and who has a financial interest in the decision such persons are referred to herein as “participants” in a decision. The term “participant” shall include any owner, manager or employee who acts as an agent of the participant with respect to the application. Lobbying Commission Members or Alameda CTC staff by direct communication (either in person or in writing), testifying in person before the Commission, or otherwise acting to influence Commission Members shall constitute active support of or opposition to a decision pending before the Commission.

In the event Alameda CTC staff and/or independent committee compiles a short list of firms, the Proposal Data Form will contain information on only those firms that comprise the short list.

(c) **Notice to Applicants and Participants.** As part of any Request For Proposal or Qualification, or any other solicitation process, Alameda CTC staff shall provide all applicants and participants a statement that contains the information described in i) and ii) of subsection b). When a close corporation, as defined in Corporations Code Section 158, is an applicant or participant, the majority shareholder is subject to the Levine Act’s disclosure and prohibition requirements. Generally, a close corporation is a corporation whose issued shares are owned by not more than ten (10) persons.

(i) All applicants and participants, and their respective agents, shall notify Alameda CTC, either in writing prior to a proceeding before the Commission involving a license, permit, or other entitlement for use or orally during said proceeding, of any contribution of more than Two Hundred Fifty Dollars (\$250) made within the preceding twelve (12) months by the applicant or participant, or his or her agent, to any Commission Member.

(ii) Applicants and participants, and their agents, shall not make contributions of more than Two Hundred Fifty Dollars (\$250) to any Commission Member during a proceeding involving a license, permit, or other entitlement for use pending before the Commission and for three (3) months following the date a final decision is rendered by the Commission in the proceeding.

(d) **Limitations on Receiving Contributions.** While a proceeding involving a license, permit, or other entitlement for use is pending before the Commission and for three (3) months following the date a final decision is rendered in the proceeding, Commission Members shall not accept, solicit, or direct a contribution of more than Two Hundred Fifty Dollars (\$250) from any applicant or participant who has a financial interest in the decision. This prohibition shall apply regardless of whether the Commission Member accepts, solicits, or directs the contribution for himself, or on behalf of any other Commission Member, or on behalf of any candidate for office or on behalf of any committee.

(e) **Disclosure of Conflict.** Before the Commission renders a decision in a proceeding involving a license, permit, or other entitlement for use, each

Commission Member shall disclose orally at the time of the proceeding, or in a writing delivered to the Clerk of the Commission at any time prior to the proceeding, any contributions of more than Two Hundred Fifty Dollars (\$250) that the Commission Member has received within the preceding twelve (12) months from any applicant or participant involved in the proceeding before the Commission.

(f) **Disqualification from Participating in a Proceeding.** No Commission Member shall make, participate in making, or in any way attempt to use his or her position in the Commission to influence a decision in a proceeding pending before the Commission or committee of the Commission involving a license, permit, or other entitlement for use if the Commission Member has received a contribution of more than Two Hundred Fifty Dollars (\$250) within the preceding twelve (12) months from an applicant involved in the proceeding before the Commission or a participant who has a financial interest in the decision. A Commission Member who received a contribution which would otherwise require disqualification may participate in the proceeding if he or she returns the contribution within thirty (30) days from the time the Commission Member knows, or should have known, about both the making of the contribution or participant's participation in the proceeding involving the license, permit, or other entitlement for use.

(g) If a Commission Member is so disqualified from participation in any decision, that Commission Member shall not participate in any way in the matter before the Commission or any committee of the Commission. Further, such Commission Member shall be subject to the requirements and procedures set forth in 2 California Code of Regulations Section 18707 if the Member is seated as a member of the Commission or committee and a governmental decision on such a matter is listed on the agenda thereof (see Appendix B for the current version of 2 CCR §18707). As of the date hereof, such procedures include the obligation to publicly recuse himself or herself and leave the room after making the identification required by said regulation, subject to certain exceptions as set forth in such regulation.

SECTION 3. Alameda CTC Officers and Employees Running for Elected Office or Serving as an Elected Official. Pursuant to Government Code Section 3203, Alameda CTC is not permitted to restrict its officers and employees' political activities, except to the extent required by other applicable law. Accordingly, any officer or employee of Alameda CTC is permitted to run for elected office. However, Alameda CTC believes it is appropriate to impose certain reporting and recusal requirements upon such officers and employees, consistent with the requirements set forth above with respect to Commission Members' obligations under the Levine Act.

(a) **Campaign Disclosures.** If any Alameda CTC officer or employee is required under any applicable law to make any campaign-related filings with any City, County, or other governmental agency located completely or partially within Alameda County, and/or with the FPPC, the officer or employee shall simultaneously provide copies of any such filing(s) to the Clerk of the Commission. The foregoing obligation shall also apply with respect to campaign-related filings made by or on behalf of any committee controlled by an Alameda CTC officer or employee. The Clerk of the Commission shall make and retain a copy of any such campaign filings.

(b) **Disqualification from Participating in a Proceeding.** No Alameda CTC officer or employee shall participate in making, or in any way attempt to use his or her position with Alameda CTC to influence a decision in a proceeding pending before the Commission or committee of the Commission involving a license, permit, or other entitlement for use if the officer or employee has received a contribution of more than Two Hundred Fifty Dollars (\$250) within the preceding twelve (12) months from an applicant involved in the proceeding before the Commission or a participant who has a financial interest in the decision.

**APPENDIX A
DESIGNATED EMPLOYEES AND DISCLOSURE
CATEGORIES**

Designated Employees

The following positions entail the making or participating in the making of decisions which may foreseeably have a material effect on financial interests.

Position	Disclosure Categories
Commission Member	1 & 2
Executive Director	1 & 2
Deputy Executive Director of Projects	1 & 2
Deputy Executive Director of Planning and Policy	1 & 2
Deputy Executive Director of Finance and Administration	1 & 2
Director of Finance	4 & 6
Director of Programming and Project Controls	2, 3, 4 & 5
Director of Project Delivery	2, 3, 4 & 5
Director of Express Lane Operations	3 & 4
Director of Budgets and Administration	4 & 6
Director of Planning	2, 3, 4 & 5
Director of Government Affairs and Communications	4 & 5
Legal Counsel	1 & 2
Consultant*	as determined by the Executive Director

* Consultants, as defined in 2 California Code of Regulations §18700.3, shall be included in the list of designated employees. Not all outside contractors are considered to be Consultants under this Regulation, since it depends on the contractor's particular scope of work. Further, the Executive Director may determine in writing that a particular Consultant is hired to perform a range of duties that is limited in scope and

thus it may be appropriate to assign one or more of the limited disclosure requirements set forth below. The Executive Director's determination designating a specific contractor as a Consultant and assigning one or more specific disclosure categories, which determination may be made utilizing FPPC Form 805, is a public record and shall be retained for public inspection in the same manner and locator as this Code.

Disclosure Categories

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in Alameda County, or have done business during the previous two years in Alameda County.

Category 1: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that do business or own real property within Alameda County.

Category 2: All interests in real property which is located in whole or in part within, or not more than two miles outside, the boundaries of Alameda County.

Category 3: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that are engaged in land development, construction or the acquisition or sale of real property within Alameda County.

Category 4: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by Alameda CTC.

Category 5: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments), including income from nonprofits or similar organizations, if the source is of the type to receive grants or similar funding from or through Alameda CTC.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if the source is of the type of firm in or with which Alameda CTC is empowered to invest its funds, or the source has during the reporting period filed a claim or currently has a claim pending with Alameda CTC.

**APPENDIX B
EXCERPTS FROM FPPC REGULATIONS AS OF THE ADOPTION
HEREOF**

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18700.3. Consultant, Public Official Who Manages Public Investments: Definitions.

(a) For purposes of Sections 82019 and 82048, “consultant” means an individual who, pursuant to a contract with a state or local government agency:

(1) Makes a governmental decision whether to:

(A) Approve a rate, rule, or regulation;

(B) Adopt or enforce a law;

(C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;

(D) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;

(E) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;

(F) Grant agency approval to a plan, design, report, study, or similar item;

(G) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or

(2) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in Regulation 18704(a) and (b) or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Section 87302.

(b) For purposes of Section 87200, the following definitions apply:

(1) “Other public officials who manage public investments” means:

(A) Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;

(B) High-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and

(C) Individuals who, pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in subdivision (b)(1)(B).

(c) “Public investments” means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(d) “Public moneys” means all moneys belonging to, received by, or held by, the state, or any city, county, town, district, or public agency therein, or by an officer thereof acting in the officer's official capacity, and includes the proceeds of all bonds and other evidences of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which a public agency is a party.

(e) “Management of public investments” means the following nonministerial functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 82019, 82048, 87100, 87200 and 87302, Government Code.

HISTORY

1. New section filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26). For prior history, see Register 2015, No. 18.
2. Amendment of subsection (a)(2) filed 7-10-2015; operative 7-10-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 28).
3. Amendment of subsection (d) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18704. Making, Participating in Making, or Using or Attempting to Use Official Position to Influence a Government Decision, Defined.

(a) Making a Decision. A public official makes a governmental decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits the official's agency to any course of action, or enters into any contractual agreement on behalf of the official's agency.

(b) Participating in a Decision. A public official participates in a governmental decision if the official provides information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.

(c) Using Official Position to Attempt to Influence a Decision. A public official uses an official position to influence a governmental decision if the official:

(1) Contacts or appears before any official in the official's agency or in an agency subject to the authority or budgetary control of the official's agency for the purpose of affecting a decision; or

(2) Contacts or appears before any official in any other government agency for the purpose of affecting a decision, and the public official acts or purports to act within the official's authority or on behalf of the official's agency in making the contact.

(d) Exceptions. Making, participating in, or influencing a governmental decision does not include:

(1) Ministerial. Actions by a public official that are solely ministerial, secretarial, or clerical.

(2) Appearances as a Member of the General Public. An appearance by a public official as a member of the general public before an agency in the course of its prescribed governmental function if the official is appearing on matters related solely to the official's personal interests, including interests in:

(A) Real property owned entirely by the official, members of the official's immediate family, or the official and members of the official's immediate family;

(B) A business entity owned entirely by the official, members of the official's immediate family, or the official and members of the official's immediate family; or

(C) A business entity over which the official, members of the official's immediate family, or the official and members of the official's immediate family solely or jointly exercise full direction and control.

(3) Terms of Employment. Actions by a public official relating to compensation or the terms or conditions of the official's employment or consulting contract. However, an official may not make a decision to appoint, hire, fire, promote, demote, or suspend without pay or take disciplinary action with financial sanction against the official or the official's immediate family, or set a salary for the official's or the official's immediate family different from salaries paid to other employees of the government agency in the same job classification or position.

(4) Public Speaking. Communications by a public official to the general public or media.

(5) Academic Decisions.

(A) Teaching decisions, including an instructor's selection of books or other educational materials at the instructor's own school or institution, or other similar decisions incidental to teaching; or

(B) Decisions by a public official who has teaching or research responsibilities at an institution of higher education relating to the official's professional responsibilities, including applying for funds, allocating resources, and all decisions relating to the manner or methodology with which the official's academic study or research will be conducted. This exception does not apply to a public official who has institution-wide administrative responsibilities as to the approval or review of academic study or research at the institution unrelated to the official's own work.

(6) Architectural and Engineering Documents.

(A) Drawings or submissions of an architectural, engineering, or similar nature prepared by a public official for a client to submit in a proceeding before the official's agency if:

(i) The work is performed pursuant to the official's profession; and

(ii) The official does not make any contact with the agency other than contact with agency staff concerning the process or evaluation of the documents prepared by the official.

(B) An official's appearance before a design or architectural review committee or similar body of which the official is a member to present drawings or submissions of an architectural, engineering, or similar nature prepared for a client if:

(i) The review committee's sole function is to review architectural designs or engineering plans and to make recommendations to a planning commission or other agency;

(ii) The review committee is required by law to include architects, engineers or persons in related professions, and the official was appointed to the body to fulfill this requirement; and

(iii) The official is a sole practitioner.

(7) Additional Consulting Services: Recommendations by a consultant regarding additional services for which the consultant or consultant's employer would receive additional

income if the agency has already contracted with the consultant, for an agreed upon price, to make recommendations concerning services of the type offered by the consultant or consultant's employer and the consultant does not have any other economic interest, other than in the firm, that would be foreseeably and materially affected by the decision.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87101 and 87302, Government Code.

HISTORY

1. Change without regulatory effect renumbering former section 18702 to section 18704, including amendment of section heading and section, filed 4-27-2015. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 18). For prior history of section 18704, see Register 2015, No. 6.
2. Repealer and new section and amendment of Note filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26).
3. Amendment of subsections (a), (c)-(c)(2), (d)(2)-(d)(3) and (d)(5)(A)-(B) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil

C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18707. Disqualification Requirements.

(a) Public Meeting Decisions Involving Officials Specified in Section 87200. A public official in a position specified in Section 87200 and disqualified from a decision relating to an agenda item noticed for consideration at a public meeting subject to either the Bagley-Keene Act (Section 11120 et seq.) or the Brown Act (Section 54950 et seq.) must not take part in the decision. The official's recusal from the decision shall meet all of the following requirements:

(1) Form and Content of Public Identification. The official must publicly identify each type of financial interest held by the official that gives rise to the conflict of interest (i.e. business entity, real property, source of income, gift(s) or a personal financial effect).

(A) For each financial interest identified, the official must provide the following, as applicable:

(i) Name of the business entity, general description of the business' activity, and any position held.

(ii) Real property address, assessor's number, or identification that the property is the official's personal residence.

(iii) Name of the source of income.

(iv) Name of the source of a gift.

(v) The nature of the expense, liability, asset, or income affected.

(B) Identification must be oral and made part of the public record.

(2) Timing. Public identification of the financial interest must be made immediately prior to consideration of the agenda item. Partial absence from a meeting does not excuse the official's

public identification requirement. If an official leaves a meeting in advance of the agenda item in which the official is disqualified, the official must publicly identify the agenda item and the financial interest prior to leaving the meeting. An official first joining a meeting after the consideration of an agency item in which the official is disqualified must publicly identify the agenda item and the financial interest immediately upon joining the meeting.

(3) Recusal and Leaving the Room. The official must follow the recusal procedure, leave the room after the identification required by this regulation is made, and refrain from any participation in the decision. The official will not be counted toward achieving a quorum while the item is discussed.

(A) For an agenda item on a consent calendar (uncontested items), the official may remain in the room during the consent calendar.

(B) If an official has a personal interest in the agenda item as defined in Regulation 18704(d)(2) and wishes to speak or appear as a member of the general public, following the public identification of the financial interest and recusal the official may leave the dais and speak or observe from the area reserved for members of the public.

(4) Special Rules for Closed Session. The public identification must be made orally during the open session before the body goes into closed session and may be limited to a declaration that the official's recusal is because of a conflict of interest under Section 87100. The declaration will be made part of the official public record. The official must not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the governmental decision.

(b) Other Decisions. A public official disqualified from any decision other than a decision under subdivision (a) must not take part in the decision, and the official's recusal from the decision must meet the following requirements:

(1) If an official determines not to act because of a financial interest, the official's determination may be accompanied by an oral or written disclosure of the financial interest.

(2) The official's presence will not be counted toward achieving a quorum.

(3) During a closed meeting of the agency, a disqualified official must not be present when the decision is considered or knowingly obtain or review a recording or any other nonpublic information regarding the governmental decision.

(4) An agency may adopt a local rule requiring the official to step down from the dais or leave the chambers.

(c) Confidential Information. Nothing in the provisions of this regulation is intended to cause an agency or public official to make any disclosure that would reveal the confidences of a closed session or any other privileged information as contemplated by law including, but not limited to, the recognized privileges found in Regulation 18740.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87101, 87103, 87105 and 87200, Government Code.

HISTORY

1. New section filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking

requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26). For prior history, see Register 2015, No. 21.

2. Repealer and new section filed 7-23-2020; operative 8-22-2020 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2020, No. 30).

3. Amendment of subsections (a), (a)(3) and (b) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).



Memorandum

5.5

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 2, 2022

TO: Finance and Administration Committee

FROM: Tess Lengyel, Executive Director

SUBJECT: Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Adopting the Amended San Joaquin Regional Rail Commission Special Voting Memorandum of Understanding

Recommendation

It is recommended that the Commission approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Adopting the Amended San Joaquin Regional Rail Commission Special Voting Memorandum of Understanding dated May 6, 2022, as Attached Hereto.

Background

The County of San Joaquin was the sponsor of the ACE Service concept from the late 1980's until the creation of the Rail Commission (SJRRRC) in 1995. The county programmed the majority of capital funding necessary for the start of the ACE service through a local transportation sales tax (Measure K) and State Prop 116 rail funding. The Commission worked with Alameda and Santa Clara Counties ("Bay Area Counties") for two years to create a new 3-County ACE Authority in 1997. The Governing Board was made up of three members from each county and over an initial five-year service period, was tasked with equalizing the initial \$47M contribution made by San Joaquin County with the Bay Area counties.

This structure supported the early years of the ACE service but faltered during the dotcom recession. The dissolution of the ACE Authority was prompted in 2003 by Santa Clara County (VTA) who was dealing with significant funding shortages associated with the dotcom issue. Additionally, neither Santa Clara or Alameda County were ready to commit to fulfill the \$47M equalization requirement, and all parties agreed a new governance structure was appropriate.

Through a professionally facilitated process, the three parties agreed in 2003 that the Rail Commission, based upon its' significant financial and staffing contributions, would be

designated the owner and operator of the ACE Service, and VTA and Alameda County Transportation Commission (ACTC) would purchase service under a new Cooperative Services Agreement.

VTA completely relinquished its governance role for the ACE service in exchange for a more fixed funding contribution (At the 3-train level, indexed each year by the CPI). VTA could not commit to funding ACE service beyond a 3-train level. Over the course of the recession, VTA cut many light rail and bus services, but maintained the annual funding commitment to ACE.

ACTC sought to retain some role in governance as it related to only ACE service issues in Alameda County and made a commitment to negotiate potential new ACE service contributions beyond 3 trains. ACTC formed a new relationship with the Rail Commission in 2003 through a Memorandum of Understanding (MOU) to have two Special Voting Members serve on the Commission as allowed permitted in Section 16 of the SJRRC Joint Powers Agreement (“JPA”). To limit their potential financial obligations, ACTC requested voting status on matters limited to the Baseline Service and issues affecting Alameda County. Section 4.1 from the MOU is shown below:

Special Voting Memorandum of Understanding ACCMA Dated 2003. (signed by ACCMA and SJRRC)

4.1. So long as ACCMA is current in meeting its obligations under the Cooperative Service Agreement dated June 26, 2003 (CSA) and so long as the CSA continues in effect, ACCMA may appoint two of its members to serve as Special Voting Commissioners and alternates as voting members of the SJRRC Board but they may only participate and vote on the SJRRC Board when the following specific matters relative to the Baseline ACE Service (BAS) or Alameda County are being considered by the Board:

4.1.1. The financing of the BAS.

4.1.2. Any amendment of the BAS applicable to Alameda County.

4.1.3. Shuttle service in Alameda County in connection with the BAS.

4.1.4. Any action relative to equipment to be installed at BAS stations in

4.1.5. Any action relative to BAS stations in Alameda County.

4.1.6. BAS schedules and fares and BAS station stops in Alameda County.

Various members of the Commission have recently requested staff and counsel review the Commission’s JPA and Special Voting MOU documents to determine the potential for broadening the issues that Alameda members may vote on. Based upon this review and in consultation with the Commission’s Chair and Vice-Chair, staff and counsel suggest the specific voting issues identified in the Special Voting MOU (and shown above) be removed and replaced with the broader language from the Commission’s JPA, Section 16 noted below:

SJRRC JPA Dated 2003 (signed by SJ Co. and its 7 cities)

“16.1.3.A Special Voting Commissioners Commissioner shall vote only on issues of direct concern to the rail service in which their respective public agency is directly involved.”

The proposed amendment would allow broader voting on existing ACE service issues and make best use of the expertise of all Commissioners.

Fiscal Impact: There is no fiscal impact.

Attachment:

- A. 2022 Amendment to Special Voting MOU

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Mayor John J. Bauters
City of Emeryville

Commission Vice Chair
Board President Elsa Ortiz
AC Transit

Alameda County
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Supervisor Richard Valle, District 2
Supervisor David Brown, District 3
Supervisor Nate Miley, District 4
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Mayor Teddy Gray King

City of Pleasanton
Mayor Karla Brown

City of San Leandro
Mayor Pauline Russo Cutter

City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Tess Lengyel

**ALAMEDA COUNTY TRANSPORTATION COMMISSION
RESOLUTION 22-009**

**FIRST AMENDMENT
TO THE
SPECIAL VOTING MEMORANDUM OF UNDERSTANDING
DATED OCTOBER 23, 2003**

This First Amendment (“Amendment”) to the Special Voting Memorandum of Understanding dated October 23, 2003 (the “MOU”) is entered into this ___ day of _____, 2022, between the San Joaquin Regional Rail Commission, a joint powers agency organized under the laws of the State of California, hereinafter “SJRRRC” and the Alameda County Transportation Commission (successor to the Alameda County Congestion Management Agency) hereinafter “Alameda CTC”. SJRRRC and Alameda CTC are also herein referred to in the singular as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, On July 22, 2003, the County of San Joaquin and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy entered into the First Amended Joint Powers Agreement San Joaquin Regional Rail Commission (“JPA”) forming the San Joaquin Regional Rail Commission (“SJRRRC”); and

WHEREAS, the JPA allows for the addition of Special Voting Commissioners upon the entry of a MOU with their respective public agency as defined by the JPA; and

WHEREAS, Section 16.1.3 of the JPA allows Special Voting Commissioners to “. . . vote only on issues of direct concern to the rail service in which their respective public agency is directly involved in;” and

WHEREAS, Section 16.1.4 of the JPA requires that public agency appointing Special Voting Commissioners enter into an MOU with SJRRRC that identifies the specific limited issues which they shall participate and have a vote; and

WHEREAS, the Parties entered into the MOU on or about October 23, 2003, a copy of which is attached, establishing in Section 4.1

the specific limited issues the Special Voting Commissioner appointed by Alameda CTC may only participate and have a vote on specific matters relative to the Baseline ACE Service (BAS) or Alameda County listed in subsections 4.1.1 through 4.1.6 (“Current Voting Limits”); and

WHEREAS, the Parties desire through this Amendment to amend Section 4.1 of the MOU replacing the Current Voting Limits with the language in Section 6.1.3 of the JPA.

AMENDMENT

NOW THEREFORE the Parties mutually agree to the following amendment to the MOU.

Section 4.1 of the MOU is amended to read as follows:

“4.1 So long as Alameda CTC is current in meeting its obligations under the cooperative services agreement dated June 26, 2003 (CSA) and so long as the CSA continues in effect, Alameda CTC may appoint two of its members to serve as Special Voting Commissioners and alternates as voting members of the SJRRC Board but they may only participate and vote on the SJRRC Board on issues of direct concern to the rail service in which Alameda CTC is directly involved.”

This Amendment shall become effective immediately upon execution of this Amendment by the Parties. All other terms in the MOU shall remain unchanged.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the dates shown in the respective signature blocks below.

Duly passed and adopted by the Alameda County Transportation Commission at the regular meeting of the Commission held on Thursday, May 26, 2022 in Oakland, California by the following votes:

ALAMEDA COUNTY TRANSPORTATION COMMISSION

AYES : **NOES:** **ABSTAIN:** **ABSENT:**

SIGNED:

John J. Bauters, Chairperson

ATTEST:

Vanessa Lee, Clerk of the Commission

APPROVED AS TO FORM

General Counsel of the Alameda
County Transportation Commission

SAN JOAQUIN REGIONAL RAIL COMMISSION

SIGNED:

Christina Fugazi, Chairperson

APPROVED AS TO FORM

Daniel J. Schroeder, Counsel

ATTEST:

STACEY MORTENSEN, Executive Director

Date of Execution: _____

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